ETSY, INC.: CRAFTING A LIVING IN A CAPITALIST ECONOMY

by

Michele A. Krugh
A Dissertation
Submitted to the
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of
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in Partial Fulfillment of
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of
Doctor of Philosophy
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Currently, American interest in craft might be the most widespread it has ever been. The successful e-commerce site Etsy, founded in 2005 and specializing in handmade goods, vintage products, and craft supplies, has played a major role in this contemporary craft resurgence. As a peer-to-peer sharing economy platform and a Certified B Corporation, Etsy, Inc. promises to improve the future through equitable uses of technology, providing some level of income for millions of people, as consumers spend billions of dollars annually on the site. Existing at the intersection of craft idealism, neoliberalism, financialization, techno-utopianism, and ethical business debates, Etsy exposes the contradictions and complications of business, work, and consumption at the current conjuncture.

This dissertation interrogates Etsy’s ability to provide meaningful opportunities for making a living through craftwork in the financial system of advanced capitalism. Rooted
in an idealistic legacy that envisions craft as a form of social critique, contemporary crafters attempt to balance the desire to make a living through the work they love with the precarious nature of such work. Craft provides a way for buyers to display their lifestyles and ethical values through their purchases. Yet as craft becomes more ubiquitous, it is in danger of losing its appeal and authenticity, which in turn will impact the ability of the seller to make a living. Ultimately I conclude that Etsy’s “reimagination” of commerce depends on its success in advocating social changes and providing even more meaningful opportunities for making a living through craftwork.
INTRODUCTION

Currently, American interest in craft might be the most widespread it has ever been.1 This resurgence began in the mid-1990s and grew stronger in the mid-2000s, fueled by increased access to and availability of the internet. As crafters went online, they brought the community aspects of craft with them, connecting through sites like knitting-focused Ravelry.com, Instructables.com, Flickr.com, Pinterest.com, countless blogs and mobile apps like Instagram. Crafters connected with each other to share tutorials, tips, and inspiration. Craft became so popular that mass manufacturers began to use the language of craft, particularly terms like “handmade” and “crafted for you,” as part of marketing campaigns for products as varied as food, beer, clothing, and cars.2 In 2012, craft supplies were a $29 billion market, consumed mainly by millennials under 35.3 Craft chain stores such as Michaels, Jo-Ann Fabric and Craft Stores, and A.C. Moore reported net sales in the billions for the past several years. By 2016, annual sales of craft and vintage jewelry totaled about $35 billion in the United States and $70 billion globally.4 The e-commerce site Etsy has played a major role in this craft resurgence.

Founded in 2005, Etsy grew out of the already extant craft community and was the first e-commerce site to specialize in handmade goods, vintage products, and craft supplies. “Etsy” is comprised of both the corporation Etsy, Inc. and its community of sellers and buyers. By 2016, media outlets hailed Etsy as “the craft goliath that made
‘handmade’ cool again.”⁵ With the support of the craft community, Etsy provides opportunities for members to easily sell and purchase products that exemplify the top aspects of craft: uniqueness, maker-buyer connection, and personality/aura. The ease of opening an Etsy shop benefits the 1.7 million active sellers, many of whom are amateur crafters, who want to earn extra income or start a business.⁶ Etsy’s 26.1 million active buyers can choose from over 40 million niche and personalized products, ranging in price from an $0.18 jewelry charm to a $258,028 abstract painting.⁷ Known for the quirky and custom, Etsy advertises “Editors’ Picks” lists that include gift ideas, pet costumes, wedding accessories, novelty items, and more (Figure 1).

Etsy benefits from several self-identified macroeconomic trends: first, expanding online and mobile commerce (global online retail sales are estimated to reach $1.5 trillion by 2018); second, growing self-employment; third, increasing consumption of unique goods; and finally advancing technology for home manufacturing.⁸ These trends have
also supported the growth of the sharing economy, a contemporary market model under which Etsy is often grouped. The “sharing economy” is the most popular term for peer-to-peer economic activity through digital platforms that provide a range of services, including renting, service-provision, employment, and gifting. Two of the most prominent sharing economy companies are Uber, a ride-hailing service, and Airbnb, a real-estate subletting service. Other common terms include the “gig economy,” “collaborative economy,” “on-demand economy,” and “crowd-sourcing economy.”

The size of the sharing economy is broadly debated and depends on the definition used: 61 to 105 million Americans may have participated in “a sharing economy transaction” and 10 to 22 million Americans may have been providers. In 2014, over 150 companies were considered to be part of the sharing economy, of which Etsy is one of 7 companies in the “Bespoke Goods” subcategory. Sharing economies companies often market the community aspect that results from the peer-to-peer, consumer/producer connection as something novel that has the ability to reconfigure the economy. Using techno-utopian language, such companies, including Etsy, claim to intervene in contemporary capitalism through a collaborative, friendly approach intended to empower individuals through entrepreneurship. For example, Etsy claims to have “built a place that’s about connection as much as it’s about transaction…. Because we’re not just a marketplace, we’re a fundamentally different approach to commerce...”

Etsy’s “positive and powerful” approach to commerce that intends to create “collective good through goods” is just the latest example of craft being promoted as a possible solution to, or reaction against, problematic socio-economic conditions, an idea
first proposed in the late nineteenth century. Until the start of industrialization in the eighteenth century, craftwork was the main mode of goods production. While craft remains part of some industrial production and design processes, it is now mainly a nonessential hobby, luxury, charitable, or therapeutic activity. As such, craft is often trivialized or stigmatized by amateurism. However, Etsy is a highly influential reason for craft’s continued relevance. This is significant, because craft, while often dismissed, underpins Etsy, Inc., a corporation that grew successful enough over its 11 years to accept millions of dollars in venture capital and become a public corporation, promising to do good. Through Etsy alone, craft provides some level of income for millions of people, and millions of consumers spend billions of dollars on it annually. As a peer-to-peer platform, Etsy promises to improve the future through equitable uses of technology.

Taking these factors into consideration, this dissertation asks if Etsy provides meaningful opportunities for making a living through craftwork in the financial system of advanced capitalism?

**Background**

This dissertation argues that Etsy exists at the intersection of craft idealism, neoliberalism, financialization, techno-utopianism, and ethical business debates. Craft idealism, the elevation of craft as desirable, good work, was one of the most lasting contributions of the nineteenth century Arts and Crafts movement. For craftspeople, craft production is often seen as “unalienated” labor and authentic, creative work. The concept of the alienation of labor comes from Karl Marx and describes the relationship of the worker to the “product of his labor as to an alien object.” The worker becomes a slave
of his object. The alienation of labor is constituted by the fact that labor is external to the worker, is not voluntary, and does not belong to him. Alienated labor estranges man from nature, from himself, and from other men. Work is central to the functioning of societies, since paid work distributes income that grants people access to the necessities of food, clothing, and shelter. Work is a highly social activity and provides “a sense of personal identity.” Additionally, paid work is the main way people “are slotted into places within the system of social stratification,” according to sociologist Arne L. Kalleberg. This means that work generates more than income and capital, it also produces “disciplined individuals, governable subjects, worthy citizens, and responsible family members,” according to sociologist Kathi Weeks. The structure of a society determines the kind of work available, who does it and how. Inclusion and exclusion from different types of work creates and remakes class and gendered identities and hierarchies, based on judgments of status, educational tracks, and organization of wage processes and levels. Craftwork is seen as good work, since craftspeople ideally have full control over their process, materials, and time and therefore are not alienated from the product of their labor. Etsy consciously promotes its sellers’ human-focused production that makes craft seem unique and personal, in contrast to anonymous and standardized industrial production.

Moreover, the human connection of craft is one of the main appeals for consumers, since craft commodities “retain certain inalienable properties” as “the bearers of the social identities of their makers,” according to anthropologist Susan Terrio. Consumption has come to mean “any activity that involves the purchase, use, or
enjoyment of any manufactured or agricultural product for any purpose other than the production or exchange of new commodities” or nearly anything one does when not working for wages, according to anthropologist David Graeber. Furthermore, consumption, according to Mary Douglas and Baron Isherwood, is a social process. Goods have a positive contribution to rational life and make physical, visible statements about the hierarchy of values to which the owner subscribes. Goods are neutral but their uses are social. In other words, social subjects distinguish themselves by the distinctions they make, according to sociologist Pierre Bourdieu. The values and systems of dispositions, *habitus*, that generate meaningful practices result from an internalization of social class divisions. For Etsy buyers, craft’s uniqueness focuses attention on the individuality of the consumer or recipient, marking their good taste in contrast to impersonal, standardized mass-produced commodities. Consumption has also become the ‘new’ activism through socially and environmentally responsible ethical consumption movements. Craft fits within such movements, due to its small-scale method of production and anti-capitalist overtones. Moreover, as a sharing economy company, Etsy wants to reimagine commerce to change the world through the interpersonal connections that new technologies facilitate.

New attitudes to both consumption and work developed with neoliberalism. Beginning in the 1970s, neoliberalism, according to David Harvey, proposes that:

… human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade.
Governments should therefore create an appropriate institutional framework, by guaranteeing the integrity of money, and securing private property rights through military, defense, police and legal structures. Once deregulation had occurred, state interventions into markets should be minimal. Furthermore, deregulation from government makes freedom for corporations to operate through free markets and free trade a fundamental good. Neoliberal policies have resulted in previously collective objectives, such as social security and economic growth, being outsourced from public institutions to private enterprises and individuals, according to sociologist Tomas Marttila.\textsuperscript{23} Since “the social good” is maximized by bringing all human action into the market, the laws of the market trap individuals. Risks are offloaded from governments to individuals. Now individuals are understood as entrepreneurial actors, who must bear full responsibility for their actions and be flexible enough to adapt to new opportunities. Furthermore, neoliberalism turns competition into the main characteristic of relationships and turns citizens into consumers. Since individuals are now supposed to actively self-manage their own social welfare and employment, some theorists claim that the entrepreneur is now the role model for subjectivity. Additionally, the deregulation of markets led to the promotion of consumer choice as a complement to or a substitute for “the citizenship ideal of democratic participation.”\textsuperscript{24} These changes set the stage for Etsy’s emphasis on “creative entrepreneurs” and “thoughtful consumers” as a way to “build a more fulfilling and lasting world.”\textsuperscript{25}

Neoliberal policies of deregulation also led to financialization, since financial markets are not autonomous or natural, but operate in political contexts. Financialization,
according to sociologist Greta R. Krippner, is “a pattern of accumulation in which profits accrue primarily through financial channels rather than through trade and commodity production.” First of all, finance involves “an interconnected set of four elements: actors, actions, contexts for action, and rules governing action.” At the core of finance are promises, specifically one party promising another to pay a sum of money. Deregulation led to the consolidation of banks, increasing their size while decreasing their number. Additionally, financial conglomerates merged previously separate forms of banking, like commercial, investment, insurance, and more. The global financial sector became concentrated around a smaller number of internationally competitive firms, which “increasingly separated economic power from direct political control.”

The result of financialization is that financial markets “have re-formatted the institutions of the corporate economy and oriented corporations toward shareholder value as their guiding star,” according to sociologist Gerald Davis. Even more than that, Davis claims that financialization is part of the “fabric of everyday life” as more things are traded financially and more households, directly or indirectly, participate. Finance is now part of everyday life as more things are traded financially and more households, directly or indirectly, participate. Financialization results in changes to economic, societal, and governmental behavior, values, and policies. In order to maintain and expand its marketplace, Etsy accepted over $123 million of venture capital, enmeshing itself in the world of increasing financialization.

Although neoliberal changes to private property rights, private enterprise, and entrepreneurship should supposedly create wealth, thereby raising everyone’s living
standards, instead, inequality of wealth is significantly increasing. Economist Thomas Piketty argues that income inequality has increased so significantly in rich countries since the 1970s that it is at the same concentration of income as the 1920s. Since the distribution of wealth is never purely economic, but rather results from political decisions, Piketty worries income inequality will “radically undermine the meritocratic values on which democratic societies are based.” Concurrently, work has grown more precarious, which lacks stability, and therefore has negative consequences for stress, education, family, community, political stability, and democratization. The instability of work was revealed by the Great Recession (December 2007-June 2009), ending the boom the United States had enjoyed between 2001 and 2007 and doubling household debt, which reached the same level as at the onset of the Great Depression of the 1930s. The recession started with the decline of both housing prices and the stock market. The recession increased unemployment and under-employment, which includes work not equal to one’s skills or part-time work, and led many people to look for supplemental income. Sharing economy sites like Etsy, with their ease in creating online stores, appeared to be a good way to earn additional money through enjoyable work.

Sharing economy sites seemed so appealing due, in part, to their techno-utopian rhetoric that promised to use technology to create better ways of working and buying. Utopian thinking is “always a projective and speculative endeavor,” blurring the “immediacy of the present” with the past and the future, according to Majid Yar. The utopian sensibility is a way for people to understand and interpret culture. The idea of the internet led to both utopian promises of liberation and equality as well as dystopian ones.
of domination and alienation. In turn, connecting online became either a solution to the increasing atomism and individualism of social life or the cause of such erosion. Yet Yar argues that utopian discourses are limited by the

...dualistic distinction between face-to-face relations (which are seen as somehow immediate, spontaneous and ‘natural’) and computer-mediated relations (which are seen as artificial and distant, with technology inserting itself ‘between’ people).

The problem with this duality is that all communication is always already mediated. Furthermore, sociologist Allison Cavanaugh points out that studies of online community tend to start from a partial and particular definition of community: a utopian or dystopian “sense of community as a political construct... a portrait of community as opposed to power, a refuge from the ills of the state or of modernity.” The conclusions of such studies either argue that online community detracts from or enhances offline life, rather than a more nuanced view of such interactions. Self-described as a marketplace “where people around the world connect, both online and offline,” Etsy references this distinction to promote itself as a “global community.”

Community is a term not easily defined but almost always understood as positive. The absence of community is traditionally associated with social problems and social exclusion. Likewise, the idea that the promotion of community can solve such problems remains powerful. Community is made and experienced through the participation of its members, with stronger communities interacting more. Communities create both togetherness and social divisions by distinguishing insiders from outsiders. Community’s “true function,” for sociologist Phillip Selznick, “is to regulate, discipline, and, especially, to channel self-regarding conduct, thereby binding it, so far as possible, to
comprehensive interests and ideals.” Furthermore, sociologist Erik Olin Wright sees community as a moral idea of what defines a good society and an instrumental one to solve the practical problem that human beings can only survive and thrive through cooperation. Online communities connect individuals and groups at local and global levels, without geographic and temporal boundaries. Communication professor Nancy Baym lists five qualities of community found in online groups as a sense of space, shared practice, shared resources and support, shared identities, and interpersonal relationships. Additionally, online communities, including Etsy, often facilitate face-to-face or other networked events or are used to maintain old friendships. Baym concludes that “people can and do develop meaningful personal relationships online,” but many are weak and specialized around shared interests.

Crafters formed many online communities around their shared interests. For many crafters, sharing their craft processes and projects through social media is now an embedded part of the enjoyment of their craft and foregrounds their “creative” or “maker” identity. Online craft networks provide crafters ways to build status and cultural capital. Successful crafters gain more followers, likes, downloads, shares, and so on, which can lead to paid contracts or successful small businesses. Crafters tend to use social media sites, on which users are generally actively involved in the creation of content. Media scholars boyd and Ellison define “social network sites as web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the
system.” Social media is often considered part of Web 2.0 that sociologist David Gauntlett explains as an approach that harnesses “the collective abilities of the members of an online network, to make an especially powerful resource or service.”

Etsy grew out of the craft community and has tried to create a feeling of community through Web 2.0 social media features, such as the provision of online blogs, forums, and other on-site communication features. Etsy has also arranged in-person crafting events. The community aspects of the site tend to be both more used by and useful for its sellers, rather than its buyers. Using the term “community” to describe its users has helped Etsy’s marketing and raised its financial valuations, since e-commerce sites gain value as they gain users. As discussed, Etsy’s use of the term “community” also fits within sharing economy techno-utopian rhetoric. In 2013, CEO Chad Dickerson wrote of making “the world more like Etsy: a world based on community, shared success, commitment to sustainable operations, and using the power of business for a higher purpose.”

Etsy’s desire to use business for good also places it at the center of ethical business debates. In 2012 Etsy, Inc. became a Certified B Corporation (B Corp), which voluntarily meets higher standards of social and environmental accountability and transparency. Etsy’s 2015 Initial Public Offering (IPO) led many analysts to question whether a company is able to pursue both social and environmental welfare and profits, which ties into a larger debate about capitalism. While business and capitalism are seen by some as the best hope for humanity and the environment, others believe that capitalism is in fact a barrier to human welfare and the cause of various socio-cultural
and environmental ills. Additionally, Marisol Sandoval identifies “two competing assumptions about how the common good can be achieved through and within capitalism.”\textsuperscript{47} The first is based on “a belief in the self-regulating capacity of the market, while the second stresses the need for government regulation.”\textsuperscript{48} These contradictory beliefs play out in discussions of corporate social responsibility (CSR), a concept that dates to the 1950s. One definition of CSR involves “practices that improve the workplace and benefit society in ways that go above and beyond what companies are legally required to do,” according to legal scholar Anne Burke.\textsuperscript{49} Opponents of CSR see it as unethical, since corporations only have one fundamental mission under US law, which is to make a profit, and therefore money spent on CSR should actually belong to company stockholders and investors. Yet proponents of CSR argue that corporations could not exist without stakeholders, such as customers, suppliers, and employees, or without environmental resources and travel infrastructure. Therefore, corporations have a responsibility to protect both society and the environment. As a B Corp, Etsy, Inc. promises to use the “power of business… to strengthen communities and regenerate our environment.”\textsuperscript{50} Etsy needs to both maintain its ethical business standards and continue to attract long-term investors interested in its social and environmental mission.

Etsy promises to change the world through the reimagination of commerce centered on the human element. The community-centric focus contrasts impersonal industrial or bureaucratic business and work cultures. As a B Corp, Etsy wants to replace destructive business practices or ideologies with responsible practices meant to do “good” as a business. Yet a few months after becoming a public company, Etsy was with
faced questions over unethical taxation choices that cast a shadow over the whole concept of B Corps. Despite the focus on meaningful work and the expansion of craft through “responsible manufacturing,” work through Etsy can be competitive, often precarious, and without benefits or stability. Similarly, Etsy promotes thoughtful consumption, but even as Etsy wants to provide meaningful change, it often ends up replicating some of the problems of the system that it wants to counter. Therefore, Etsy is a significant object of study, because it exemplifies many of the contradictions of advanced capitalism.

**Chapter Overview**

Chapter one explores the changing socio-cultural perspectives of and opportunities for practicing craft over the centuries. Craft has a history of being offered as a possible solution to, or reaction against, problematic socio-economic conditions since the late nineteenth century. The ideal of handmade celebrates the human aspect of production and consumption and consequently, craft has been promoted as life-affirming, authentic, natural, self-sufficient, and non-conformist. The resulting contrast pits personal, authentic craft goods against impersonal, mass-produced ones. The current interest in the handmade reveals widespread dissatisfaction with the perceived dehumanization of industrialization and the inauthenticity of global brands and corporate jobs.

Chapter two addresses how Etsy as a corporation based around craft can survive and prosper and if Etsy can “do good” as a Certified B Corporation (B Corp). Since its certification as a B Corp in 2012, Etsy, Inc. has faced backlash, as the community and the financialized sides of the company conflicted. As only the second B Corp to become a
publicly traded company, Etsy’s 2015 Initial Public Offering resulted in speculation over whether ethical businesses could survive as publicly traded companies, the implications of which still remain to be seen.

Chapter three questions whether Etsy sellers can be successful and find genuine fulfillment through craft while still making a living in the digital peer-to-peer economy into which Etsy channels them. Craft is considered good and creative work, but it is also precarious work. Craft’s history shows the difficulty of success with craft businesses, including lack of financial viability and the difficulty of authentically scaling up without becoming mainstream or mass-produced. A minority of sellers can probably find genuine fulfillment but for others, trying to sell their crafts may cause frustration and loss of money instead. Sellers who grow their businesses by hiring employees or outside manufacturing help must navigate the vague disapproval of “mass production” and the idealization of craft as desirable, good, individual work, often related to anti-capitalist values.

Chapter four considers the impact of peer-to-peer craft purchases. Craft provides a way for buyers to display their lifestyles and values through their purchases. Craft fits with the re-imagination of commerce through socially and environmentally responsible ethical consumption, due to its small-scale method of production and anti-capitalist overtones. The utopian potential of craft promotes more self-aware lifestyle choices for buyers interesting in cultivating a taste for ethical commodities. Craft emphasizes community and connection, which can make sustainable objects more meaningful and
more prized. Yet as craft becomes more ubiquitous, it is in danger of losing its appeal and authenticity.

Although the interest in craft will likely fade again, the legacy of craft idealism will continue to celebrate the human aspects of living, working, and buying and promote the viability of alternative solutions to contemporary problems. Building upon this legacy, Etsy’s “reimagination” of commerce depends on its success in advocating social changes and providing even more meaningful opportunities for making a living through craftwork.

1 Craft exists in a continuum with design and art, and the definitions of each often rely on distinctions made between the three categories. Design, unlike craft, separates the act of conception and planning of objects from that of making. Craft, which generally produces functional objects, is often seen as inferior to art, which is viewed as more conceptual and purely aesthetic.


6 Active sellers mean they incurred at least one charge in the last 12 months. “About Etsy,” Etsy, October 20, 2016. https://www.etsy.com/about/?ref=frf.

7 Active buyers made at least one purchase in the last 12 months. “About Etsy,” Etsy, October 20, 2016. https://www.etsy.com/about/?ref=frf.


9 Google searches on April 1, 2016 (with all search terms in quotation marks) had about 2,555,000 results for “sharing economy,” 538,000 for “crowdsourcing economy,” 374,000 for “on-demand economy,”
352,000 for “gig economy,” 246,000 for “collaborative economy,” and 21,500 for “1099 economy” (after the IRS tax form 1099-MISC for independent contractors).

In a Federal Trade Commission workshop, “The “Sharing” Economy: Issues Facing Platforms, Participants, and Regulators,” Joshua Gans, Professor of Strategic Management, defines the sharing economy as interchangeable with “peer-to-peer” and having two characteristics: “The first characteristic is that individuals own key assets. They own cars, dwellings, their time, et cetera. They’re owned by individuals. And the second aspect is there exists some sort of market platform that is going to match these individuals who own things with consumers who want to access them…. markets are successful if they are liquid, if they solve what we’ll call the “temporal agglomeration problem,” and if the transactions in them are safe.”


11 The 12 categories are Goods, Food, Services, Transportation, Space, Money, Learning, Health & Wellness, Logistics, Corporate, Utilities, and Municipal. It is likely that not all the companies listed in this infographic still exist.


13 Ibid.


22 David Harvey, A Brief History of Neoliberalism (Oxford: Oxford University Press, 2007), 2.


Actors include both individuals, such as borrowers, lenders, investors, bankers, and so on, and organizational actors, including banks, pension funds, insurance companies and so on. Bruce G. Carruthers, and Jeong-Chul Kim, “The Sociology of Finance,” *Annual Review of Sociology* 37, no. 1 (2011): 240.


Precarious is one of several terms academics use to describe the state of the current economy. Other terms include information economy, knowledge economy, creative economy, post-Fordism, post-industrialization, second industrial revolution, service economy, cognitive capitalism, network society, liquid modernity, new capitalism and risk society. Along with these terms are a multiplicity used to discuss types of labor: creative, network, cognitive, service, affective, linguistic, and immaterial. Although these terms are sometimes used interchangeably, Brett Neilson, and Ned Rossiter argue that “in their very multiplication they point to diverse qualities of experience that are not simply reducible to each other. See: Rosalind Gill, and Andy Pratt, “In the Social Factory? Immaterial Labour, Precariousness and Cultural Work,” *Theory, Culture & Society* 25, no. 7–8 (December 1, 2008): 2; Cristina Morini, “The Feminization of Labour in Cognitive Capitalism,” *Feminist Review*, no. 87 (January 1, 2007): 41; Brett Neilson, and Ned Rossiter, “From Precarity to Precariousness and Back Again: Labour, Life and Unstable Networks,” *Fibrearts* no. 5 (2005).


Early rhetoric about the internet promised that individual and social identities could be re-invented digitally, with the idea that you can be anyone online and no one would know differently.


Ibid., 131


Web 2.0 includes sites like YouTube, eBay, Facebook, Flickr, Craigslist, and Wikipedia that exist through user contributions.


48 Ibid.


CHAPTER ONE: CRAFT AS CRITIQUE

Until the start of industrialization in the eighteenth century, craftwork was the main mode of production. Western European craft went through three broad historical stages of development, as identified by art critic Edward Lucie-Smith. In the first stage, objects were made mainly hand with relatively simple tools. Beginning in the eleventh century, most of the craftwork in Europe occurred in guilds, which were formal associations of specialized artisans. By the fifteenth century, guilds began to decline and attitudes to craft changed during the Renaissance (about 1400-1600). In this second stage, craft began to be associated with the body and became intellectually separated from fine art, which was associated with the mind and valued more highly than craft. The third stage of craft came with industrialization in the eighteenth and nineteenth centuries, when craft objects, made “by hand,” became separated from things made by machines and in factories. Although industrialization did not destroy craft skills and traditional lifestyles as rapidly as many have assumed, restructuring of work and economic relationships occurred.

The response to industrialization and the increased division of labor that occurred in factories was mixed. Some, such as Samuel Smiles, praised the new efficiency of newly engineered “machine tools” that are “not careless or clumsy” and “will repeat their operations a thousand times without tiring, or … complaining.” Others, such as Karl
Marx, worried about industrialization’s effect on the workers. In 1867, Marx proclaimed that in “handicrafts and manufacture, the worker makes use of a tool; in the factory, the machine makes use of him.” By the late nineteenth century, the Arts and Crafts movement developed as a reaction against industrialization and its attendant poor working conditions. The movement has been characterized as romantic, anti-modern and nostalgic, since early exponents looked to the artisan guilds of the Middle Ages for inspiration. William Morris, leader of the Arts and Crafts movement, thought of the Middle Ages as an ideal time, when the “workman worked for himself and not for any capitalistic employer,” experiencing joy in his labor as the master of his work and his time, rather than being a mere “tender of machines.” Morris concluded that “the revival of handicraft,” although contemptible in the face of commercialism was a “noteworthy and encouraging” part of the change that he hoped would transform “civilization into socialism.”

Over the course of the twentieth and twenty-first centuries, craft continued to reappear as a possible solution to, or reaction against, problematic socio-economic conditions. During the Great Depression of the 1930s, craft as hobbies became an important way for under- and unemployed people to maintain their job skills and work ethic and to use free time productively. During the 1960s and 1970s, craft was used as an alternative activity in the myriad of extant social movements and subcultures. By 1974, James Plaut of the World Crafts Council saw craft as part of the “inevitable movement against technology and automation, against the dominant machine, against the dehumanization of mankind.” Plaut felt that this movement was led by the “sons and
daughters of affluence” dropping out of society and then rediscovering life before
technology and reasserting craftmanship.\textsuperscript{57} In the 1990s, craft author Wendy Rosen
could still argue that “craft objects … represent our free-spirited, independent past, a time
when technology and big business weren’t in control of our lives.”\textsuperscript{58}

Twenty-first century craft continues to exist in relation to industrialization. Craft
has even been called “a way of rethinking the capitalist industrialized moment itself and
the patriarchal division of space/labor.”\textsuperscript{59} Influences on contemporary craft include anti-
globalization, anti-sweatshop and anti-capitalist movements as well as efforts that
champion ethical consumption. People continue to question mass production and
problematic labor practices and have newer concerns with ecologically unsound
production and consumption. Whereas historically William Morris saw craft as part of
the transition to socialism, contemporary metalsmith Gabriel Craig sees twenty-first
century craft as “a footnote in the transition from a consumer culture to a sustainable
culture.”\textsuperscript{60} Peer-to-peer e-commerce site Etsy, with its mission “to reimagine commerce
in ways that build a more fulfilling and lasting world,” is one of the latest manifestations
of the legacy of craft idealism that started with the nineteenth century anti-modern
conception of craft as unalienated labor in opposition to industrialization.\textsuperscript{61} This chapter
will therefore start with a brief history of pre-industrial craft to set the stage for the
impact of industrialization and the Arts and Crafts movement. It will start in a Western,
mostly British, context and end by focusing on the United States in order to make the
argument that craft has increasingly become a reaction to changing socio-economic
conditions and changing forms of capitalism, from industrial capitalism to advanced capitalism.

Pre-Industry (11th-18th Centuries)
The European Middle Ages lasted from approximately the fifth to the fifteenth centuries. Starting in the eleventh century, craft was formally practiced in urban organizations - guilds. Guilds were focused around a single craft or specialization, such as stone masonry or goldsmithing. Unlike the idyllic conditions imagined by the nineteenth century Arts and Crafts movement, in which medieval workmen enjoyed working for no one but themselves and managed their own time, craft historian Edward Lucie-Smith argues that the “aim of the guilds often seems to have been to confine men to set tasks, and to make sure that they did not poach in territory belonging to other people.”62 Craft guilds were formal associations of “specialized artisans, the masters, whose authority was backed by superior political sanction; apprentices and journeymen came under guild jurisdiction but lacked membership rights.”63 Historian Robert Brenner describes the chief purpose of guilds as a way to reduce the uncertainty of market production by reducing competition. Membership in guilds was mostly hereditary and guildsmen could not voluntarily leave. In addition, the guilds enforced economic rules meant to keep production and selling conditions as equal as possible for all members. The economic rules meant that masters were only allowed a certain number of journeymen, wages and working hours were uniformly regulated, products were standardized, and quality control over said products was strict. The guilds began to decline in the late fifteenth century, as competition from putting-out systems, manufactories, and factories
increased. In the Middle Ages, craft hobbies were also performed informally by both gentlemen and women. The classification of women’s home craftwork as “an amateurish feminine pastime” served as proof of gentility and class position up through the nineteenth century.

The Renaissance, starting in the fifteenth century, did not drastically change the working conditions or technical methods of the craft guilds but did bring a change in attitude towards craft, resulting in the intellectual separation of craft from fine art. Fine art became associated with the mind and seen as the product of innate genius, whereas craft became associated with the body, with skills that could be learned and handed down generationally. William Morris claimed later that “the men of the Renaissance lent all their energies, consciously or unconsciously, to the severance of art from the daily lives of men.” Academies of art were formed and, by the mid-eighteenth century, the five Beaux-Arts (Fine Arts) were painting, sculpture, architecture, poetry and music. Everything else, including craft, was “variously known as applied arts, decorative arts or even lesser arts,” according to design historian Rafael Cardoso. These shifting attitudes were further bolstered by technological advances, including the growth of print culture in the sixteenth century, which allowed literate people to learn craft skills without personal demonstrations or formal or informal apprenticeships. Now interested people could learn craft techniques from a geographically and temporally broad range of teachers. Such printed materials “clearly and unambiguously” document, according to historian Rachel Maines, “consumers’ love of tools and materials for leisure activities and hobby artisanship” from the late seventeenth century on.
By the seventeenth and eighteenth centuries, a division of labor, which had always existed in some form in guilds and workshops, now became entrenched. In one example, the craftsmen who worked for eighteenth century furniture maker Thomas Chippendale ceased to be seen as autonomous artisans and became “only a pair of hands.” Even Chippendale himself was directed by others, particularly the architect Robert Adam, who determined the styles his workshop was to produce. The overall emphasis in craft production was on the standardization of products and the rationalization of the production process. This standardization meant overcoming not only the “organic variations of the materials” but also the different methods workers wanted to use. The goal of eighteenth century artisans was to minimize evidence of the object’s construction and to achieve a regulated appearance that was later linked to machines. Regulation occurred within the framework of one of the many Enlightenment dichotomies, carried forward from the Renaissance, in which the work of the mind was valued higher than the body for its purer and rarer form. Art historian Marcia Tucker explains further that “bodily experience threaten[ed] to unsettle ‘pure’ taste, which [had] been hard won through intense mental discipline and training.” The result of the mind/body split continues to impact views of craft as inferior to fine art.

In North America, the first 100 years of European colonization and craftwork (1650-1750) were Eurocentric and did not acknowledge Native American populations or their “heathen” crafts. During this timeframe, every person was “generally speaking, still a craftsperson,” since work was done at home or village and distributed locally or through bartering. Furthermore, American craftsmen of the seventeenth and eighteenth
centuries had a medieval outlook that favored a stable position for craftsmen “within a static and heavily regulated economy.” Craftsmen started as apprentices, became wage-earning journeymen, then master craftsmen, with the goal being shop ownership. Although craftsmen might have had a medieval outlook, consumption practices in America after 1740 changed rapidly, to the extent that the “per capita consumption of British manufactures actually grew at a faster rate than did the [American] population itself.” Few Americans were excluded from the new market and everyone could access far more product choices than ever before. These changes were part of a larger eighteenth century consumer revolution. As the population increased, differentiation in quality of craft occurred by social class stratification and geographic location. The East coast population had sophisticated tastes, production methods, and purchasing power, so that families no longer needed to produce their own goods. As people moved west after 1800, frontier societies still required most members to be able to make functional craft objects, which had important implications for the differences between the American and British Arts and Crafts movements.

**Industrialization (18th and 19th Centuries)**

Industrialization began in the late eighteenth century, encouraged by increasing trade, by European colonization abroad, and by the mercantilist system. Creating new technologies and energy sources, industrialization also changed the organization of work and economic relationships. Work was now separated from other social institutions, in particular no longer embedded in the family or religion. Although more traditional, agricultural, and home-based lifestyles did not decline as rapidly as many historians later
assumed, sociologist Keith Grint concludes that, “industrial capitalism facilitated the decline of the family as a collective work unit and polarized the work opportunities of men and women.”

Therefore, one consequence of industrialization was the creation of a large class of wage workers, who did not own the tools, materials or buildings in which they worked. Industrialization was accordingly blamed for destroying communities, destabilizing families, and making the individual nothing but a “cog in the machine of progress.” Industrial capitalism was also often accused of being responsible for the deskilling and destruction of craftsmanship. In 1898, Wellesley College professor Vida Scudder claimed that in “the days of handicraft, work was its own reward; it is so no longer…. the division of labour, leaves people where it found them, only a little more stupefied.”

Similarly, one of the most influential later accounts of deskilling was that of Harry Braverman, who argued that workers “lose craft and traditional abilities without gaining new abilities adequate to compensate the loss,” producing discontent. Although the extent to which said deskilling occurred is still debated, some craft skills were necessary to industrialization, while others disappeared or changed.

New industrial crafts, related to iron and steam technology, increased, while general craft skills narrowed. Industrialization depended on craft-workers, particularly metalworkers, to pioneer mass production methods and tools. However, many commodities, particularly metal ones, needed to be hand-finished. Factory labor developed hierarchical craft unions, in which skilled men expected to be paid more than the unskilled. Some industries and craft disciplines could not be easily mechanized but were still reorganized. Not all industrialization led to factories, instead in some places
like Birmingham, England, small workshops production of hardware products increased.\textsuperscript{83} In many trades, craft workshops existed side by side with steam-powered machines until the end of the nineteenth century. In America, artisans became a laboring class as “modern methods of business, including insurance incorporation, division of labor and quantity production— in place before industrialization—overtook the most populous artisan crafts.”\textsuperscript{84} Industrialization created more labor-intensive jobs, overwork (increased workloads and hours), and sweating (sweated labor). Sweating, being paid less than “the minimum for a healthy and tolerable life,” was considered one of the main social problems of industrialization.\textsuperscript{85} Female domestic workers were particularly vulnerable, although men could also be trapped in the sweated labor market through age, lack of skill, or personal misfortune. After 1820, increase in income inequality and rapid urbanization combined led to poverty, poor working and living conditions, including overcrowding and lack of sanitation.

The response to industrialization by contemporaries was mixed. Charles Babbage wrote in favor of a division of labor in which the:

\textit{…constant repetition of the same process necessarily produces in the workman a degree of excellence and rapidity in his particular department, which is never possessed by a person who is obliged to execute many different processes.}\textsuperscript{86}

In contrast, 1829, Thomas Carlyle feared that the living artisan is driven from his workshop, to make room for a speedier inanimate one…. Men are grown mechanical in head and heart, as well as in hand.”\textsuperscript{87} One notable protest against deskill ing and industrialization occurred in the early nineteenth century when Luddites protested mechanization that threatened their livelihood by smashing the new power looms.
Another concern was the creation of a new American “manufacturing aristocracy,” which Alexis de Tocqueville considered “one of the harshest that ever existed in the world.”

Industrialism also “quarantined work from leisure in a way that made employment more worklike and nonwork more problematic,” according to historian Stephen Gelber. Separating work from leisure commodified both labor and time and linked leisure with freedom. In turn, people began to look to leisure to compensate for what their workplaces lacked. Before 1880, a hobby was a dangerous obsession; afterward a hobby was seen as a productive use of free time. As the nineteenth century continued, art historian Gillian Naylor asserts that industry stopped being seen as a tool to improve mankind but as a force that destroyed England’s culture, traditions, and artisans, setting the stage for the Arts and Crafts movement.

**Arts and Crafts Movement in Britain (1870-1910)**

The Arts and Crafts movement started in England in the 1870s and spread to other European countries and North America, where the movement peaked from 1890 to 1910. According to historian Alan Crawford, the Arts and Crafts movement was motivated by three principle ideas: the “Unity of Art (artists and craftsmen working together), Joy in Labour (the creative satisfaction of ordinary work), [and] Design Reform (making manufactured objects better).” The movement has been characterized as romantic, anti-modern and nostalgic, since early exponents like A.W.N. Pugin (1812-1852), John Ruskin (1819-1900), and William Morris (1834-1896) looked to the artisan guilds of the Middle Ages for inspiration. Although the movement ended in the early twentieth
century, it continues to strongly influence contemporary understandings of craft and the “handmade.”

Great Britain was at its peak as an imperialist power in the 1880s under Queen Victoria, yet concerns arose over the quality of British design, economic problems, trouble with Ireland, and working class labor issues.93 One response to these concerns came from Arts and Crafts movement followers who believed the only way to quell working class unrest was to create better working conditions to restore the worker’s dignity and give him satisfaction in labor. They believed these conditions could be found in medieval craft guilds. The Arts and Crafts movement was part of larger nineteenth century trends towards medievalism and anti-modernism. Sociologist Michael Kimmel claims that anti-modernism was, for most, a desperate longing for community, which remains an important aspect of craft. In their search for authenticity, community and meaningful labor, Kimmel argues that anti-modernists sought “to reverse the disastrous direction of history and reinfuse society with meaning.”94 The activist version of anti-modernism, which historian Jackson Lears explains, “preached regeneration through preindustrial craftsmanship and a pastoral ‘simple life’” is most relevant to craft.95 Anti-modernists tried to revitalize personal identity through authentic experiences. Since their search for authentic experiences often turned into therapeutic quests for the self, their dissent became re-assimilated into the mainstream, helping to accommodate the new culture of consumption. Medievalism, also known as the Gothic revival, was a subset of anti-modernism, and had an imaginative impact on art, literature, politics and architecture. In the national imagination, medievalism stood as a symbol of a real world
that was disappearing. One of the most influential proponents of Gothic architecture was John Ruskin. In his influential books *The Seven Lamps of Architecture* (1849) and *The Stones of Venice* (1851-3), Ruskin praised such architecture, since it revealed its man-made origins through roughness and individuality. In keeping with the larger ideological thrust of Gothic revivalism, Ruskin believed that decorative arts were better than fine arts, since they combined mental and manual labor. Ruskin argued:

> It is only by labor that thought can be made healthy, and only by thought that labor can be made happy, and the two cannot be separated with impunity. It would be well if all of us were good handicraftmen in some kind, and the dishonour of manual labor done away with altogether.96

Ruskin thought that social change would come from the top down by conversion of individual hearts, therefore upper class people needed to recognize their personal accountability for the beauty of the environment.97 Ruskin’s genius, according to metalsmith Bruce Metcalf, “was to move attention away from a disinterested contemplation of an artwork and toward a broader examination of the society from which the work emerges,” which set the stage for the Arts and Crafts movement.98

Ruskin’s version of the history of the Middle Ages strongly influenced William Morris, the most influential leader of the Arts and Crafts movement. The ethical and political dimensions of Ruskin’s *The Nature of the Gothic* particularly inspired Morris’ belief in art as the expression of man’s joy in labor. Morris democratized Ruskin’s legacy, wanting art “made by the people for the people as a joy for the maker and the user,” according to feminist historian Eileen Boris.99 In his speech “Architecture and History,” Morris laid out a history of craft from the ancient Greeks to the late nineteenth century. He believed that in the fourteenth century, a craftsman “worked for no master
save the public, he made his wares from beginning to end himself, and sold them himself to the man who was going to use them,” with little to no division of labor so that he had plenty of variety in his craft.100 By the sixteenth century, capitalists had created the “division of labour system” where “a man may be, and often is, condemned for the whole of his life to make the insignificant portion of an insignificant article of the market.”101 By the eighteenth century, this division had reduced workmen to machines. By the late nineteenth century, Morris felt that the situation was even worse; workmen were now slaves to machines.

Morris believed a way to combat this problem was to change the manufacturing conditions in order to reinstate the social relations of production found in Middle Ages artisan guilds. In “The Revival of Handicraft,” Morris argues that:

…we do sorely need a system of production which will give us beautiful surroundings and pleasant occupation, and which will tend to make us good human animals, able to do something for ourselves, so that we may be generally intelligent…102

Starting with the individual, human animal and then moving to the societal level, the Arts and Crafts movement sought to “reassert unity in a world perceived to be artificially fragmented,” according to historian Tom Crook.103 The ideal place of unity was the workshop, where social solidarity and the production of objects necessary for life combined. In the workshop, craftsmen could learn from each other and produce objects in their entirety—from idea to material reality.

Community continues to be an important aspect of craft. By removing the division between designers and workmen, Morris wanted workers to generate joy in their work, rather than alienation. Alienation refers to Karl Marx’s concept, where the worker
confronts the product of his labor as “something alien, as a power independent of the producer.”

In the capitalist mode of production, as the world of things becomes more valued, the world of men becomes devalued, according to Marx. Labor therefore does not just produce commodities but also produces the worker as a commodity. Morris wanted to use the social relations of craft to combat this alienation. If workers were in charge of the whole process of design and creation, they would find satisfaction in their labor that they could never find in a fragmented division of labor. Although leaders of the Arts and Crafts movement often belonged to the moneyed class, they sought to liberate the working class. By becoming laborers themselves, they were at odds with the social expectations of their own rank – making a “revolution without revolutionaries,” according to social historian E.P. Thompson.

Still, by making art respectable and worthy, many young gentlemen were able to reject careers in law or banking in favor of architecture or workshop experiences.

Additionally the Arts and Crafts movement allowed hundreds of women to earn money from handiwork. By the middle of the nineteenth century, women’s social roles had shifted away from being economic partners to the Victorian “cult-of-domesticity values” of piety, purity, domesticity, and submissiveness. Women, especially those in the new middle class, were not supposed to work outside the home and usually did not have to. Additionally the rise of industrialization created a middle class that purchased, rather than made, necessary objects themselves, eliminating many of women’s traditional duties and making men the family’s sole provider. Hobbies, such as fancywork, became increasingly popular pastimes for women that demonstrated education, good taste, and
Craft accomplishments provided social approval, self-respect, and assistance in the marriage market. Craft hobbies also trained women to be diligent, self-disciplined, productive domestic managers. Yet, often women’s work was devalued as “amateur.” Criticism of second-rate amateur work, argues Isabelle Anscombe, damaged the cause of feminism, since poorly conceived or executed designs were seen as an essential failure in women to be truly artistic rather than a lack of opportunities, training or facilities.

The consensus is far from clear on the impact of the Arts and Crafts movement on women. Art historian Anthea Callen argues that despite the movement’s socially and artistically radical aspects, “it in fact reproduced and perpetuated-and thus reinforced-the dominant Victorian patriarchal ideology.” A second sexual division of labor existed within the production of craft objects, so that tasks were divided between male designer and female maker or with women doing the menial tasks in the process. In contrast, Lynne Walker argues that instead of further alienating women, the Arts and Crafts movement provided women with alternate roles, institutions and structures which they actively used. Likewise, historian Catherine Zipf claims that women participated in the American Arts and Crafts movement at every level, as laborers, managers, and CEOs. The movement’s emphasis on the local and home environment made it acceptable for women to found businesses, invent technology, and build economic markets. Craft businesses remain a popular and acceptable small-business choice for women to this day. Women were notably involved in Arts and Crafts philanthropic organizations, such as the British Home Arts and Industries Association (1880), which promoted craft as an uplifting activity and skill, the School of Handicraft (1887) and Toynbee Hall (1884).
others, fostering a collaborative environment in line with their ideal of the medieval guilds, was important to create the labor conditions necessary for skilled work. Two of the most influential guilds of the Arts and Crafts movement were the Century Guild (1882) and the Art Workers’ Guild (founded in 1884 and still in existence). Neither the Century Guild nor the Art Workers’ Guild actually resembled the hierarchical, lifelong, specialized guilds of the Middle Ages that they idealized. Nor were many of these guilds able to work cooperatively in the long term or affect the design changes they had set out to do. For example, William Morris co-founded the company Morris, Marshall, Faulkner & Co. in 1861, which perceived itself as a cooperative of artists who designed as well as produced objects and served as “a protest against the fragmentation of work and of workers caused by the division of labor.”

Morris embodied the designer as craftsman ideal, completing all aspects of a project, yet a division of labor still existed among his workers who had little personal influence over the production process. Even though Morris had wanted to create art that would be available to all classes of people, due to the costly nature of his production methods his firm produced work mainly for the upper class.

Arts and Crafts Movement in the United States (1890-1910)

The zenith of the Arts and Crafts movement in the United States occurred from 1890 to 1910, concurrent with the Progressive Era. As in the British movement, design was seen as a way to combat class conflict and social ills. Yet much of the radical political content of the English movement was removed and was substituted with “an ideology of personal growth and fulfillment through labor.” Art historian Pamela Todd
lists three central differences between the British and American movements: 1) Americans saw class issues differently, reducing the ideological component; 2) Americans were unembarrassed about marketing and commercializing their products; and 3) Americans had a more open attitude towards machinery. Additionally, many Americans were only “one generation away from the homestead” and still had their family tools, so handicrafts were a way of life, “not a philosophical leap of faith.” A further impact on the American movement came from the Transcendentalism of Henry David Thoreau, Walt Whitman, and Ralph Waldo Emerson, with their blend of modernity and individualism. In the transcendental view, art was a way to uplift society and “provide moral regeneration.” Finally, the American Arts and Crafts movement also fit with the search for vernacular expression, which was an intrinsic part of the national romantic spirit of the nineteenth century.

The American movement had two strands, the first of which focused on transforming labor as part of larger Progressive Era reforms. The Progressive Era was “a time of optimistic reform when the new middle class sought to alleviate the ills generated by industry.” From 1880-1920, the United States was undergoing rapid political and social transformation, which included increased immigration, expansion of corporations and industries, urbanization, child labor, tenement slums, monopoly corporations, rising consumerism and mass production. The first strand of the movement therefore wanted to restructure manufacturing and to design “a system where the production process itself would be both artistic and educative and where the products of labor would be both useful and beautiful.” The second strand of the movement wanted to improve taste in
order to raise the cultural level of the entire population. This cultivation of “art” in
everyday life led to a democratic art style for and of the middle classes, a counterpart to
Progressive reform.

Between 1860 and 1900, the middle class, composed of managerial and
professional white-collar workers, tripled. The constantly shifting boundaries of this new
class, combined with industrial and urban growth, generated social uncertainty.
Technology became more sophisticated and economic life more rationalized. Instead of
small workshops, monopolistic corporations became the dominant mode of economic
organization. Mechanical engineer Frederick Winslow Taylor was at the forefront of this
drive for the rationalization of work. Taylor sought to improve industrial efficiency
through scientific management, what came to be eponymously known as Taylorization.
Under Taylor’s system traditional craft know-how was reduced to scientific data, which
Harry Braverman later referred to as the “destruction of craftsmanship.” Taylor used
time studies to break down tasks to the smallest components and then improve them. This
method often – but not always – made manufacturing work physically easier and faster
but usually at the expense of worker satisfaction. An editorial in the *International
Molders Journal* reveals a contemporary reaction to Taylor’s scientific management:

> The one great asset of the wage worker has been his craftsmanship…. But
true craftsmanship is … not manual skill and dexterity but something
stored up in the mind of the worker…. When [the process of separating
skill and knowledge] is completed, the worker is no longer a craftsman in
any sense, but is an animated tool of the management.

The attitudes expressed by this worker reflect earlier writings on the impact of
industrialization and mechanization by Thomas Carlyle and William Morris. In response
to these social problems, the middle class began to develop social-welfare programs and educational reforms, adding craft to elementary and high school curricula. Vocational, industrial art, and design schools, similar to those founded in Great Britain, were developed to make American goods competitive with European imports. University faculty, such as Charles Eliot Norton of Harvard and John Dewey of the University of Chicago, worked with industrial leaders, artists, and craftspeople to create experimental partnerships between schools, industry, and social service organizations.

In addition to the new schools of art and design, another type of social welfare program was the settlement house, such as Chicago’s Hull House and Boston’s South End House. In settlement houses, middle class men and women lived cooperatively with poorly educated and poorly paid workers and immigrants. Here, reformers used craft to fill workers’ leisure hours that they feared might otherwise be spent drinking or gambling. They then marketed the resulting crafts. Even though reformers tried to use craftsmanship to better the lives of immigrants, some of the cottage industries were often forms of sweated labor. Others tried to duplicate earlier forms of communal living, copying from the Transcendentalists and Utopians, to create idealistic and generally short-lived craft colonies. Again, community continues to be an important aspect of craft. Some practitioners rejected industrial society and focused on rural crafts, such as basket-weaving and knitting, whose appeal was their static nature, leading them to become preservationists rather than innovators.

The last third of the nineteenth century marked the rise of a consumer society on both sides of the Atlantic. Mass production in the United States gained momentum and
consumer goods were available more cheaply and broadly. Access to goods was democratized as they became cheaper. Life no longer revolved around the local market but instead around consumer centers, as the distribution of goods changed with the growth of the department store and mass marketing. However, the Arts and Crafts aesthetic of simplicity suited mass production and mass consumption. In America, large manufacturers played an important secondary role by disseminating the style, rather than the philosophy, of the Arts and Crafts movement. Ironically, the promotional materials of business ventures helped establish a market for “handcrafted” goods that aided artists and craftsmen who worked singly or in guild-like arrangements. Philosophically pure Arts and Crafts societies often benefited from the “advertising hyperbole” of commercial manufacturers, who made objects that appeared individually handcrafted but may have been mass-produced. Two notable companies that marketed the Arts and Crafts ideal were Gustav Stickley’s *Craftsman* magazine and furniture company and the Roycroft mail-order gift catalogues. Elbert Hubbard started the Roycroft Arts and Crafts community as a joke but turned it into a successful business venture that combined “symbolic medievalism with communitarianism and benevolent capitalism.” Stickley, a businessman, tried to combine high ideals of craftsmanship with the latest machinery to make furniture that evoked the simpler life of the early American settlers. Stickley did not believe that craft meant hand production only but rather that the worker should master the machine as a useful tool. With the labor saved by the machine, theoretically the worker would be free to express his individuality in the finishing details. Feminist scholar Eileen Boris claims that this commercialization both democratized and diminished the
legacy of Ruskin and Morris by popularizing the style without the challenge to capitalism that was part of the British movement. Consumer goods gave people ways to construct new identities and communities, allowed Americans to adjust to changing patterns of work, and allowed immigrants to cope with a new culture. Since middle class consumers could not afford unique pieces, buying standardized forms assured them of tasteful, acceptable goods.

Yet people began to be concerned that individuality was being lost beneath the uniformity of mass culture. Additionally, economist and sociologist Thorstein Veblen criticized the new type of leisure class brought about by consumer culture and its conspicuous consumption. For Veblen, the desire for handmade objects was a form of conspicuous consumption, reversing the values the movement had tried to establish. He critiqued “the visible imperfections of the hand-wrought goods” as “marks of superiority in point of beauty, or serviceability, or both” which led to an “exaltation of the defective.” He blamed Ruskin and Morris for their propaganda of “crudity” and the wasted effort they caused. The intentionally or artificially crude or rough finishes of craft objects resulted from the Arts and Crafts reformers’ contradictory relationship to machines. With machines increasingly able to produce smooth and perfect objects, handmade objects were distinguished from machine-made ones through the marks of hand tools. The main complaints about the use of machinery stemmed from the intensified division of labor, the often attendant “deadening” work processes, and the resultant poorly made goods. Some reformers recognized the necessity of machines, while others called for their removal and the return to pure handicraft. Morris felt that as
“a condition of life, production by machinery is altogether an evil; as an instrument for forcing on us better conditions of life, it has been, and some time yet will be, indispensable.”\textsuperscript{134} In contrast, Morris’ contemporary, Arthur Mackmurdo, co-founder of the Century Guild, optimistically “believed that machinery could act as a liberating force that would free men to spend more time in pursuit of the idea of beauty itself.”\textsuperscript{135} Similarly, American designer Ernest Batchelder considered the “evil of machinery” to be a “question of whether machinery shall use men or men shall use machinery.”\textsuperscript{136} In 1902, Hermann Muthesius, founder of the Deutscher Werkbund, an organization of designers and artists, argued that the “products that are economically natural are of course the things made by machines…. If one takes handicraft as an ideal, one commits oneself to the economically unnatural.”\textsuperscript{137} The result of the economically unnatural “bizarre cultural ideal championed by William Morris” was not art for the people but products so expensive only the wealthy could afford to own them, a continuing problem for craft.\textsuperscript{138}

Charles Robert Ashbee, creator of the Guild and School of Handicraft, agreed with Muthesius that the British made “a great social movement [into] a narrow and tiresome little aristocracy [of designers] working with high skill for the very rich.”\textsuperscript{139} Likewise Lewis Mumford, author of the 1934 book \textit{Technics and Civilization}, wrote that:

\begin{quote}
Modern handicraft, which sought to rescue the worker from the slavery of shoddy machine production, merely enabled the well-to-do to enjoy new objects that were … completely divorced from the dominant social milieu…\textsuperscript{140}
\end{quote}

Proving Ashbee and Mumford’s point, William Morris had wanted to create art that would be available to all classes of people but, due to the costly nature of his production methods, his firm produced work mainly for the upper class. By 1915, the broader aims
of the movement had shrunk. Changing the socio-economic conditions was no longer driving the movement; instead the focus had shifted to individual expression and creativity. Rather than creating a new ideal of labor, Arts and Crafts practitioners ended up creating a new aesthetic, one in which art and its production became part of middle class consumer culture.

Curator Wendy Kaplan argues that the Arts and Crafts movement’s glorification of work by hand actually reduced the quality of goods and downgraded professional standards.141 Likewise, designer David Pye feels that Ruskin and Morris destroyed Victorian workmanship by diverting “the attention of educated people from what was good in the workmanship of their own time” and causing them to despise it.142 By ignoring their eighteenth century predecessors and returning to the rougher Gothic style, the Arts and Crafts movement changed the notion of what skill is and what constitutes a masterpiece of craftsmanship. Skilled craftsmanship had previously meant reproducibility and intricacy but, since reproducibility was now associated with mass production, leaders turned to irregularity and evidence of human makers as proof of skill, a linkage that continues to impact definitions of craft today. This alternative aesthetic or “aesthetic-in-opposition” continues to influence contemporary visions of what craft should look like.143 Moreover, Boris concludes that what began “as a critique of art and labour under industrial capitalism turned into a style of art, leisure activities, and personal and social therapy.”144 Michael Kimmel argues that the Arts and Crafts movement facilitated the “further rationalization of culture,” by embracing the production and consumption of industrial products.145 On the other hand, some art historians view the movement’s
impact on twentieth century industrial design positively. Leaders of the Modern Movement, such as Frank Lloyd Wright, Walter Gropius, and Hermann Muthesius, were all inspired by the Arts and Crafts movement’s recognition of the social context of art and design, in which art, politics, and morality were linked. The result of the linkage of art, morality, and politics was that designers worked to create environments that would serve and express people’s needs. The contradictory relationship of members of the movement with machines still impacts the understanding of what counts as “craft” today and led to the importance of the ideal of an authentic “handmade” that makes craft special for consumers.

**Mid-Twentieth Century (1920-1960)**

Many upheavals occurred in the first half of the twentieth century. World War I (1914-1918) was followed by the Roaring Twenties, a period of wealth and economic expansion in the United States. By 1920, the United States had become the world’s leading economic power. Yet by the 1920s, both white- and blue-collar work was insecure. The 1929 stock market crash began the international Great Depression, during which unemployment rose from 1.5 million (3.2 percent of workforce) in 1929 to 12.8 million (25 percent) in 1933. The Great Depression did not end until World War II, which started in 1939 and lasted through 1945, although the United States did not enter the war until 1941.

Between the two world wars (1920-1945), craftspeople became more interested in the technical and aesthetic aspects of craft and less in craft communities and idealism. By the 1920s, the legacy of the Arts and Crafts movement had bifurcated, dividing into
progressive (modernist) and conservative (folk/historic revivalist) tracts. Both modernist and folk revivalist craft “emerged from a critique of liberal capitalism,” according to historian Harvey Green, “which for decades had revolved around a virtually unquestioned belief in individualism, democratic principles, and laissez-faire economics.” He continues that both modernism and folk revivalism wanted to “rescue the worker from the alienation that urban industrialization had brought,” a legacy of the Arts and Crafts movement. Additionally, some crafters embraced an academic track focused on technology and fine art; while others preferred an avocational or guild-based track, which remained philosophically opposed to mass production and locally focused.

Progressives, like Frank Lloyd Wright, argued that “truly democratic art” must embrace and control the machine. Technology had improved machines enough that poor finish was no longer a quality of mechanically made goods. Modernist craftspeople used old materials in new ways and worked with new synthetic materials. One of the most influential schools, the German Bauhaus (1919-1933), saw craft as preparation for mass manufacture. Since Bauhaus workshops were directed towards industrial production and a machine aesthetic rather than the look of hand craftsmanship, Gropius deliberately minimized evidence of hand manufacture, such as “tool marks, irregularity of form, rough finish,” which had been praised as part of the nineteenth century craft aesthetic and remains an important visual statement of the handmade. Nonetheless, many of the Bauhaus objects that appeared to be industrially produced were actually handmade and unique.
In contrast, conservatives were on “a nationalistic quest to preserve the values represented by the colonial past,” in both Britain and the United States. Historian Benjamin Filene argues that early collectors focused on old-time culture as a defense against urban industrial economy, mass commercial culture, and class and racial degeneration. In the United States, the 1920s American Colonial revival was part of a search for the “organic and folk roots of American culture” and appealed to both the wealthy and the middle class. The isolated rural southern Appalachians were another popular area to find traditional crafts. Through the maintenance of their folk traditions, these rural folk crafters were seen as an example of a racially pure Anglo-American folk culture that had successfully resisted the problems of mass culture. Yet an asymmetrical relationship existed between the rural craftspeople and the purchasers. The craftspeople were in a subservient position to the purchasers and did not always receive full monetary compensation or were not able to improve their material circumstances.

During the Depression (1929-1939), several of the government’s economic recovery and social reform proposals sponsored craft. Crafts were part of long-range economic planning projects through public works, development schemes, and programs of the Works Progress Administration (WPA) and the Farm Security Administration (FSA). Traditional crafts were supposed to be both “a means of social and economic amelioration for disadvantaged rural folk, or as a form of nation-building therapy for Americans who had lost both jobs and hope.” Crafts as hobbies also became more than a casual pastime during the Depression. Historian Stephen Gelber explains that hobbies became a “leisure activity crucial for preserving the work ethic in the absence of
work.” In a 1939 book *Constructional Activities of Adult Males*, William Nestrick reveals concerns over too much leisure, since men, whose chief role in life had become that of consumers, rather than producers, found themselves maladjusted without “the only respectable activity” of work. Craft therefore gave men the ability “to create something out of raw materials, to be able to control these materials,” and “a sense of power and worthwhileness.” In the 1920s, crafts and do-it-yourself books were popular with those who wanted to economize and gain relief from work stresses, sharing the therapeutic benefits promoted by the Arts and Crafts movement. During this time, hobby clubs, sponsored by municipalities, schools, and businesses, expanded. Newspapers, magazines and radio shows discussed hobby activities and gave “simple living” advice. Hobbies were also viewed as a cure for depression, loneliness, juvenile delinquency, adult crime, and even a way to encourage democracy.

World War II (1939-1945) provided a massive stimulus for the economy. In the immediate postwar years, the number of families increased by 28 percent and the national income increased over 60 percent. The United States’ economy changed from an industrial one to a service economy. Many more people had discretionary income for non-necessities, due to steady and relatively high incomes. Home ownership expanded and consumer spending focused on household furnishings and appliances. Suburbanization in the 1950s often broke up community and kin networks, leading to new forms of domesticity. Mass consumption spread, while niche marketing replaced the concept of mass marketing and advertisers now targeted teens and other specific groups.
Mass consumer society was seen as a threat to individual creativity; a concern often repeated in the pages of magazines such as *Life, Time,* and *Reader’s Digest.*

After World War II, craft became a path to safeguard individualism in the face of mass conformity and a way to prevent further loss of the “instinct of workmanship.” Self-help literature encouraged people to use craft as a way to find their true personalities. The Studio Craft movement developed in the United States, due in part to the large number of veterans taking advantage of the educational benefits of the GI Bill of Rights. For some veterans studying craft was part of an intuitive search “for life-affirming work to counteract the negative experience of war.” With so much interest in craft, 1945 to 1969 became a golden age for the American Craft Movement. Museum director Glenn Adamson argues that craftspeople, continuing the Arts and Crafts movement thinking, were responding to:

> …a sense of crisis about the future of the handmade…. They believed in craft as a moral imperative. They feared that if they failed, something fundamental would disappear from the modern world.

Craftspeople also responded to developments in the fine arts, particularly the rise of Abstract Expressionism and its emphasis on individualism. Many craftspeople focused on making one-of-a-kind works of studio craft, designed to be exhibited as fine art. Other craftspeople made functional crafts and continued to sell at craft fairs and wholesale to craft shops. Additional retail venues included women’s exchanges, gift shops, department stores, cooperative ventures, and personal studios. Yet often craftspeople could not support themselves through sales alone and also worked in design, industry, fine art, and
Craft offered personal satisfaction as a counterpoint to the discontent with a world of big business and bureaucracy.

Do-It-Yourself (DIY) home improvement activity became increasingly popular as the GI Bill also made home ownership more accessible. In the immediate postwar era, there was a shortage of skilled labor, which encouraged homeowners, particularly veterans and industrial workers, to improve their homes by themselves. Homeowners could participate in the American dream by obtaining the house and lifestyle they desired through DIY projects. According to curator Carolyn Goldstein, “Do-it-yourself seemed to represent independence from the corporate world.” DIY was linked to ideals of domesticity, leisure, independence, and “Yankee ingenuity.” Since the early twentieth century, magazines had offered information about home remodeling and repair and manufacturers of building materials and supplies had cultivated a consumer market. Moreover, design historian Sarah Lichtman argues that DIY “provided both men and women with traditionally gender-appropriate tasks that strengthened domestic identity and offered a sense of contained purpose and control in increasingly uncertain times.”

Hobbies were still seen as socially acceptable forms of leisure after the war. Hobby shops selling supplies became common, and crafts became simpler, often from mass-produced kits or instructions from popular magazines. Many projects for women and children involved beautifying the house.

In conclusion, craft was still praised for its therapeutic benefit, since in “an impersonal world filled with mass-produced objects, handmade modernism offered a comforting return to more traditional values and natural materials.” The longing for a
preindustrial era did not disappear. In 1956 industrial designer Don Wallance wrote of the “creative void” left by the “passing of the preindustrial craftsman who was both designer and maker.” He was concerned about work relationships in factories where the worker had little interest in the end product to which he was contributing, a continuing craft concern.

**1960s and 1970s**

Beginning in the 1960s, the “atmosphere of frustration with uniformity” led craft to become a way to reaffirm “people’s difference, their individuality, their do-it-yourself independence… *Making* things (perhaps badly) was revalidated” and became “a gesture of protest in a technological world of increasing creative powerlessness and passivity,” according to ceramic artist Alison Britton. During the 1960s, the quality of life for most Americans continued to improve with the strong United States economy providing good salaries, a strong stock market, and increased use of credit and installment buying. The economy continued to become less reliant on industrial manufacturing, shifting to post-industrial businesses and services. As the number of skilled manufacturing jobs declined, workers were less likely to join unions, and unions’ power began to lessen. The shift to post-industrialism stressed technological knowledge rather than goods production and the new management culture now emphasized individualism and creativity rather than hierarchy and efficiency. Full-employment prosperity brought the optimistic economic prediction that society would be imminently “postscarcity,” with automation potentially eliminating the need to work for a living.
Americans came of age in record numbers in the 1960s, making it “the decade of youth.”\textsuperscript{175} The large student population helped make some of the movements of the 1960s possible, such as the Civil Rights Movement and the anti-Vietnam War movement.\textsuperscript{176} Other movements of the decade included the Black Power, Chicano rights, New Left, women’s liberation (also called the second wave of feminism), gay rights, consumer rights, and environmental movements. Overall the 1960s delegitimized authority from institutions such as governments, military, universities, parents, experts, police and more.\textsuperscript{177} The rebellious youth culture of the 1960s, which has also been called the counterculture or hippies, sought to create an alternative culture that historian Gretchen Lemke-Santangelo characterizes as:

\begin{quote}
...nonhierarchical, nonviolent, cooperative, antimaterialistic, spontaneous, playful, tolerant, emotionally and physically expressive, and respectful of nature. Above all, they sought to create a society that prioritized the individual quest for transcendence, self-actualization, and intimate community.\textsuperscript{178}
\end{quote}

One manifestation of the alternative culture was mid-1960s communitarian living, the largest of several manifestations of communal living in America.\textsuperscript{179} Additionally, voluntary simplicity, which meant intentionally reducing consumption, was part of a larger trend of questioning unrestrained consumption and was adopted by countercultural women in particular. Attacks on “consumer culture” or protests against the “confinement of affluence” were part of a quest for self-expression, according to historian Gary Cross, which was only possible in a rich country where youth could ignore upcoming obligations.\textsuperscript{180}
A countercultural craft lifestyle offered the personal expression and rebellion against “the homogeneity and mass-production prevalent in American society.”\textsuperscript{181} Seen as an antiestablishment activity, “choosing craft was a way of choosing to live ‘off the grid’ in relation to the dominant capitalist culture,” according to Vicki Halper and Diane Douglas.\textsuperscript{182} As part of the counterculture, the new generation of craft makers perceived craft as natural, authentic, intimate, and caring. Some craftspeople chose self-employment, valuing small-scale production as a way to be self-sufficient, since craft “reaffirmed the ingenuity and value of hand-crafting in a society increasingly reliant on industrial production,” a legacy of the Arts and Crafts movement.\textsuperscript{183} In 1968, \textit{Crafts Horizon} editor Rose Slivka wrote about the unprecedented situation of a vigorous craft culture in an industrial world. According to her, the craftsman:

\begin{quote}
...is the paradoxical expression of an abundant society’s resistance to the homogenizing pressures exerted by mass production, and of its drive to humanize and individualize, accelerated and matured through the internationalizing of forces of communication.\textsuperscript{184}
\end{quote}

She continued that craftsmen provide “moral and ethical confrontation” with a society so alienated from its objects that it does not really see them, it just uses objects mechanically.\textsuperscript{185} Living as a craftsperson was precarious, but “craft production had its rewards: autonomy, creativity, flexibility, and the pleasure of creating objects of beauty,” according to Gretchen Lemke-Santangelo.\textsuperscript{186} These rewards of craft production continue to be a motivation for contemporary craftspeople as well.

The popular revival of craft peaked from 1968-1974 and built on the Arts and Crafts movement’s values. For example, author of the 1969 book \textit{The Handicraft Processes and Products}, Lester Griswold argued that articles made by hand are still
valued higher than perfect machine-made products, since the “personality of the maker, expressed by the imagination, skill and effort with which he worked, seems to become an intrinsic part of almost anything hand wrought, giving it an unique value.” He also saw handicraft as a therapy for those with mental and physical disabilities, continuing the theme from the Great Depression. In addition to the small scale producers and artist-craftsmen of the Studio Craft movement, others chose more formal careers and taught in universities and workshops or worked for industry as designer-craftsmen, a term created to describe artists whose objects had mass production capabilities.

By the 1970s the United States was no longer globally economically dominant. The economy slowed down due to stagflation (inflation while the economy stagnates), high unemployment rates, trade deficits, high oil prices due to the oil embargos (1973-74 boycott of the Organization of Petroleum Exporting Countries [OPEC]), and deindustrialization. One unintended consequence of lawmakers’ responses to inflation was deregulation, which led to financialization. Financial markets led the transition from an industrial to a post-industrial society, reducing the social impact of large corporations. In their place, finance was now part of everyday life, as more things were traded financially and more households participate directly or indirectly in financial markets. Additionally, more women joined the workforce in order to keep up with “an ever-rising standard of consumption for their families.” Another major social change was the increase in precarious work worldwide, notably due to neoliberal globalization, which intensified competition for companies, created more opportunities to outsource work to countries with lower wages. Precarious employment has negative consequences that
extend beyond the workplace, impacting such facets of social life as: stress, education, family, community, political stability, and democratization. Not only has job security declined and precarious work increased since the 1970s, alienation on the job from boring or repetitive tasks also produced widespread discontent and led employers to try to make work more meaningful through quality of life programs.

In this environment of work discontent, craft continued to be a relevant choice for many. In fact, Lucie-Smith describes the 1970s as “a second Arts and Crafts movement.” The 1970s craft movement tried to “re-present traditional crafts as a way to reconnect modern culture to a tradition of making things ourselves.” Craft was seen as environmentally friendly, Lucie Smith continues, and “a practical form of resistance to the ills of industrialism and the evils of catering for the tastes and indeed the follies of the mass.” In 1971, Edward Mattil worried in his book Meaning in Crafts about the “increasing depersonalization in our culture” and the “new automated or computorized (sic) process,” which lead to “greater detachment from the more fundamental things in life,” including creativity. It was still important, as a result of the Arts and Crafts movements’ influence, that craft should not look machine-made but should include “irregularities of workmanship” to set them apart from mass-produced factory goods. Craft was also fashionable as the stylistic identity of the counterculture.

Some feminists began to re-evaluate the role of traditional women’s domestic crafts, including quilting, sewing, knitting, basket weaving, and decorative painting. The second-wave of feminism peaked in the early 1970s. Certain feminists embraced craft as neglected women’s art history and as a form of politicized activity. Craft became a
way for them to revalue women’s labor and critique the denigration of female work within art institutions and the restrictive ideals of female identity. Several feminist artists turned to fiber art techniques, such as weaving, crocheting, knitting, appliqué, and tatting. Such craft referenced larger feminist dialogues about women’s work, gendered domesticity, and motherhood. Additionally, craft was used in political protests, most notably in the 1970s and 1980s Women’s Peace Camp antinuclear protest, held outside the Greenham Common Royal Air Force Base in England. Protestors used the feminine qualities traditionally associated with textiles to highlight the peaceful nature of their protests in contrast to the “masculine” brutality of police oppression and threat of nuclear war. They used knitting, applique, and embroidery on banners for marches and attached to the perimeter of the fence. These protests occurred at a time during the 1980s “revival of enthusiasm for embroidery as a ‘homecraft’: an economic recession co-exists with adulation of the home, the home-made, the hand-made and the natural,” according to Rozsika Parker. As discussed below, contemporary craftivists (a portmanteau of craft and activist) have adapted some of the same tactics, including non-violent protests in which people knit in public and yarn bombing/craft graffiti. Knitting in public is a novelty that relies on reversing stereotypes and blurring the boundaries between public/private and violent/non-violent to be effective.

During this time, craftspeople thrived in universities and small-scale businesses, rediscovering old techniques. By the end of the 1960s, studio craft was well established in colleges. The publication of how-to books and informal craft courses expanded. In the 1970s, craft fairs and mail-orders expanded, craft-focused shops and galleries emerged,
and museums began to exhibit more craft. A 1974 survey revealed that two out of five Americans were “involved in the crafts in some way.” Similar to the 1920s Colonial Revival and Depression era support, the American government promoted craft. In particular, the 1976 bicentennial renewed interest in American craft traditions and folk art, and the White House began to commission craft items.

A key part of the appeal was the craft lifestyle. Lucie-Smith considers that the craftsman became “an ideal, even a heroic figure, living out in practice the value which most people could only half-heartedly aspire towards.” In her 1976 book *Craftsman Lifestyle: The Gentle Revolution*, Eudorah Moore surveyed craftspeople and found five common themes in the responses of craftspeople, which remain relevant motivations for contemporary crafters and therefore will be detailed here. The first was that becoming a craftsperson was a conscious choice and craftspeople are highly educated. The second was that the act of doing was more important than end result. Third, most craftspeople spoke of “manifestations of love of nature and identification with the unity of all things.”

Fourth, craftspeople are “deeply introspective and subjective,” and concerned with their “relationship to work, to living, to family, to nature and to himself.” Finally, craftspeople are participators, not spectators. All of these themes revealed the identification of craftspeople with a certain style of life and the praise for their way of working. For example, Mattil wrote in 1971 that a craftsman’s work provides a “feeling of wholeness that is generally lacking in a technological society.” Julie Hall adds that “whereas most of the world works to live, the craftsman lives to work.” William Morris would have approved of the sentiment that “unalienated” craft work was superior to other kinds of work. On the other hand,
in 1973, architectural critic Reyner Banham explicitly critiqued the idea that most people were deprived of the “supposed pleasures and ennobling qualities that craftsmanship is supposed to give,” according to Morris and Ruskin. Although many people enjoy craftsmanship, Banham disagrees with the idea that an individual “should be forced to enjoy the work of craftsmanship.”

The growing appeal of the craft lifestyle helped to bolster the interest in craft hobbies. Hobbies in the 1970s included hand-thrown ceramics, leather tooling, woodworking, tie-dyeing, batik, macramé, textile arts, and beadwork. Art historian Julia Bryan-Wilson links hobbies to the growing environmentalism and “countercultural politics of anticommercialism” that rejected mass production in favor of “living with more integrity.” Others praised hobbies as economical, since it was cheaper to make something than to buy it, which is usually no longer the case. Despite the positive connotations, art critic Lucy Lippard warned that such hobbies could also have the effect of transforming women’s work into a “pastime for the well-off.” Her concern was well-founded, since historically women proved their class status and gentility through craft hobbies. Sales in hobby, toy, and game retail stores had been climbing steadily and reached $1.77 billion in 1977 with over 4,000 hobby publications.

Overall in the 1960s and 1970s, multiple social movements questioned authority and demanded new rights. The movements also increased skepticism towards industry, criticizing it for overproduction, environmental pollution, and inhumane working conditions. Craft and their lifestyle were seen as authentic. Craft was intimate, personal, humane, and natural, in opposition to mass culture and industrial production. The ideal of
craft as unalienated labor, started with William Morris in the Arts and Crafts movement, continued. Yet fragmentation of the social movements resulted in part from loss of media interest and publicity and a too narrow focus on middle-class youth that did not engage other groups. Movements also faced the problem of substituting hip consumption for serious political action, leading to a new kind of individualistic consumerism. Another issue was the cooptation of the subcultural ethos by dominant cultural groups, resulting in the commodification of individualized and authentic goods, as in the anti-modernist movement, which remains an important and continuing concern for craft. Hippie countercultural craft often “tossed actual quality aside” in favor of “its political, back-to-the-earth qualities,” according to Andrew Wagner, editor of American Craft magazine.213 In reaction, in the 1980s and 1990s makers distanced themselves from “fervent politicizing” and embraced the aesthetic and commercial attributes of the art world.214

Late Twentieth Century (1980-2001)
In the late-twentieth century, economic expansions ended in multiple downturns, leading to job insecurity, concerns over precariousness, and intensified consumerism. The craft market professionalized and formalized. Craft hobbies also became more popular as personal computers and the internet allowed hobbyists to find tutorials and like-minded communities to join. These changes set the stage for Etsy’s success as an e-commerce marketplace based on craft.

The 1980s started with an economic expansion that ended with the October 1987 stock market crash. Economic policies led to increased economic disparity and the price of most goods and services “became increasingly expensive relative to workers’
wages. By the 1990s the economic gap between workers and management had increased considerably, with a corporate CEO’s pay about 475 times workers’ pay. At the same time, social welfare programs were severely reduced. More women joined the labor force but still earned significantly less than their male counterparts. In the early 1990s, another recession increased bankruptcy filings and mass layoffs in many industries, yet overall the economy prospered. Corporate profits increased along with increased investment in new equipment, increases in real wages, the creation of new jobs, and increased access to education. Globalization changed the economy fundamentally, hitting some industries hard, notably manufacturing and information technology. Some worried that foreign goods would damage the US economy while others praised the wider selection of cheaper goods available to American consumers.

Advances in computer technology changed business, personal finance, and craft. The personal computer (PC) market gradually grew throughout the 1980s but proliferated in the 1990s. Internet use and the development of email (electronic mail) also expanded with the increased use of personal computers. By the mid-1990s more people used email than telephones or postage. In addition to email, cellular phones, publicly introduced in the 1980s, became much more common. By 2000, cell phones could connect to the internet, play videos games, and more, becoming portable computers as well as telephones. Investments in internet-based companies led to the dot-com boom that lasted from the late 1990s and ended in spring 2000. During this time, the number of venture capital firms (VCs) tripled, along with their financial resources. VCs more freely funded companies without a track record of revenues or profits and nurtured companies for a
much shorter time (1 year compared to 5-10 years) before they cashed in on shares during
the company’s Initial Public Offering (IPO). Countercultural rhetoric from the 1960s and
70s informed 1990s techno-utopianism in these creative work environments. However,
many of these newly public internet-based businesses did not last. The dot-com bubble
burst in March 2000, with the NASDAQ stock market losing over $1.8 trillion by the end
of 2000. In retrospect, journalist John Cassidy argues that it should have been obvious
that a downfall was coming but Wall Street investors, venture capitalists, journalists, and
ordinary investors were all trapped in a self-reinforcing “peculiar competitive logic of a
speculative boom.”

The dot-com boom and bust occurred within the “high-risk society,” according to
economic journalist Michael Mandel, who wrote in 1996 that “economic insecurity has
become a fact of life for every worker and every business.” The downsizing of large
corporations, rapid technological changes, and international competition created such
insecurity. Companies no longer promised employees job security and the American
government was “gradually abandoning its traditional role as the ultimate guarantor of
security to businesses and workers” through widespread deregulation and cutting back on
the safety net of welfare. College graduates could no longer look forward to secure
employment but rather a range of uncertain alternatives to choose. This insecurity did not
remain at the job level but reached deep into “private and intimate lives.” Sociologist
Richard Sennett agrees that “insecurity is not just an unwanted consequence of upheavals
in markets; rather, insecurity is programmed into the new institutional model.” He lists
three changes to economic bureaucracies in the late twentieth century that have had a
great cultural impact. The first is the shift from managerial to shareholder power in large companies. The second is the pressure on companies from these newly empowered shareholders to produce short-term results and have internal flexibility. The third is the development of new technologies for manufacturing and communication, such as instant global communication through email. As will be discussed later, one response to these bureaucratic changes has led to corporate social responsibility debates and to the creation of new corporation types, such as benefit and Certified B corporations. Benefit corporations are a relatively new form of American corporation that must include their “corporate purpose to create a material positive impact on society and the environment” in their charter, must consider their impact on shareholders, workers, community and environment and must publicize “an annual benefit report.” They do not mandate third-party certification. In contrast, Certified B corporation (B Corp) is an international certification by the nonprofit organization B Lab, which does not affect a company’s tax status, the company’s articles of incorporation or the rights of its shareholders. B Corps voluntarily meet high standards of “corporate purpose, accountability, and transparency.” Etsy, as a B Corp, is one company that wants to use “the power of business to create a better world.”

In the 1990s environment of job insecurity, self-employment became increasingly appealing and more accessible through technology. Many crafters became online sellers or started small businesses. Self-employment provides a “thrill of proving yourself by finding out if you have what it takes,” while “giving up the tedium of stable employment,” according to Andrew Ross. He continues that the appeal of self-
employment results from more than the “neoliberal ethos of the self-absorbed entrepreneur,” since individuals have an authentic demand to have some power over their “economic destinies” and to have meaningful, stimulating work. Yet self-employment is still riskier than working for a large corporation, since smaller businesses are more vulnerable to business cycle ups and downs and the loss of single big customers. Being self-employed as a freelance skilled worker and “doing creative work is the best way to ensure that your job will not become devalued,” according to Mandel, since creativity, which produces new and unique goods and services, cannot be duplicated. However, freelancing creative work also has a high risk of failure. Technology made start-ups and online businesses accessible, even for very small sellers. For example, anyone could make an account on eBay and become a seller on the site. Small crafts business could be successful since they had more flexibility than larger businesses. Steve and Cindy Long’s 1988 book *You Can Make Money from Your Arts and Crafts* touts the appeal of self-employment as a craftsperson, not as a way to get rich, but rather to earn a living doing something one enjoys instead of being trapped in a traditional job. To make their point, they discuss the lack of security of conventional employment, where giant corporations were going bankrupt and the employees were losing their jobs, financial security, and the possibility of a comfortable retirement. They sell the craftsman lifestyle as one that saves them from being dependent on “the system” that let so many people down and left so many retired people feeling financially insecure.

In the late twentieth century the most popular crafter was Martha Stewart, who used crafting and cooking “how-to” information to become America’s first billionaire
businesswoman, as the founder of Martha Stewart Living Omnimedia. Stewart’s lifestyle tips, how-to manuals, and products incited both strongly positive and negative reactions. Part of the disparity in responses to Stewart results from her “handcrafted approach” that evokes positive notions of conserving resources, living simply, and recycling, but “in actuality most of these projects (and recipes) are quite complex, require a fair amount of money, and can be wasteful of resources.” Nonetheless, the continued success of Martha Stewart Living Omnimedia proves that a large market for leisure home crafts and hobbies still exists.

By the 1990s, hobby information was easily accessible online. Hobbyists could not only find tips and tutorials online but could also communicate with each other internationally, through email, message boards, or real-time chat rooms. The proliferation in online resources did not negatively impact craft publications, which saw an increase from 4,061 in the 1980s to 6,818 in the 1990s. Sales in hobby, toy and game retail stores climbed steadily from $1.77 billion in 1977 to $11.3 billion 1987 up to $15.1 billion in 1997. The success of Martha Stewart and hobby sales in general was helped by the broader attitudes towards crafts in the 1980s and 1990s. An *American Craft* magazine article describes the 1980s as a time when the “handmade object… captured the public imagination as the marketplace flourished.” By the mid-1980s, Phillip Morris, the corporate sponsor of a craft exhibition wrote that the:

…craft movement is in the midst of a renaissance…. more Americans participate in craft-making than in any other art form. In our automated world, the handmade object offers a rare sense of timelessness and intimacy.
His statement reveals that handmade craft objects continued to be valued differently, seen as better than mass-produced ones, an attitude that dates back to the Arts and Crafts movement.

The professionalism of the craft market increased and formalized in the 1980s, with more intermediaries involved in the production, promotion, and sale of craft. Starting in the 1970s, a three-tiered structure had emerged in the craft marketplace. The "lower populist end" was the craft fair, with the hybrid craft shop and gallery in the middle, and "true" galleries "modeled on the fine arts" at the top of the pyramid. The character of the craft world changed and became more commercialized during what curator Paul Greenhalgh terms the decade of "voracious consumption and Post-Modern discourse." Prices for studio crafts soared and an affluent collector base grew. Former American Craft Museum director Paul Smith argues that collecting crafts trickled down to affect "average American consumers," who became "more aware of quality and good design." Because of the strong market, more professional craftspeople could support themselves without teaching or other supplemental employment. Craftspeople continued to choose craft as a self-directed occupation and as a better kind of work.

With more craftspeople producing work aimed to be accepted as art rather than producing functional housewares, an art-craft debate raged throughout the 1980s over the relation of craft to the fine arts. The debate over the worth of craft in relation to fine art had its roots in denigration of craft that started all the way back in the Renaissance period. By 1991, ceramic artist Alison Britton viewed art and craft as a "continuum,
unified by uselessness,” without function to differentiate between them.\textsuperscript{246} Instead of focusing on art versus craft, she felt that:

\begin{quote}
…the craft-made artifact, the independent handmade object, has become a self-conscious thing seeking to justify itself against the mass-produced, cheaper and more rational competition.\textsuperscript{247}
\end{quote}

Moreover, Britton labels the increased interest in making things to sell from the 1960s to 1990s an “aspect of the ‘alternative’ culture,” a very deliberate choice to work in a way that provides craftspeople “maximum control” and an “ideal mode of work.”\textsuperscript{248} One example of changing values was the reclamation of crafting, particularly knitting, “as a fun, hip, and political new hobby” in some third-wave feminist magazines.\textsuperscript{249}

Occupational therapy professor Virginia Dickie also finds evidence of the 1960s and 1970s countercultural ideals of craft in her 1994 study of Detroit craft fairs, when one man characterized himself and his wife as “society’s dropouts.”\textsuperscript{250} Dickie considers self-employed crafters part of the “anti-economy,” since:

\begin{quote}
…their lives integrate work and leisure, public and private, to a degree that is highly unusual in twentieth-century America. … they act-out traditional American values of independence and self-reliance coupled with social conformity.\textsuperscript{251}
\end{quote}

Despite portraying an idealistic preindustrial economic strategy, she claims the craftspeople are actually engaging in a postindustrial one.\textsuperscript{252} Steve and Cindy Long consider it ironic that the “advent of high-tech industries and mass-produced merchandise has helped to create a strong demand for handmade arts and crafts products.”\textsuperscript{253} The market for crafts was so strong in 1988 that tens of thousands of Americans were making a good living through crafts, with more crafting on a part-time basis. Whereas in the past handmade items were lesser valued than store-bought items, the Longs report that the
opposite was now true, with handcrafted items being attributed premium value. At the same time, they claim that:

…today’s definition of *handmade* often has nothing to do with a person’s hand!... The modern craftsperson can have a small factory in the basement and, use modern machines…

Their attitudes towards machinery illustrate that the debate that started during the Arts and Crafts movement over what counts as craft and what role machines can play remains an issue for contemporary craft.

By 1993, crafts were a two billion dollar industry, with 500,000 artists and craftspeople working full or part-time. The United States Congress even named 1993 as the “Year of American Craft,” claiming the “traditional values of craftspeople” would serve “as a *continuing force in the improvement of life and culture.*” The idea that craft could improve life and culture dates back to the Arts and Crafts movement, and the federal government had similarly endorsed craft during the 1930s Depression and the 1976 bicentennial. The importance of supporting local crafts also coincided with the Fair Trade movement’s expansion and certification of products. Fair trade certification is meant to ensure workers are justly compensated and can build “sustainable businesses that positively influence their communities.” Many fair trade products are local crafts from around the world, made possible by globalization. Globalization led to concerns about the fate of craft in many developing countries, according to Christopher Bailey, where the optimists believed that craft, responsive to local demand, could benefit from “penetration of the first world by the third,” and the pessimists worried that globalization would engulf “local craft traditions.”
Much of craft’s success throughout the 1980s and 1990s resulted from greater consumerism and public interest in buying handcrafted objects. Consumerism intensified in the 1980s with tax cuts starting a spending spree, particularly among the wealthy. The newly intensified consumerism was exemplified by “yuppies,” or “young, urban, upwardly mobile professionals,” who were both hard workers and hard spenders. Shopping hours were extended on the weekend, increasing the use of part-time employees. At the same time, the downtown department store declined. Consumerism became even more dynamic and fragmented, accelerating the trend towards personalized consumption that had started in the 1960s, segmenting gender and generation. The emergence of a “narrowcast market” was “the most significant marketing development of the 1970’s and 1980’s,” according to Harry Hillman Chartrand. The new personalized, narrowcast market undid much of the standardization that resulted from earlier forms of industrialization.

Craft allowed owners to “personalize their own environments and to express their particular taste,” according to Phyllis George. Rosen suggests that one of the reasons collectors focus on craft is because they “enjoy the ideals or lifestyle a piece may suggest.” However, others like art historian Edward S. Cooke, Jr., critiqued Studio Craft as an example of conspicuous consumption. Cooke argues that collectors bought fine furniture or other crafts to feel happier, express their individuality or demonstrate their social power. The conspicuous consumption of craft reveals that a purchase of craft was also the purchase of “the myth of the American craftsman and control over the creative producer.” Cooke blames the ‘long shadow’ William Morris cast over
decorative arts scholarship for the idealization of certain methods of production and their attendant craftsman lifestyle, which limited “the focus of study to the idealized shop floor, the time period of study to a preindustrial period, and the meaning of the product to decontextualized original use.”264 As is evident, the Arts and Crafts movement continued to influence why people wanted to make and buy crafts.

Early Twenty-First Century (2001-)
Starting in the mid-1990s and growing stronger around 2005, craft experienced what has been termed a resurgence, a revival, or a revolution.265 Some even spoke of a “new Arts and Crafts movement,” while others called it a “fad” or a “craze.”266 Twenty-first century craft is influenced by other concurrent movements, including anti-globalization, anti-sweatshop, and anti-capitalist movements. Further influences include ethical consumption movements, such as those for organic or local food, fair-trade goods, eco-friendly products, and shopping locally. In this vein, some people advocate making rather than buying for environmental reasons. Lifestyle movements like Slow Food and simple living also impact twenty-first century craft practices. The contemporary interest in craft is also linked to several contemporary food trends, such as organic, Slow Food, and craft beer.267 At the current moment, American interest in craft might be the most widespread it has ever been.268 The most visible “crafters,” a term currently preferred to craftsperson or artisan, are predominately women in their 20s and 30s, who have the time and resources to craft.269 Throughout craft’s history, craft has had both conservative and progressive tendencies, and contemporary craft is no exception—for example craft has been utilized as an ideological tool by individuals championing feminist politics and
individuals espousing a return to more clearly defined gender roles and notions of female domesticity.

Craft also has had a conservative response to major national events, including the September 11, 2001 terrorist attacks and the Great Recession (December 2007-June 2009), leading to a return to domesticity, “nesting” and “cocooning.” Smithsonian curator Nicholas Bell called crafting “an act of affirmation in a post-9/11 world…. In tough times… crafts are a way to get away from the modern world and feel part of a better era.” Craft is seen as meaningful and personal and people want to express their individuality through their authentic or meaning-filled homes and possessions. Another impact of the recession was that many people looked to craft to replace or supplement their income from jobs they lost. Making something can - but might not - be cheaper than buying, which helped to increase craft’s popularity during the recession. The Great Recession involved a “simultaneous decline in housing prices and the stock market.” The United States had experienced a boom between 2001 and 2007 in which “household debt, including mortgage debt and credit card debt, doubled from $7 trillion to $14 trillion,” reaching the same level as at the onset of the Great Depression. When the stock market plummeted, unemployment increased, the housing market collapsed, banks foreclosed on homes, the government offered bailouts, and the world economy was affected. One result of recession was a “vilification of bankers and of Wall Street in general, the desanctification of CEOs, and the growing awareness of inequality.” Yet, Miguel Centeno and Joseph Cohen argue that “public doubt of the market was transformed into a divided and often amorphous populist anger that did not appear to
question the very rules of the system.” Similarly, Ursula Huws describes a familiar pattern of economic crisis, followed by restructuring of capital and labor and emergence of new technologies. New technologies praised by “techno-utopians” were the “sharing economy” and “peer-to-peer networking” that could lead to a “cooperative, post-capitalist society,” without intermediaries.

New progressive “movements” of crafting include: craftivism, DIY, subversive or subcultural and indie craft, some of which have their roots in earlier moments in craft history. According to founder Betsy Greer,

Craftivism is the practice of engaged creativity, especially regarding political or social causes…. Instead of being a number in a march or mass protest, craftivists apply their creativity toward making a difference one person at a time.

Craftivism as “personalized activism” is often used for anti-capitalist, anti-globalization, and environmental advocacy. One aspect of craftivism includes non-violent protests in which people knit in public, which working by contrasting images of violent protestors with peaceful ones. Craft graffiti can get craftivists/yarn bombers in trouble since it can be considered vandalism, leading to fines or arrests. This continues the trend, started in the 1970-80s with Greenham Common protests. Instead of just being one person of many at a march or protest, craftivists try to make a difference individually. Craftivism is the latest version of the tradition of craft as a tool of resistance and social change. Craft becomes a site of “empowerment” and a way to make small changes that will spread. Craftivism also relates to indie craft and DIY craft. Indie (short for “independent”) craft is generally rich in irony with “self-referential motifs from popular culture and the history of domestic crafts,” and “the indie ethos posits itself in opposition to corporatised mass
Indie craft has an ethical and political focus concerned with standardized mass culture, consumption, and exploitative labor. By contrast, Emily Howes argues, that “crafting is seen as a legitimate, meaningful and ethical alternative to mass production, and becomes an opportunity to disengage from a morally dubious mainstream, to opt-out of the consumer cycle.” On one hand, craftivism is critiqued for its individual focus; on the other hand it is also praised for its “sense of being part of a larger collective with shared social values that provides a place in a global community.” Furthermore, Ezra Shales argues that craftivism is a “monetized identity” whose “sustained anticorporate rhetoric seems to sit comfortably within a capitalist paradigm,” as evidenced by the many book deals and other ways craftivists have profited. Ceramist Garth Johnson agrees that the indie craft world is about “community, not politics. It’s about a lifestyle that is political but in a fairly apolitical way.” Craft-oriented people, particularly those involved in craft fairs, wanted to make extra money and then got involved in the community, turning something “that wasn’t a political statement” into something “political in that the people are all relying on each other to create something sort of off the grid.”

Another source of interest in craft comes as a reaction to the perceived digitalization and dematerialization of contemporary life and the need for the tactile, tangible, or material. This continues the theme of the “romanticism” of the “handmade” nature of crafts that was started with the Arts and Crafts movement. For example, artist Grayson Perry speaks of how the craft objects he likes/owns have “their faults; they bear the mark of the human hand; they are the evidence of a relationship; and
I love them all.” New media technologies and the internet are credited with creating a craft community, spurring interest in craft, and as a reason why people want to craft in the first place – to find something tactile and non-virtual. In 2014, nearly 2.5 billion people used the internet, including 85% of North Americans, and 6 billion people have a mobile device. Ironically, people craft to escape the computer, since in “the face of everything fast and glinting, they want something real—a reinjection of the artisanal,” but then they end up back online to search for instructions and discover a community of blogging crafters. In fact, crafter Faythe Levine credits the Internet as “the most influential part of why handmade and craft has had a resurgence.” As crafters went online, they brought the community aspects of craft with them. This makes the current craft revival one that “both embraces and rejects information technology.”

Concurrently, the Maker Movement began/spread starting in 2005, which focused on making and sharing through new technologies as part of a “tech-influenced DIY community.” An article in The Economist magazine ties the maker movement back to the Arts and Crafts movement:

[William] Morris’s movement ultimately failed because it tried to reject capitalism and return to an artisanal golden age that had never existed. Having embraced new technology and business models, Etsy and the rest of the maker movement may stand a better chance of supporting artisans.

In contrast, ceramicist Stacy Jo Scott questions the claims that the Maker Movement will destabilize the manufacturing industry and give individuals back “an agency lost since the first industrial revolution.”
Individual agency through craft making is a common refrain, starting with William Morris’ craft-idealistic language. In this environment, and supported by the craft community, Etsy, Inc., a peer-to-peer e-commerce site, was founded in 2005. Specializing in handmade goods, vintage products, and craft supplies, Etsy tapped into the desire for authentic, meaningful craft products and for meaningful jobs. Over a decade later, the interest in craft continues. While the opportunities and limitations for practicing craft changed repeatedly over the centuries, since the Arts and Crafts movement of the late nineteenth century, craft continues to reappear as a possible solution to, or reaction against, problematic socio-economic conditions over the course of the twentieth and twenty-first centuries. The resurgence of interest in the handmade reveals the current widespread dissatisfaction with the perceived dehumanization of industrialization and the inauthenticity of global brands and corporate jobs. In contrast, the ideal of handmade celebrates the human aspect of production and consumption. The ideal of craft as desirable, good work continues to influence the choice to craft, either as a hobby or profession. Furthermore, idea of the authentic “handmade” complicates definitions of craft and makes it special for consumers. Building off of the foundation of craft idealism, Etsy is now a publicly traded B Corp that claims to want to build a more fulfilling world through a new kind of human-centered commerce.

55 Ibid.
57 Ibid.
61 Etsy’s full mission is “to reimagine commerce in ways that build a more fulfilling and lasting world. We are building a human, authentic and community-centric global and local marketplace. We are committed to using the power of business to create a better world through our platform, our members, our employees and the communities we serve.
As we grow, commitment to our mission remains at the core of our identity. It is woven into the decisions we make for the long-term health of our ecosystem, from the sourcing of our office supplies to our employee benefits to the items sold in our marketplace.”
63 Moreover, guilds were religious brotherhoods with political, military, and jurisdictional functions. Guilds took responsibility for the social security of their members and policed themselves
64 The putting-out system was an intermediary between the work of independent artisans and factory-based production, according to sociologist Rudi Volti. In the putting-out system, merchants bought unprocessed wool that peasants and artisans spun and then wove into cloth. Merchants bought the cloth back and the paid other workers to dye and finish the cloth.
65 In particular, technology historian Rachel Maines claims that “medieval noblewomen embroiderers represent the first hobby needleworkers in Western history.” Moreover, Alexandra Kokoli argues that ideological role of women’s embroidery functions in three ways: “it casts women as non-productive labourers; it keeps them laboring in the appropriate domestic settings; it ensures that their labour will not be bestowed with any but a decorative value at best, which befits their femininity.” Furthermore, women’s crafts help form and propagate “patriarchal femininity.”
Art critic Polly Ullrich adds: “It was no accident, then, that the advent of academies for artists in the 17th century, which drew artists away from membership in guilds, was heavily sponsored by monarchs and royal courts, who saw an opportunity to break the power of the guilds. This separation - between painters and sculptors and the other craft workers - definitively separated fine art from what was left to be called ‘craft.’ It also stamped in place a false dichotomy between the (superior and dominant) cerebral intellect and the (lowly and inferior) hand or body in human art making and perception, a break that was a result of politics rather than aesthetics.”


70 Ibid., 168.


73 Ibid., xvi.


76 The eighteenth century consumer revolution had four parts, according to historian Christopher Dyer. The first part was an industrious revolution (see Jan de Vries citations below). In the second part, social mobility replaced old hierarchies, so that newly wealthy groups emulated the lifestyle of superiors. In the third part, merchants and manufacturers made more luxury goods, like textiles, available and imported more commodities, like tea, coffee, and chocolate. In the fourth part, a stronger sense of individualism, rapidly changing fashion and advertising lead to consumer choice and demand.


77 The mercantilist system was aimed at increasing national nation’s wealth by government regulation of all of the nation’s commercial interests. Mercantilist policies increased the power of absolutist rulers and their court income and did not improve their subjects’ economic situation.


80 Ibid., 35.
85 Sheila C. Blackburn, “‘No Necessary Connection with Homework’: Gender and Sweated Labour, 1840-1909,” Social History 22, no. 3 (October 1, 1997): 269.
93 Design standards first became a concern in the 1830s and 1840s for a diverse group of thinkers from Gothicists, like Pugin, to industrialists and their parliamentary lobby. They were all aware of social and aesthetic problems created by mechanization and knew that quality as well as quantity could lead to profit. By the 1851 Great Exhibition of London, the British government was concerned about the low quality of British design goods. The Great Exhibition was the world’s first international exhibition and was meant to celebrate British wealth, power and know-how.

Some of working class problems included large working class strikes, like the Matchgirls Strike and the Dockers Strike, which had led to the creation of trade unions. Around this time, the British government was also enacting a series of protectionist laws to safeguard the public against dangerous industrial conditions. See Elizabeth Cumming, and Wendy Kaplan, The Arts and Crafts Movement, World of Art (New York: Thames and Hudson, 1991), 12; Gillian Naylor, The Arts and Crafts Movement: A Study of Its Sources, Ideals, and Influence on Design Theory (Cambridge, MA: MIT Press, 1971), 15.

Lears continues that another strand of the activist version of anti-modernism “posed the violent lives of medieval warriors as a refreshing contrast to the blandness of modern comfort. Other more inward-turning antimodernists escaped the emotional constraints of bourgeois life and the spiritual limitations of a positivistic or therapeutic outlook by exploring the joys and terrors of medieval or Oriental religious belief. Those who recognized the problematic qualities of modern identity sought a wider selfhood by embracing the ‘childlike’ or ‘feminine’ aspects of premodern character.” Anti-modernism was also part of a broader quest for intense experience.


In a 1854 pamphlet, Ruskin listed three rules for craft:

1. Never encourage the manufacture of any article not absolutely necessary, in the production of which ‘invention’ has no share.
2. Never demand an exact finish for its own sake but only for some practical or noble end.
3. Never encourage imitation or copying of any kind, except for the sake of preserving records of great works.”


Ibid.


For information on gentlemen’s careers, see Isabelle Anscombe, Arts & Crafts in Britain and America (New York: Rizzoli, 1978).

Art professor Anthea Callen divides women in the British Arts and Crafts movement into four main categories, reflecting class divisions: first, working class or peasant women who were employed in the revival of traditional rural crafts; secondly, aristocratic upper-and middle-class women who were philanthropically engaged in rural craft revival and artistic training of destitute gentlewomen; thirdly, destitute gentlewomen who needed to make a discrete independent livelihood; and finally, the elite inner circle of educated middle class women, usually related by birth or marriage to key male figures.

In the cult of domesticity, women were responsible for the smooth operation of the home and nurturing the family, which included raising children morally and providing a haven for their husbands. See: Catherine W. Zipf, *Professional Pursuits: Women and the American Arts and Crafts Movement* (Knoxville: University of Tennessee Press, 2007).

Hobbies, such as fancywork, which included decorating objects by gluing shells, hair, sand, paper or other materials onto them, allowed middle-class women to appropriate upper-class practices. Fancywork also included gilding, shellacking or waxing objects and flowers. The final products of fancywork were wax fruit, beaded bags, painted china and so on. Fancywork transformed sewing from a duty to a pastime, with the height of the fancywork craze between 1840 and 1880. Fancywork was democratized from an elite pastime into a middle-class one through the mass production of small consumer goods, such as ribbons, wools and textiles. By combining utility and gentility, fancywork avoided being seen as frivolous consumption. The act of production therefore became as meaningful as the final product, because time had become a precious commodity. Although many women undertook crafts as paid labor, others developed skills in crafts associated with ‘work’ but not with employment, an important distinction since women having ‘leisure time’ reflected their position in society.

Additionally, many women used patterns distributed through women’s magazines or premade kits that included the necessary materials. In these publications, hobbyists were given instructions about the basic tools and some directions; then the authors would introduce complicated and difficult projects, which would suggest women had a high level of craft skills or the authors had poor grasp of skill development. See: Nancy Dunlap Bercaw, “Solid Objects/Mutable Meanings: Fancywork and the Construction of Bourgeois Culture, 1840-1880,” *Winterthur Portfolio* 26, no. 4 (December 1, 1991): 231-247; Clive Edwards, “‘Home Is Where the Art Is’: Women, Handicrafts and Home Improvements 1750 – 1900,” *Journal of Design History* 19, no. 1 (Spring 2006): 11 -21; Steven M. Gelber, *Hobbies: Leisure and the Culture of Work in America* (New York: Columbia University Press, 1999); Talia Schaffer, “Craft, Authorial Anxiety, and ‘The Cranford Papers’,” *Victorian Periodicals Review* 38, no. 2 (July 1, 2005): 221-239.


While the Century Guild’s exhibitions started out cooperatively, with everyone’s work intermixed and unlabeled, the following year, their exhibition was divided by individuals. They were not able to maintain the cooperative atmosphere they had imagined for their recreated medieval-inspired guild. Of the Arts and Crafts guilds, the Art Workers’ Guild best approximated the medieval ideal. It served to give members a sense of identity and solidarity and was crucial in spreading William Morris’ ideas. It still offers ways to find craft apprenticeships today.


In 1874, the business was reconstituted under Morris’ sole ownership as Morris &Co. Business historians Charles Harvey and Jon Press describe the business as a small firm with a forward-looking and positive approach to business that was efficiently run and financially sound. Furthermore, the Morris business helped to create a new type of business – the specialist interior design firm offering a complete range of products to clients and by the 1880s had created a recognizable ‘Morris look’ which set the firm apart from its rivals.


117 Mary Greeley explains the Transcendental ideas placed “the glory of man and the universe with the self as the central source of knowledge and reference.” Therefore, unlike the older Puritan view of art as “inciting evil and depravity,” for Transcendentalists the “artist could therefore serve as an active agent of moral and social welfare and provide pathways to Truth.” Greeley also identifies a second complementary strand of thinking about the arts that saw artists “as a rallying force for the disparate and disjointed elements of society by portraying, through monuments and public buildings, a government of strength, dignity, beauty, and worthiness.”


Jonathan Clancy also discusses Transcendentalism’s impact on the American Arts and Crafts movement, focusing on Elbert Hubbard’s Roycroft arts and crafts business.


120 Braverman’s thesis in *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century* has often been referred to as “de-skilling,” although he never used that term.

See also Robert Kanigel, *The One Best Way: Frederick Winslow Taylor and the Enigma of Efficiency* (New York: Viking Adult, 1997).


122 Many of these secondary education schools, such as the Rhode Island School of Design, Pratt Institute, Cooper Union, and Cranbrook, still remain important and influential in the field of design.

123 Dewey’s Laboratory School used arts and crafts as personal expression, art appreciation and a way to teach disappearing skills, since experience was highly important.


124 These colonies included Roycrofters Community, East Aurora, NY; Byrdcliffe, Woodstock, NY; Rose Valley, PA, according to Greeley. Furthermore, Lucie-Smith argues that several of these communities “did not center their existence on craft but used craft skills as a way of maintaining a communal style of living. Essentially they were the beneficiaries of the vogue for craft rather than the initiators of it.”

Department stores had diverse stocks of merchandise, retail catalogues proliferated, products became more standardized, and local variation began to reduce. Arts and Crafts objects were available in both British and American department stores. In America, department stores such as Sears Roebuck and Montgomery Ward commissioned industrially produced simple and inexpensive objects in the Arts and Crafts style. Large British department stores carried objects designed by Arts and Crafts practitioners. Yet commercial firms like Liberty and Company employed some of the period’s best designers to combine craft with manufacturing, a practice that undercut craft workshops.


Stickley’s monthly magazine The Craftsman was a “how-to manual for living the arts and crafts lifestyle,” full of articles on aesthetic concepts in addition to complex topics such as labor reform and therapeutic good design. The ideology of The Craftsman derived from Irene Sargent, a gifted historian of art, architecture, and design.


The leisure class previously used conspicuous leisure (ostentatious idleness) to demonstrate its wealth. Later conspicuous consumption became the method of demonstrating the possession of wealth. Veblen condemns the wastefulness of conspicuous consumption since it absorbs the population’s surplus energy and leaves no room for other expressions of life.


“Machines” could mean an individual machine such as a loom, or to the culture of industrialism.


Ibid.


The population almost doubled over the past 30 years to 120 million people, with 15 million European immigrants arriving between 1900 and 1915. Over half of Americans lived in urban centers. Regina Lee Blaszczyk, *American Consumer Society, 1865-2005: From Hearth to HDTV* (Wheeling, IL: Harlan Davidson, 2009), 95.


Ibid.


For women, the Bauhaus’ informality allowed them freedom from pre-war conventions. The Bauhaus School also influenced movements in Italy, Japan and Scandinavia in the 1950s. Lucie-Smith considers the Bauhaus’s most profound impact on American craft occurred after its demise through its impact on American art education. “The basis of the Bauhaus method was the all-important preliminary course, in
which students learned from experience about forms and materials, without vocational specialization.”

Students did not learn how “to do” art but rather a personal sense of looking.


Glenn Adamson also points out the conservative track of craft in the 1930s and 1940s in fascist Germany and Italy, where craft traditions were emphasized as morally righteous, authentic national expressions. Glenn Adamson, ed., The Craft Reader (New York: Berg Publishers, 2010), 135-6.


See also Gary S. Cross, An All-Consuming Century: Why Commercialism Won in Modern America (New York: Columbia University Press, 2000), 47.


Steven M. Gelber, Hobbies: Leisure and the Culture of Work in America (New York: Columbia University Press, 1999), 41.

William Virgil Nestrick, Constructional Activities of Adult Males, Contributions to Education, no. 780 (New York: Teachers College, Columbia University, 1939), 1.

Ibid., 4.

In 1940, Scott Graham Williamson wrote that “Craftsmanship has a stake in Democracy, Democracy has a stake in craftsmanship.” Williamson believed that Americans ability to “make things” was one of the main factors in America’s “national genius.”


Adamson explains further that there was “a sense that individuals required help in order to resist the tide of conformity that was thought to typify postwar America. Books such as David Potter’s People of Plenty: Economic Abundance and the American Character (1954), Sloan Wilson’s Man in the Gray Flannel Suit (1955; made in to a film with Gregory Peck the following year), and William Whyte’s Organization Man (1957) criticized corporate culture as endemically conformist. David Riesman’s Lonely C7’o0d (1950) took a sociological angle, describing the postwar generation in general as "other-directed." Riesman saw Americans as obsessed with peer approval and out of touch with the self-defined goals that had made the
nation’s nineteenth century expansion possible. Craft was emblematic of this disappearing spirit of individualism, which had seemingly been lost in the comfortable but homogenous tracts of suburbia.”


164 With Abstract Expressionism, American artists, such as Jackson Pollock, became “recognized figures in American culture,” for the first time.


165 Philanthropist Aileen Osborn Webb recognized the difficulties craftspeople faced and, in 1940, opened America House, which was the first gallery to focus on contemporary craft work. This was followed in 1941 with the creation of the Craft Horizons periodical (today’s American Craft) and in 1943 by the American Craft Council. The American Craft Council explains on its website that it was “granted a provisional charter by the Board of Regents on behalf of the Education Department of New York ‘as an educational association to provide education in handcrafts and to further and stimulate public interest in and appreciation of the work of handicraftsmen.’” In 1956, Webb founded the Museum of Contemporary Crafts (today the Museum of Arts and Design), which was the first museum to feature work by living craftspeople.


167 Ibid., 37.


169 Design professor Mary Anne Beecher discusses postwar hobbies further: “The influence of mass production shifted to create structured, less individualized processes for making in the twentieth century. The growing prevalence of power tools for home use and the availability of pre-packaged supplies changed American’s perception of crafting by shifting emphasis away from time-consuming hand processes to more mechanized and automated production that modeled the assembly line. In particular, the post- World War II era is characterized by the popularity of kits for craft projects…. The use of prefabricated parts that were sometimes partially assembled contributed to a shift away from a valuing of process to an appreciation of products created with ease to satisfy the need for instant gratification by the mid-twentieth century.”

170 Women’s role as homemakers was glamorized in the postwar years, with the affluent suburban home as the “most vivid symbol of the American way of life, according to May.” Domestic consumerism showed success and social mobility. However, material possession could not always compensate for dissatisfaction with the lifestyle. Although the 1950s and early 1960s were “outwardly a time of material comfort, conservatism, and conformity,” historian Marlene LeGates, points out that “long-established women’s groups continued to press for women’s rights” and new groups began to form. The growth of numbers of married middle-class women had paid employment created personal tensions that escalated in the 1960s. Elaine Tyler May, “The Commodity Gap: Consumerism and the Modern Home,” in *Consumer Society in American History: A Reader*, ed. Lawrence B. Glickman (Ithaca, NY: Cornell University Press, 1999), 313; Marlene LeGates, *Making Waves: A History of Feminism in Western Society* (Toronto: Copp Clark, 1996).


179 Lemke-Santangelo explains that the United States has a history of communal living movements, such as the Transcendentalists of the nineteenth century, like Henry David Thoreau. Previous communal living situations had included “remote collective villages, progressive social experiments, and millennial religious encampments,” continuously since the seventeenth century, according to Miller. As part of the self-provisioning movement, from 1965-1970 2,000 to 3,500 rural communes (with hundreds of thousands to a million young Americans) tried to drop out of the corporate network of consumption and feed, clothe and provide for the needs of their members, lists Cross. See Gretchen Lemke-Santangelo, *Daughters of Aquarius: Women of the Sixties Counterculture*, Culture America (Lawrence, KS: University Press of Kansas, 2009), 8-9; Timothy Miller, “The Sixties-Era Communes,” in *Imagine Nation: The American Counterculture of the 1960s and ‘70s*, eds. Peter Braunstein and Michael William Doyle (New York: Routledge, 2002), 327; Gary S. Cross, *An All-Consuming*


Peter Braunstein and Michael William Doyle divide the 1960s counterculture into two major phases. Although Braunstein and Doyle disagree with the term “counterculture,” arguing that it “falsely reifies what should never properly be construed as a social movement. It was an inherently unstable collection of attitudes, tendencies, postures, gestures, ‘lifestyles,’ ideals, visions, hedonistic pleasures, moralisms, negations, and affirmations.” Multiple writers, including Lemke-Santangelo, Braunstein and Doyle, and Cross, point out that the hippies built upon the critiques of the 1950s Beats. The first phase, the “Flower Children” period, was “white youth-dominated, highly optimistic, even utopian” and lasted from about 1964-1968. Young adults questioned the focus on technology and consumerism and rejected the suburban ideal as inauthentic, according to Goldstein. The second phase started in 1969-1970 with the fragmentation of the counterculture into multiple cultural liberation movements. This phase was less utopian and “practical liberation’ on the level of lifestyle became the countercultural mode,” Braunstein and Doyle clarify.


In particular, hippie women produced crafts, such as beadwork, in their homes and sold them at head shops, flea markets, craft fairs, arts cooperatives, and along popular tourist streets. Rozsika Parker claims that in the hippie era, “embroidery symbolised love, peace, colour, personal life and rejection of materialism.” With the rise of late-sixties psychedelic culture, small-scale craftspeople also made countercultural goods, such as pipes for illegal drugs.


Ibid, 18.


Cross finds it ironic that the overall cultural of consumption required more and more people to get jobs in order to afford the goods and houses that were left unattended while their owners worked.


Trends included the personalization of clothing, such as the adoption of African dress by African-Americans and the “revival of traditional arts of minority communities in the South and Southwest.” Elissa Auther, *String, Felt, Thread: The Hierarchy of Art and Craft in American Art* (Minneapolis, MN: University Of Minnesota Press, 2010), 26.


Second wave feminism had two major strands, neither of which focused on gaining political rights. One strand, liberal feminism, tried to combat discrimination and sexist attitudes. The other strand, radical feminism, fought patriarchy, by focusing on family and personal relationships. For Marxist feminists, evidence of patriarchy in the home came from the naturalization of domestic work as women’s work, which kept women in their place in an unproductive, non-aesthetic sphere of production.


Although much of this political agenda was individualized, some collective actions emphasized practice as the primary political act, e.g. the Fiberworks Center for Textile Arts in the San Francisco Bay Area or New Hamburger Cabinetworks near Boston. One of the most well-known examples is Judy Chicago’s *Dinner Party*, worked on by about 400 artists. The *Dinner Party’s* large triangular table with ceramic plates, embroidered tablecloths and metalwork, symbolized famous historical women, and both the process and the objects were meant as political commentary.


The National Endowment for the Arts, founded in 1965, gained increased funding to support regional arts and crafts. Additionally, regional, state, and local arts councils provided public validation for the arts as necessary and integral components, along with technical and financial support to artists and arts institutions.


Ibid.


Ibid., 142.

The 1970s also saw an increased hobby interest in traditional textiles – sewing, embroidery, quilting, knitting, crocheting, rug-hooking, and needlepoint - related to feminists reclaiming “women’s work.” Another popular craze was macramé. The best-selling how-to book Step-by-Step Macramé (1970) sold more than a million copies by 1976 and was only one of about a dozen other popular macramé books. The Museum of American Folk Art in New York even organized a 1971 exhibition on macramé with record attendance.


For example, in 1972, Artis Aleene Eckstein wrote: “Everyone is interested in ecology these days…. These craft designs can serve both the economy and the ecology.” Artis Aleene Eckstein, How to Make Treasures from Trash (Great Neck, NY: Hearthside Press, 1972), 8.


In 1958, sales were $193 million; in 1967, sales were up to $317 million, and in 1977, sales reached $1.77 billion. Hobby publications had a similar increase from 812 handicraft publications in the 1950s to 1,421 in the 1960s and jumping to 4,097 in the 1970s. William Garrison concurs that the sale of craft materials, kits, and equipment amounted to a billion dollars annually by 1974.

Sales figures from Table 5.1 in Rachel Maines, Hedonizing Technologies: Paths to Pleasure in Hobbies and Leisure (Baltimore: Johns Hopkins University Press, 2009), 117. Publication figures also from Maines, Appendix B, 138-46.
With the increased price of goods and services, necessities such as housing and medical care became less affordable. Businesses also had low profits and could not invest in new equipment or research and development, leaving older, less productive machines in factories. A shortfall in tax revenues due to slow income growth led the federal government to borrow heavily in the 1980s, increasing the deficit.

A recession in the early 1980s resulted in unemployment for 11 percent of the total workforce, particularly through mass layoffs due to the closure of heavy manufacturing plants in the Midwest and Middle Atlantic, creating the “Rust Belt.” Batchelor describes the “lasting psychological consequences on those downsized, particularly male breadwinners” resulting from the mass layoffs and unemployment: “Depression, alcoholism, even violence, followed this life-changing experience. Few men over 40 years old who were forced out of their companies later found work at the same income level or were able to update their job skills to qualify for a career change.”


In 1980, women were 52 percent of the workforce. In 1990, they made up 58 percent. Also, in the 1980s, households became smaller and less traditional; more people got divorced or delayed marriage. Bob Batchelor, The 1980s, American Popular Culture through History (Westport, CT: Greenwood Press, 2007), 24.

Even as factory jobs kept disappearing, new industries were creating new ones. Mandel writes that between 1989 and 1996, about 11 million new jobs were created, “and of those, approximately two-thirds are managerial and professional positions.”


Ibid., 3-4.

Ibid., 4.

Richard Sennett, The Culture of the New Capitalism (New Haven, CT: Yale University Press, 2006), 188.


Etsy’s full mission:

“Our mission is to reimagine commerce in ways that build a more fulfilling and lasting world. We are building a human, authentic and community-centric global and local marketplace. We are committed to using the power of business to create a better world through our platform, our members, our employees and the communities we serve.

As we grow, commitment to our mission remains at the core of our identity. It is woven into the decisions we make for the long-term health of our ecosystem, from the sourcing of our office supplies to our employee benefits to the items sold in our marketplace.”


Ibid., 38.

Founded in September 1995, eBay was the largest internet auction house, specializing in collectibles. By 2000, eBay had over 40 million registered users and facilitated over five billion dollars in merchandise transactions.


See also: Barbara Brabec’s 1986 book Creative Cash: Making Money with Your Crafts, Needlework, Designs, & Know-How also promotes a crafts lifestyle but one aimed at female homemakers. She argues that many women need more than extra income; rather they need “something that would let them have a private and fulfilling life of their own, within the confines of marriage, of course.” She is quick to reassure her audience that having their own satisfying, creative, and potentially profitable, pursuit would make them “better people/wives/mothers.” Brabec tries to open the book to a wider audience than female homemakers, who want to earn money doing things they already enjoy, by describing the “age” as one where “men are needlepointing and women are blacksmithing.” Football player Rosey Grier promoted his needlepoint hobby through books like his 1976 Rosey Grier’s Needlepoint for Men. Furthermore, she considers the “natural progression from hobby to profession” to be “a commonplace occurrence.” The women she spoke with, particularly those between 40 and 50, were restless but did not want to disrupt normal family living or create problems with or for their husbands. She concludes that “Making things by hand obviously feeds the soul, and although it is nice to please others with the work that has been created, pleasing oneself is really what it’s all about.”


See also Wendy W. Rosen, Crafting as a Business, ed. Amy M. Feinstein (Baltimore, MD: Rosen Group, 1994).

Stewart started with her 1982 book Entertaining, and by the late 1990s, Stewart’s Do-It-Yourself (DIY) tutorials on crafting, decorating, cooking, entertaining and gardening were available in home decorating magazines and books and on television shows. By 2001, her reading and viewing public of mostly college-educated, home-owning women aged 25 to 54 numbered in the millions. Martha Stewart’s product for cooking, crafting, and more span an economic spectrum, however, and are also available at department stores like Kmart, Macys, JC Penneys, and craft stores like Joann Fabric and Craft Stores, Michaels and more.

According to historian Regina Lee Blaszczyk and Sarah Leavitt, Martha Stewart fits within a history of domestic advice from Catherine Beecher and Christine Frederick. Blaszczyk argues that “Homemaking reflects national ideologies about class, gender, race, ethnicity, and consumerism. Those values, in turn, embody ideas developed in Victorian America, which was dominated by white Protestants.” American Studies Professor Jay Mechling sees Martha Stewart’s advice as precisely “aimed at helping readers and viewers ‘perform’ a white, middle-class gentility through the careful arrangements of the commodities - the props, sets, and costumes - essential to that performance.”


236 Ibid., 96.


238 Table 5.1 in Rachel Maines, *Hedonizing Technologies: Paths to Pleasure in Hobbies and Leisure* (Baltimore: Johns Hopkins University Press, 2009), 117.


241 Interactions between craft artists and retailers became formalized with contracts, and craft artists could take formal classes in presentation and marketing. Craft work was validated through the marketplace, academia, professional associations, museums and galleries. American Crafts Retailers Association was established in 1987 to develop programs and services as well as a bank card discount program and various health and business insurance programs.


244 Professional craftspeople came from a variety of educational backgrounds – university art programs, specialized courses, apprenticeships, and avocational activities. Additionally, more of the leading craftspeople were women.

The National Endowment for the Arts categorized craftspeople in the following four categories:

“ARTIST CRAFTSMAN - A craftsman who works to his own design concept and makes one-of-a-kind objects.

DESIGNER CRAFTSMAN - A craftsman who works to his own design concept and makes prototypes for small and large industry.

PRODUCTION CRAFTSMAN - A craftsman who works to his own design concept, or to the design concept of another individual, period, or group, and who makes multiples of an object.

ARTISAN – A craftsman who works to the design concept of another individual, period, or group, and who makes one-of-a-kind, prototype, or multiple objects.”


245 Greenhalgh dismisses the art-craft debate as one that lasted too long. In the debate, “Craft has been depicted as a separate, self-contained entity, or alternatively as a part of the Fine Arts. The debate has also been wilfully ignorant of key social economic determinants, it has been Eurocentric, it has failed to deal with the gender issue and, unlike 19th century forebears, has openly ignored social class.” Historian, art dealer and critic Garth Clark describes the “argument that craft was really art” as “fevered and relentless” and blind to art history. Craftspeople who wanted to be considered artists blamed the elitism of fine art,
rather than accepting that craft was “finally, and beneficially, different,” Clark suggests. Art historian Sue Rowley sees the “so-called ‘art-craft debate’” as part of a larger critique of art historical canon formation. The critique of art canons was part of contentious debates over “the place of ethno-cultural diversity-or cultural pluralism-in American society,” according to Dennis Downey. Additionally, crafts carried negative connotations, since the canon of “modernist Euro-American art was constructed around ‘anti-craft’ values and the denigration of the crafts,” according to Rowley. Over the course of the 1990s, Paul Greenhalgh saw the art-craft debate shift from the “negative complaint (why am I not treated like an artist?) to an integrationalist spirit (what does it matter as long as I create and communicate?).” The change in the art-craft debate occurred as part of the “interdisciplinary” 1990s with its intellectual emphasis on crossing boundaries throughout the humanities. He concludes that “Thus, if the previous 20 years had been fraught with anxiety about the status of craft in relation to the Fine Arts, the last ten years have witnessed the beginnings of a promising fusion of craft with everything else.”


247 Ibid., 91.
248 Ibid., 98.

Author of the 1994 book Crafting as a Business, Wendy Rosen agrees that craft-making continues the revolution that started with the 1960s teenagers, for whom making crafts symbolized peace, tolerance and freedom. Rosen continues that craft-making in the 1990s “still represents the conscience of our nation, to question ideas we take for granted, and expand our sense of values concerning our world, and our future.”


Third-wave feminism began in the 1990s. Scholz explains one facet of third-wave feminism: “By recognizing politics in every action, third wave feminism has been criticized for emptying politics of content or of neglecting collective action to create social change. This weakness might also be a strength insofar as one can act politically to create social change alone or together and in almost every action one performs insofar as it is performed self-consciously and freely.”


In her study of craft fairs in Detroit Dickie found several thousand people produce crafts and sell them directly at weekend crafts fairs. None of the households depended solely dependent on the income from their crafts. She considers this “both something new - the emergence of alternative income producing activity - and something old - a reinvention of traditional craft and a return of income producing occupations to the home.”

251 Ibid.

252 Dickie calls crafter’s strategy “postindustrial” since it helped families cope with job loss due to the automobile industry downsizing.

Ibid.


Phyllis George, *Craft in America: Celebrating the Creative Work of the Hand* (Fort Worth, TX: Summit Group, 1993), 1.

The federal proclamation stated that “the traditional values of craftspeople such as dedication to the qualities of excellence, perseverance, self-discipline, and integrity, affirm the work of the hand invested with energy of mind and spirit and will serve as a continuing force in the improvement of life and culture." quoted in dickie:


Fair trade organizations started as Alternative Trade Organizations (ATOs) after World War II. Economic-development FTOs started in Europe in the 1960s. In 1989, the International Fair Trade Association (IFAT), now the World Fair Trade Organization (WFTO), was established by Fair Trade pioneers as first global Fair Trade network.

To not be seen as charity, fair trade goods must appear to have increased material and symbolic use values, explains sociologist Matthias Zick Varul. One way fair trade products try to increase their use value is through “romanticized images of commodified agricultural and artisanal producers” suggesting authenticity but remaining stuck in post-colonial relations. This commodity de-fetishization results in fetishizing the concrete labor into a commodity. Fair trade producers remain producers, not consumers in the global market. Varul continues: “Fair trade bears evidence against the moral power of capitalism, and demonstrates, in its failure, that it is but one step in the right direction.” Success would be an embedded world market in which truly fair conditions are institutionalized for everyone.


There was a shift toward weekend work for one or several family members. In the 1980s, Kmart was dominant discounter. In the 1990s, the big-box retailer emerged, most notably Wal*Mart. Blaszczyk writes that “Some consumers welcomed the rise of big-box retailers like Wal*Mart. whose warehouse prices allowed people of modest means to enjoy a middle-class lifestyle. For others, the demise of department stores and traditional shops and the commercial ‘death’ of downtown-in small towns, cities big and small, and even some suburbs-signal the erosion of product differentiation, which had always been vital to personal expression, as well as any uniqueness their hometown had offered.” Additionally, online shopping venues multiplied. For example, Amazon.com was founded in 1994.


“The growth of numerically small, but economically viable markets has resulted from an unprecedented average level of education, an unparalleled division and specialization of labor, and an unrivalled degree of urbanization.”


Phyllis George, *Craft in America: Celebrating the Creative Work of the Hand* (Fort Worth, TX: Summit Group, 1993), ix.

Phyllis George’s complete list of reasons why people buy crafts in the 1990s: “Some appreciate fine craftsmanship and value the attention to detail that is rarely found in today’s commercially made objects.
Others find owning crafts a superb and special way to personalize their own environments and to express their particular taste. Still others find the makers themselves the appealing aspect of owning crafts. Being personally involved with a crafts person, knowing his or her own story, enhances the value of the object. In addition, crafts are still affordable, and many craftspeople are willing and prepared to do special commissions.”


263 In contrast to the 1980s, Cooke claims that 1950s and 1960s studio furniture had use value and remained true to its function.


While popular interest in craft is booming, several craft professionals are worried about the future of Studio Craft. Professional craft, Studio Craft, is generally defined by medium, such as ceramics, metalwork, textiles, glass-making and wood-working. For example, craft dealer Garth Clark argued that the modern craft movement died around 1995, after unsuccessfully trying to establish “high craft as the peer of high art.” While there were an estimated 500,000 professional crafters in the US in 2008, two prominent institutions have changed their names to omit craft - the American Craft Museum became the Museum of Arts & Design in 2002 and the California College of Arts and Crafts also dropped “craft.”


Ibid.
With such a high level of indebtedness, households in 2007 were in a precarious situation, resulting in higher rates of mortgage and credit card delinquency rates than in past recessions. Foster and Magdoff explain that the Great Recession “was preceded by a whole series of lesser economic shocks, of growing magnitude, over the last two decades, most notably: the U.S. stock market crash of 1987, the savings and loan crisis of the late 1980s and early ’90s, the Japanese financial crisis and Great Stagnation of the 1990s, the Asian financial crisis of 1997–1998, and the New Economy (dot-com) crash of 2000. Yet the Great Financial Crisis has far outreached them all.”


275 Ibid.


277 Ibid.


281 Ibid., 151.


285 Ibid.


289 Many crafters and craft supply companies post free tutorials or advertise patterns for sale on individual blogs, Ravelry.com for knitters, Instructables.com and in YouTube videos. Others use mainly photo-
sharing sites like Flickr.com, Pinterest.com and mobile apps like Instagram. Crafters also use the internet to arrange in-person classes, retreats, tutorials, craft swaps, and services. Other sites crafters use include MeetUp.com, Twitter, Facebook, Craftster.org, Betsy Greer’s Web site Craftivism.com.


Former Wired magazine editor Chris Anderson argued that the Maker Movement is transformative because of three characteristics. The first characteristic is the use of “digital desktop tools” to design and prototype new products, such as 3D printing. Second, makers “instinctively share their creations online” and collaborate with others. Finally, makers use common design file standards, so that designs can be commercially manufactured, which relates to the rise of factories for hire for orders of any size. The result of these changes, according to Anderson, is a manufacturing revolution coming from bottom-up innovation by amateurs, entrepreneurs and professionals.

In 2014, even President Barack Obama spoke of the “rise of the Maker Movement” as “a huge opportunity” to “revitalize American manufacturing,” since “America has always been a nation of tinkerers, inventors, and entrepreneurs.” The White House announced in June 2014 that “13 federal agencies are teaming up with companies like Etsy and Kickstarter to help Americans access startup capital and tools to develop new products,” as reported by the Associated Press.

Others, such as management theorist Jeremy Rifkin, write not about the maker movement but a Third Industrial Revolution. The five pillars of the Third Industrial Revolution are (1) shifting to renewable energy; (2) transforming the building stock of every continent into micro–power plants to collect renewable energies on-site; (3) deploying hydrogen and other storage technologies in every building and throughout the infrastructure to store intermittent energies; (4) using Internet technology to transform the power grid of every continent into an energy internet that acts just like the Internet (when millions of buildings are generating a small amount of renewable energy locally, on-site, they can sell surplus green electricity back to the grid and share it with their continental neighbors); and (5) transitioning the transport fleet to electric plug-in and fuel cell vehicles that can buy and sell green electricity on a smart, continental, interactive power grid.”


“Global Issues In Context.

CHAPTER TWO: “CRAFT CAPITALISM”

The 2015 Initial Public Offering (IPO) of Etsy, Inc. started one of the most “interesting and important discussions about the future of capitalism,” according to financial journalist Suzanne McGee. Etsy promises to change the world by reimagining commerce and building communities. Founded in 2005 by Rob Kalin, Etsy.com is a peer-to-peer e-commerce site limited to handmade goods, vintage products, and craft supply items. Etsy promotes authentic and personal selling and buying in juxtaposition to the commodities of faceless global corporations. One of its greatest strengths is that “Etsy” is comprised of both the corporation Etsy, Inc. and its community of sellers and buyers. Etsy successfully tapped into a desire for an easy and centralized marketplace for makers and for more unique products for consumers. It is also credited with helping to “spur a wider industry of items that claim to be artisanal, authentic or bespoke.”

In May 2012, Etsy became a Certified B Corporation (B Corp) in order to create “a collective good through goods.” B Corps voluntarily meet higher standards of “social and environmental performance, accountability, and transparency,” according to the certifying organization, the nonprofit B Lab. Despite the rhetoric of transforming the world economy, Etsy was, of course, never outside of the current economic conditions. In order to maintain and expand its marketplace, Etsy accepted over $123 million of venture
capital, enmeshing itself in the world of increasing financialization. Financialization has led to finance being a part of everyday life, affecting not just economic but social behaviors. As Etsy became increasingly financialized, venture capitalists took seats on the board of directors to guide the growth of the company. At its 2015 IPO, current CEO Chad Dickerson wrote:

As we’ve grown, Etsy has become a touchpoint of debate for larger issues, including whether the human-centered craftsmanship that we exist to support is compatible with being a public company, which requires a new set of responsibilities to shareholders.  

Throughout its growth and changes, Etsy still claims to want to “transform the world economy into one that is more people-centered and community-focused.” Etsy therefore exists at the intersection of the craft idealism, neoliberalism, techno-utopianism, financialization, and ethical business debates. Etsy has even been described as part of "craft capitalism,” “do-it-yourself capitalism,” “artisanal capitalism,” “the sharing economy,” and “post-capitalism.” The discourse around Etsy reveals contemporary dissatisfactions with the economic and social impacts of financialization, the current recession-prone economy, rising inequality, and perceptions of job insecurity and inauthenticity. While the financial crisis and Great Recession produced cynicism about corporations, journalist Amy Larocca argued that the opposite happened as well. Now venture capitalists and entrepreneurs seem to be the “most optimistic people in the country” with “a new faith in the transformative power of capitalism.” Furthermore, she claimed that Etsy:

…might embody… the hope that, in a country long soured on both big business and big government, a new kind of company could be not only a force for good in the world but possibly the greatest hope for good…. 
The emphasis on change for a better world reveals that the search for alternative solutions to contemporary problems. Etsy has a mission to build a more fulfilling world, therefore this chapter will address how Etsy as a corporation can survive and prosper and if Etsy can “do good” as a Certified B Corporation (B Corp).

**Overview of Etsy, Inc.**

As a company formed around craft, Etsy has experienced conflict between its idealistic and financialized sides. Etsy, Inc. was founded in 2005 and runs the e-commerce website etsy.com. Etsy was the first site to specialize in handmade goods, vintage products, and craft supplies, leading the American Craft Council in 2011 to credit Etsy with “revolutionizing the way makers market their work.”

Etsy provides a central place for mainly amateur, but also professional, crafters to sell their goods to bypass traditional art/craft world gatekeepers and reach customers more directly. As a non-juried marketplace and peer-to-peer digital platform, Etsy does not limit or select the sellers and products on the site. More than 40 million products are sold on Etsy and range from the professional to the bizarre and poorly made in the following main categories: Clothing & Accessories, Jewelry, Craft Supplies & Tools, Weddings, Entertainment, Home & Living, Kids & Baby, and Vintage (Figure 2).
The weirder or geekier things for sale regularly get published in media and blog articles (Figure 3). A popular former website-turned-book, Regretsy (Where DIY Meets WTF), humorously profiled some of the most poorly made and bizarre crafts on Etsy, including a “Glow in the dark zombie brain cameo” necklace, a “Chicken Poncho or Knitted Wrist Cuff,” and a “Bedazzled Tampon.”
As of December 2015, Etsy had about 54 million members, of which 1.6 million sellers and 24 million buyers were active at least once in that year. All Etsy members must, of course, have internet access through a computer or smartphone and must open free accounts, which allows Etsy to keep track of members and to try to encourage a feeling of community. Most of the members are women, making up 86% of sellers and 90% of buyers. Etsy appeals to sellers for two main reasons. First, Etsy has lower fees than competitor e-commerce sites, such as Handmade at Amazon, eBay, and ArtFire. Second, Etsy provides sellers with a concentrated audience of buyers interested in their niche products. Although Etsy is an international website, 70% of its $2.39 billion in gross merchandise sales took place in the United States in 2015, with a gross revenue for that year of $273.4 million. Seller fees provide its six main revenue sources, comprised of a $0.20 listing fee per item, a 3.5 percent commission per sale, as well as fees to
promote listings, to use direct checkout, to create shipping labels, and for point of sale payments.

Etsy makes its community focus explicit in its self-description as a “marketplace where people around the world connect, both online and offline, to make, sell and buy unique goods.” Etsy was inspired by and benefited from the already existing online community of crafters, in particular those who participated in the indie craft scene. Indie (short for “independent”) craft has an ethical and political focus that is against standardized mass culture, conspicuous consumption, and products of exploitative labor and supportive of creativity and authenticity. Indie craft fairs were spreading across the United States in the early twenty-first century, but online selling options were limited. In 2004, crafter Jean Railla hired Rob Kalin, a woodworker and aspiring furniture designer, to redesign her website GetCrafty.com. Railla did not want to add an e-commerce component to GetCrafty but thought it was a brilliant idea for Kalin to develop further on a site of his own.

Etsy.com went live in June 2005, with help from two of his friends and Kalin as the first Chief Executive Officer (CEO). Since e-commerce sites are expensive to maintain and grow, most notably requiring server space and software developers, Kalin accepted some seed money and angel funding early on. Although he initially turned down venture capital offers, he soon followed the example of other tech start-ups and found a venture capital firm whose terms he found acceptable. In return for funding, the venture capitalists took seats on Etsy’s board of directors and helped to direct the growth of the company. Venture capitalists (VCs) make money by investing in younger, smaller,
and less valuable companies and then selling their shares when the companies are older, bigger and more valuable. In return for huge fees, VCs reduce the risk that the entrepreneurs’ company will go out of business by showing them how to access resources, providing social connections and legitimacy and teaching them established solutions to problems. Over the course of six rounds of venture capital funding, starting in 2006 and ending in 2012, Etsy received over $123 million. Series of rounds of financing (early to late) are often required and amount of capital increases and the risk and returns generally decreases. At each round, the entrepreneurs lose more control as investors take more seats on the company’s board of directors. In the case of Etsy, this meant that Union Square Ventures played a deciding and significant role from the beginning, with one partner serving as Etsy’s first chief technology officer and another coining Etsy’s first slogan: “Buy Handmade.” Etsy’s first full slogan was “your place to buy and sell all things handmade.”

As for why the site was called “Etsy,” Kalin likes to change the story behind the name, but the most commonly reported answer is that he wanted a nonsense word and was inspired by an Italian phrase in Federico Fellini’s film 8½ that sounded like “etsi.” As Etsy’s founder and first CEO, Kalin was in a “very special position,” since CEOs, according to economist Robert J. Shiller, stand for “the core idea behind the company’s activities” and embody “the purpose of the company.” Kalin “positioned himself as the living, breathing incarnation of the Etsy brand” and tried to “curate [his] entire life pretty much with handmade stuff,” yet he “often came across as less interested in business than in ideology” according to journalist Rob Walker. Eventually Kalin’s creativity strained
“his relationship with the rest of the company,” as he kept dreaming up new and sometimes impractical features to add, while his co-founders were struggling just to keep the website from crashing.\textsuperscript{321}

Kalin stepped down as CEO in July 2008 and was replaced by Maria Thomas.\textsuperscript{322} Thomas had previously worked for NPR’s digital operations and Amazon.com and had become Etsy’s chief operating officer (COO) earlier that same year.\textsuperscript{323} She succeeded in making Etsy profitable in 2009, yet persistent seller complaints about customer support and site performance lingered.\textsuperscript{324} In late 2009, Kalin urged the board of directors to reinstate him and returned as CEO in January 2010. Yet Kalin was fired by the board in 2011 due to concerns about whether he could continue to grow the business.\textsuperscript{325} This move was not necessarily surprising as venture capital firms often replace the founder as the company struggles to grow. Some Etsy members had been unhappy with Kalin too, such as loopyboopy, who called Kalin “undependable and scattered when it comes to communicating” but believed “he has good intentions and… his idealism is sweet. I wish he could learn to actually make his ideas a reality rather than just talking the talk.”\textsuperscript{326} Kalin’s removal from Etsy reveals the continual conflict between the ideological and financialized sides of Etsy as a company formed around craft.

Chad Dickerson, who had been Etsy’s Chief Technology Officer (CTO) since September 2008, became Etsy’s CEO in 2011 and remains so in 2016.\textsuperscript{327} Dickerson told the \textit{Wall Street Journal} that the board of directors chose him to “scale Etsy to be a much more powerful force in the world. That means making Etsy a global brand.”\textsuperscript{328} Under Dickerson’s leadership, Etsy became a Certified B Corporation (B Corp) in May 2012 in
order to create “a collective good through goods.” CEOs are expected to be visionary in order to reinvent the corporation “in response to new information and new market demands.” Dickerson gained his employees’ trust, according to a 2013 *Inc.* magazine article, because “he delivered them from a demoralizing situation and because of the open, honest culture he created.” According to the same article, Dickerson is:

…the leader of a community as much as a company, and that means balancing wildly divergent priorities. That his particular community includes a million-plus artist types with, in many cases, anticommercial tendencies, makes it all the harder.

Unfortunately many sellers see him as a “craven-capitalist.” For example, in 2015, Etsy sellers Bob and Sherry from bobandsherrytruit pointed out that with “with the new ‘capitalist Etsy’, Mr. Dickerson has become a multimillionaire,” they assume, while “thousands of handmade makers are struggling.” The tension between craft idealism and commercialization and financialization that underscores bobandsherrytruit’s comment continues to be problematic for Etsy.

With its April 2015 Initial Public Offering (IPO), Etsy became a publicly traded company. Etsy’s IPO was very successful, valuing Etsy up to $1.8 billion, with shares trading at $31, almost double its opening price of $16 on the NASDAQ Stock Market. As *TechCrunch* journalists concluded, “Wall Street investors like those homespun crafts.” While Etsy had a big first day as a public company, shares dropped quickly, but stock volatility is common with recently public companies. Etsy, however, struggled in 2015 on the stock market and made both the lists for “biggest retail flops of 2015” and “worst performing IPOs of 2015.” However, Etsy was not the only newly public that had problems that year. Renaissance Capital reported that 2015 was a
disappointing year in general for IPOs, in part due to volatile markets, and half of the newly public tech companies were trading beneath their IPO price. While Etsy had been subject to media coverage before it became a public corporation, Etsy’s IPO brought a greater level of scrutiny to the company. Etsy had been responsible to its community of members and to its venture capitalist investors but now had outside investors and analysts judging its performance and how well it held up to the standards of a socially responsible B Corp.

**Situating Etsy**

Through its mission statement, which has changed at least five times since 2009, Etsy participates in the discourse of politicized craft that was articulated over a hundred years ago by William Morris and other leaders of the Arts and Crafts movement. Etsy’s current mission is “to reimagine commerce in ways that build a more fulfilling and lasting world” and to use “the power of business to create a better world.” Journalist Rob Walker describes Etsy as being a “rhetoric-heavy enterprise” from the beginning that:

…promised to do more than simply turn a profit. It promoted itself as an economy-shifter, making possible a parallel retail universe that countered the alienation of mass production with personal connections and unique, handcrafted items.

Etsy initially drew heavily on the ideal of craft as desirable and good work, in opposition to alienating and impersonal work, as a way to build a better world. Etsy’s 2009 mission was “to enable people to make a living making things, and to reconnect makers with buyers. Our vision is to build a new economy and present a better choice: Buy, Sell, and Live Handmade.” Here Etsy draws on the rhetoric of “handmade” as something that
has “soul, it has verve, a sparkle that a machine cannot reproduce,” as expressed by craftsman John Brown in 2004.\textsuperscript{344} Moreover, Etsy’s “Live Handmade” slogan reflects the 1960s and 1970s ideal of craft as part of a countercultural lifestyle that was authentic, natural, and self-sufficient. Etsy even gets credited by some for starting the “homemade” or “handmade” movement. Yet Etsy did not start the larger craft movement but rather tapped into the existing community, provided a central commercial outlet for crafters interested in selling their products and helped make craft mainstream.\textsuperscript{345} By 2013, journalist Kevin Morris wrote that Etsy was never some “soulless ecommerce site—it was a lifestyle,” and proof that “a separate universe of handmade goods could not just exist but flourish.”\textsuperscript{346} Even as Etsy approached its 2015 IPO, many Etsy fans still saw it as more than a marketplace; they viewed Etsy:

\[
\text{…as an antidote to global mass production and consumption, and a stand against corporate branding. It’s their vote for authenticity and good old craftsmanship, and a seemingly ethical alternative to buying from big corporations.} \textsuperscript{347}
\]

The resurgence of interest in handmade reveals a current of widespread discontent, particularly with the perceived dehumanization from industrialization and the inauthenticity of global brands and corporate jobs. In contrast, the ideal of handmade celebrates the human aspect of production and consumption.

As Etsy matured, the term “handmade” disappeared from its mission statement, and was replaced first by “authorship and provenance” in 2011, then “craftsmanship” in 2012 and finally “unique” in 2013.\textsuperscript{348} Yet, the term handmade reappears 20 times in Etsy’s 2015 IPO Prospectus, along with “authentic” or “authenticity” 24 times.\textsuperscript{349} Etsy’s VP of Design Randy J. Hunt explained Etsy’s use of “handmade” as a worldview “about
intimacy – a closeness between people, things, our environment.”350 Hunt concluded that
“‘handmade’ is really a metaphor for ‘human scale,’” which he explained as “a
distributed, networked view of the world as opposed to a consolidated, hierarchical view
of the world.”351 Yet “handmade” has always been difficult to define, in part because
almost everything is made with some kind of tool. The line between machine-made and
handmade is not always clear. The focus on “hand making” is used to make explicit the
labor involved in individually producing objects as opposed to the division of labor
involved in mass-producing objects. The human aspect is a very important part of craft
and the basis for craft’s perceived authenticity. Craft is seen as unique and personal, in
contrast to anonymous and standardized industrial production. Handmade is therefore
more of an idealistic or sentimental term than a practical one.

The problems with the term handmade reflect the larger problems that Etsy faces,
and one that all craft idealism seems to have, namely “a fundamental disconnection with
the capitalist marketplace,” as museum director Glenn Adamson points out.352 Craft does
not usually remain financially viable or capable of scaling up without moving towards
mass production, resulting in countercultural craft becoming co-opted by the mainstream.
Even socialist William Morris of the nineteenth century Arts and Crafts movement, who
was against the dehumanization of industrial labor and argued for “joy in labor,” could
not maintain his ideals once he created his company, Morris & Co. Etsy, however, “has
never been anything but capitalist,” as member Zala from UraniaArt points out.353
Nonetheless, Etsy’s intentional connection to craft idealism has led some to qualify the
type of capitalism Etsy represents.
In 2007, *New York Times* journalist Rob Walker wrote about “craft capitalism” and “do-it-yourself capitalism,” which referred to Etsy’s “digital-age version of artisanal culture,” in which “the future of shopping is all about the past.” This meant having people buying from each other, not from chain stores, and fighting against the “alienating and disconnected” marketplace through the personal connections formed by buying handmade objects. A 2014 article in *The Economist* similarly referenced the past to explain “artisanal capitalism,” starting from the premise that William Morris “would have approved of Etsy.” The author argued that the Arts and Crafts movement failed because “it tried to reject capitalism and return to an artisanal golden age that had never existed.” In contrast, Etsy and the maker movement’s embrace of new technology and business models, like the B Corp, makes this “artisanal capitalism” stand a better chance of supporting artisans. Although hard to scale and often not financially viable, craft, since the Arts and Crafts movement, has been associated with anti-capitalism or a different kind of capitalism. Craft points to old, but alternative and potentially more fulfilling, ways of working. The contemporary resurgence of craft through such global platforms as Etsy reveals the viability of the search for alternative working, living and buying solutions.

While Etsy grew out of the existing craft community and is highly influenced by the legacy of craft idealism, Etsy’s business approach to “building a human, authentic and community-centric global and local marketplace” also positions the company within the sharing economy. The “sharing economy” refers to peer-to-peer economic activity through digital platforms that provide a range of services, including renting, service-
provision, employment, and gifting. Critics point out that the altruistic language of “sharing” and “community” can hide new forms of inequality, by focusing on the users, rather than the platforms. The result, according to geographer Lizzie Richardson, is that the sharing economy can potentially “both shake up and further entrench ‘business-as-usual’ through the ongoing reconfiguration of a divergent range of (economic) activities.” With its rhetoric about reconfiguring the economy, the sharing economy has been variously labeled part of the capitalist economy, an alternative to capitalism, an example of neoliberal excess, and the latest version of the techno-utopianism.

On one hand, the sharing economy, with its focus on micro-entrepreneurship, is a prime example of neoliberalism. In the contemporary neoliberal era, according to David Harvey, individuals are trapped by laws of the market. Therefore “the social good” is maximized by bringing all human action into the market. Risks are offloaded from governments to individuals. One aspect of making everything marketable is that individuals are understood as entrepreneurial actors, who must bear full responsibility for their actions and be flexible enough to adapt to new opportunities. In the sharing economy, the individual economic empowerment of micro-entrepreneurs is celebrated, such as in Etsy’s 2016 report that describes sellers as “independent, flexible, solo entrepreneurs who are taking their economic and social well-being into their own hands.” The treatment of sellers or service providers, however, varies throughout the sharing economy. One article contrasts “Uberification” with Etsy’s “Micro-Entrepreneurship,” condemning ride-hailing service Uber for promoting “a larger goal by using people” and praising Etsy for promoting “people by having a larger goal.” The
article continues that the “whole benefit of Etsy is the ability to buy people’s creativity and appreciate their value,” concluding favorably that Etsy sellers are micro-entrepreneurs, not pawns of a larger corporation.\(^{365}\) The focus on individual entrepreneurship is not the only way the sharing economy can reinforce neoliberalism. Corporate co-optation of sharing has led to one or two big players dominating each category of the sharing economy. In one report, Etsy dominates the Custom Products section, with 91% of transactions.\(^{366}\) The dominance of a small number of big players means that it is profiting from the peer-to-peer transactions more than the users, who often experience insecurity of work on the platforms. Some areas of the sharing economy create unregulated marketplaces, threatening regulated businesses, most notably lodging and ride-sharing. In these ways, the sharing economy is a prime example of neoliberalism.

On the other hand, the sharing economy is seen as an alternative to contemporary capitalism, revealing the interest in viable alternatives to the economic structures that are causing dissatisfaction. Sharing can be a way to create more sustainable practices that disrupt capitalist hyperconsumption. Sharing economy companies tend to frame themselves as “more friendly, empowered, collaborative, and locally oriented capitalism” and more progressive than multinational corporations and large bureaucracies, according to sociologist Edward T. Walker.\(^{367}\) For example, Jeremiah Owyang and Alexandra Samuel describe the sharing economy as:

\[\ldots\text{an economic movement where common technologies enable people to get the goods and services they need from each other, peer to peer, instead of buying from established corporations.}\]
Their definition does not consider the companies profiting from the peer-to-peer connections, even though it sets up a contrast between a peer-to-peer movement and established companies. Similarly, a PricewaterhouseCoopers report lists “trust, convenience and a sense of community” as the main factors for sharing economy adoption.369 The interest in using community as a business strategy is so widespread that Etsy founder and former CEO Rob Kalin was even invited to speak at the 2010 World Economic Forum (WEF), which had recognized Etsy as one of that year’s Technology Pioneers. In his speech, Kalin argued that “the key to a sustainable global economy was millions of small businesses, rather than conglomerate companies, and that a sense of community needed to be restored to business.”370 Current CEO Chad Dickerson also claims Etsy wants its “human-centered economy” not to be “an alternative economy…. We want it to be the economy.”371 Discussions of community can be used to facilitate new types of economic participation and counteract commercialization of traditional activities, such as craft. However, while the rhetoric of the sharing economy that talks about changing the economy means an openness to alternatives, at the same time it can lead to a capitalist co-optation of activities that may not have been seen as economic and a narrowing of options as a few brands become dominant.

The techno-utopian view of the sharing economy argues that it disrupts established economic structures. Lizzie Richardson understands the sharing economy as a “mainstreaming of this cyber culture” with its “imagination of networked and connected space as transformative and emancipatory.”372 Doug Henwood dates the sharing economy’s “promise of using technology to connect disparate individuals in mutually
profitable enterprise, or at least in warm feelings” to 1990s “enthusiasms—the flattening of stodgy old hierarchies, the rise of peer-to-peer networks, the decentering of everything.” Henwood further argues that 1990s techno-utopianism drew on “1970s artisanal hippie/New Leftish capitalism” mixed with 1980s New Right libertarianism. With craft as its base, Etsy already draws on 1970s hippie ideals and fits within sharing economy rhetoric. Henwood, however, concludes that:

The sharing economy is a nice way for rapacious capitalists to monetize the desperation of people in the post-crisis economy while sounding generous, and to evoke a fantasy of community in an atomized population.

Art historian Kirsty Robertson agrees that even as Etsy, a for-profit company, created an outlet for indie crafters to make a living from their craft, Etsy also provided “the perfect pathway for such movements to become commoditized.” This tension between the community and the commoditized/financialized sides of Etsy continue to cause problems for the company. Despite the emancipatory techno-utopian rhetoric of sharing economy companies, they, like Etsy, have always been capitalist.

Despite claiming to be a different type of capitalism, the most prominent sharing economy companies, Etsy included, are highly financialized companies that have accepted millions in venture capital. Financialization, according to Andy Pike and Jane Pollard, is “shorthand for the growing influence of capital markets, their intermediaries, and processes in contemporary economic and political life.” Profits now accrue primarily through financial ways, rather than through trade or commodity production. Finance is now part of everyday life as more things are traded financially and more households, directly or indirectly, participate. Financialization results in changes to
economic, societal, and governmental behavior, values, and policies. With such heavily financialized companies backing this “disruptive” peer-to-peer technology, new inequalities can be hidden by the rhetoric. Often disregarded is the fact that corporations are making money on peer-to-peer production and consumption. While individuals get the chance to have flexible jobs and earn extra income, much of the actual profit goes to the platform. Despite such profits, some of the companies fail without venture capital support. Others, like Etsy, become successful enough with the help of venture capital funding and go public. Some of Etsy’s appeal for investors was that it was a “user-generated (read: low investment, potentially high revenue) business that still projects a green, anti-corporate image,” according to journalist Sara Mosle.377

Etsy’s choice to become a publicly traded company subject to shareholder pressure seemed at odds for some with its support of small businesses and crafters and promises to “reimagine commerce.” Dickerson, however, explained Etsy’s reason for becoming a public company in its IPO prospectus, claiming that:

…the principles and resources of being a public company align well with the model of shared success that is fundamental to Etsy’s way of doing business, namely that we make money when our sellers make money.378

Going public meant creating “more opportunities for everyone,” since investment in Etsy’s growth and the increase in visibility would help sellers by attracting more buyers.379 As a public company, Etsy could also add a new level of community participation by allowing anyone (including sellers, buyers, and others) who shares “Etsy’s values and mission” to “own a piece of Etsy.”380 Additionally, they hoped that being a public company would secure the business’s long-term sustainability and
longevity. Finally, they wanted to make “the world more like Etsy” and thought “the world will be a better place for it.”381 A world like Etsy would be one based on community, shared success, sustainability, and responsible business. In other words, journalist Camila Domonoske sums up, going public “won’t warp them.”382 Nonetheless, some analysts, like Jeff Reeves, called Etsy’s stock, which was “billed as the nexus of the ‘sharing economy,’” to be the “Biggest Joke on Wall Street.”383 Reeves finds Etsy’s “hype machine” to be amazing, since the “reason that Etsy Inc. has talked about ‘reimagining commerce’ so much,” is because “the current reality of its commerce is quite painful to behold.”384 Etsy’s commerce was painful to Reeves because Etsy was not making a profit at the time and had included lack of profitability among its business risks in its IPO Prospectus. Etsy’s warning about its lack of profitability stemmed from another of Etsy’s solutions to the tension between community and financialization – Etsy’s choice to become a Certified B Corporation (B Corp), which in short enabled it to refuse to promise shareholders profitability and instead promise the less tangible good.

The existence and success of Etsy reveals contemporary economic and social dissatisfactions and interest in alternatives. A 2016 poll by Harvard’s Institute of Politics (IOP) found that a majority of millennials reject capitalism (only 42% support it).385 Similarly, marketing expert Steven Overman claimed that neo-anticapitalism, the “new generation’s wholesale rejection of the basic principles of capitalism as we know it looms as a very real possibility.”386 Although Etsy has always been a capitalist company, well-funded by venture capital, Etsy’s successful self-positioning as an alternative economy grew out of the intersection of such contemporary economic discontents with the legacy
of craft idealism. One of the ways Etsy positioned itself thus was by drawing the ideal of craft as desirable, good work, in opposition to alienating and impersonal work. In this view, craftsmanship and the “handmade” were seen as providing a better, more authentic way to live, work, and shop. Craft was therefore a way to build a better, more human-focused world. For example, a comparison between Etsy and Amazon led a New Yorker journalist to credit Etsy with “loyalty” and Amazon with “capitalist efficiency.”

Another way Etsy was able to position itself as an alternative capitalist company was through its connection to the sharing economy. Etsy is one of many contemporary companies whose emphasis on community and new ways of working and “connecting” appeals to both venture capitalists and people looking for flexible jobs and interesting goods and services. Yet the sharing economy rhetoric often hides the inequalities built into the structure of the platforms. Although users can support themselves through sharing economy platforms, they experience insecurity of work, while the corporations behind the platforms often benefit the most from the transactions. One way the sharing economy could be more equitable would be to treat “information, ecological assets, and social relations” as common resources that are not well organized by profit maximization, argues sociologist Juliet Schor.

Digital technology could continue to make peer production and consumption efficient, but she advocates platforms owned and controlled by their users, rather than companies profiting from their users. Additionally, the financialization of companies like Etsy, through venture capital, means that the companies’ decisions are often guided by what is best for the shareholders, not the users. Etsy’s community of users is vital to its continued success and yet conflicts between the
community and the commoditized sides of Etsy continue to cause problems for the company.

Etsy as a Community and a Company
With a business centered on the niche market of crafts and related items that appeal to mainly women, many commentators over the years have predicted that Etsy will fail. Etsy’s business has been trivialized over the years as a “hippy-dippy outfit” and a “happy, crunchy company.”\(^\text{389}\) In a 2015 *Financial Review* article, the author finds Etsy to be a “nice business” with a “cutesy ethos, believing commerce can make the world ‘more people-centred, community-focused and joyful’” but doubts Etsy can become a large business.\(^\text{390}\) Journalist Thornton McEnery, in particular, enjoyed trivializing Etsy’s business and its stock prices in a series of articles with such crafty titles as: “Etsy’s Stock Is A Decoupage of Market Schadenfreude,” “Etsy’s Stock Is A Rocket Made of Yarn, Strategery and Dreams” and “Etsy’s Stock Is A Papier-Mâché Humpty Dumpty Doll Stuffed With Ennui.”\(^\text{391}\) Etsy is trivialized in part because of its core business of craft, which has been seen as inferior to art since the Renaissance. With industrialization, craft became nostalgic, a mere hobby or something undertaken by amateurs. Another reason for the trivialization of Etsy is its primarily female membership, whose work has historically been belittled as low-margin, home-based pink-collar jobs built out of hobbies. With this in mind, this section seeks to answer the question: can (and if so how) can the corporation survive and even prosper?

Being both a community of sellers and buyers and a publicly traded B Corp is one of Etsy’s greatest strengths. In its 2015 IPO prospectus, Etsy described its community as
“the heart and soul of Etsy,” which includes sellers, buyers, responsible manufacturers, and employees. Etsy’s community focus can be seen as a way to overcome the tension between the financialization of the corporation and the idealism of craft, with its anti-corporate, anti-consumerist influences. Building on craft’s history, the community focus is a way to reject the impersonal and the bureaucratic. Etsy as a corporation required the support of its community to prosper but was able to survive thus far most likely only because of infusions of venture capital.

Throughout Etsy’s history, “community” has been one of its goals. As described above, Etsy grew out of the indie craft community. Founder Rob Kalin stressed the importance of keeping Etsy’s “core values of community and being human even as we grow.” Etsy’s success in creating a feeling of community is revealed through media coverage from its founding in 2005 to date that described the site as a “community.” Even after its 2015 IPO, a Forbes article praised Etsy for becoming the “very community it set out to be, but also so much more,” meaning that:

Creating an alternative model to traditional commerce that has changed not only the way consumers shop, but also [how] sellers, merchants and artists alike sell.

The maintenance of Etsy’s community was even listed as a financial risk to its business that could adversely affect its stock price. Community is one of Etsy’s greatest strengths and a potential weakness if this community feels that Etsy’s diversification and growth no longer align with their values.

Community is a term not easily defined but almost always seen as positive. Community is made and experienced through the participation of its members,
distinguishing insiders from outsiders. Online communities connect individuals and
groups at local and global levels, without geographic and temporal boundaries and often
facilitate face-to-face or other networked events. The internet has enabled people to have
more focused as well as more sporadic contact with a greater number of people. Digital
interaction persists longer than ephemeral face-to-face conversations as messages on
forum boards, blog posts, uploaded photos, comments, and more have a generally static
existence. These digital interactions can, in turn, be viewed by others and continued in an
asynchronous fashion. This digital archive has become an important part of online craft
culture, changing craft from personal leisure activity to a publicly shared one, according
to sociologist Kate Orton-Johnson. Researcher Emily Howes saw a paradox at the core
of the craft resurgence:

…while the digital youth is ubiquitously connected to the global net, they
lose their sense of community and place – and make efforts to rebuild
community using the same technology that, for some, created the
problem.

In order to facilitate communication and community among members, Etsy has several
features including the Etsy blogs; Conversations (on-site email feature), Forums (public
discussion threads for members and Etsy administrators), Teams (groups based on
common interests or locations), and Events (in-person or online meetings and
tutorials). While Etsy users construct public profiles, which can optionally include
their real names, most of Etsy’s social network features are aimed at creating connections
between strangers, rather than between individuals who know each other in real life. The
social networking features used to be more prominently available through a
Community link at the top of every page, but are now located at the bottom of every page
under “Join the Community.” Sellers are more likely than buyers to participate in the community parts of the site since both the Forums and Teams provide space for advice, complaints and promotion that are more relevant to sellers. Both buyers and sellers are likely to enjoy Events, which help bridge the global/local and online/offline divides to encourage personal connections between members.

Etsy is explicitly based around e-commerce and has been described as “Part craft mall, part social community and part workshop.”\textsuperscript{401} Similarly, a 2008 media article more explicitly lists the benefits of Etsy for new sellers as providing an “already-robust community of like-minded consumers. Everyone is part of your target market.”\textsuperscript{402} Seller Julie Morrison agrees that Etsy is “really like a little crafting community…. The exposure you get on Etsy -- you can’t buy exposure like that.”\textsuperscript{403} Morrison’s quote reveals Etsy’s success in creating a feeling of community, since sellers are paying Etsy for its community and the resulting exposure to buyers. E-commerce sites, like Etsy, gain value as they gain users. Gaining value encourages sites to manufacture community, since they get to set the terms of access and create the infrastructure that determines the types of interactions available to users. Additionally, sites can have the power to censor, modify or use content from users in ways that were not intended. So relationships between consumers are “fundamental to the economic model of the Internet” and to sharing economy ideology.\textsuperscript{404} Affect lies at the “heart of the e-commerce consumer,” according to Kylie Jarrett, so that consumers’ “emotional responses to online communities help breed loyalty to a company.”\textsuperscript{405} Yet due to the pleasant connotations of “community,” online communities are often seen as nothing more than a “marketing buzzword, a hyped
feature that every website must have,” according to Caterina Fake, founder of Flickr and former chair of Etsy’s board. Etsy attempts to create a feeling of genuine community.

Part of the change involved in a publicly shared craft culture means that the boundaries “between consumption and companionship” are blurred, according to Jack Z. Bratich, and Heidi M. Brush. Artist Barbara Smith agrees that “DIY is a lifestyle and a trend; it is part of consumer culture.” The connections between consumption and community on Etsy have strained members’ relationship with Etsy. Economic activity and social relations are often seen as “hostile worlds.” Sociologist Viviana Zelizer explains that in the “hostile worlds” view, people believe the spheres of economic activity and intimate relations should be kept separate from one another in order to function well. If the two spheres come into contact with each other, moral contamination will occur, ruining intimate social relations with economic considerations. Therefore, boundaries between the spheres should be well-maintained. Similarly, sociologist Erik Olin Wright writes of capitalism’s “intensely contradictory relation to community as a way of organizing social cooperation.” Capitalism needs at least weak community for mutual obligations of market exchanges. Yet, capitalism also undermines community by fostering “motivations antithetical to community” through greed and fear, and by generating “inequalities that undermine broad social solidarity.” These contradictory relationships between community and economic activity continue to affect Etsy’s business success and reputation.

In 2011, Etsy introduced some changes to the site that it termed “social commerce,” a term that links community and financialization. Kalin explained social
commerce as the focus “people, not products” and on building tools for sellers to use for their own promotion.412 He also wanted to expand on the concept of shopping as “a unique social experience.” The plan was to use the “basic grammar of social networking (be who you are, connect with others, see what they’re up to)… to build a better shopping experience.” 413 Etsy’s changes reduced the number of Forum discussion threads and created Teams. Previously the forum had twelve categories, but since January 2011, members must now join teams focused on specific topics of interest, with the result being that it is now harder to follow general community conversations and complaints. While the forums are public and permanent, moderators can re-organize threads or delete posts that contain inappropriate content, a source of contention for many unhappy Etsy members. Moreover, adding the “grammar” of social networking was not met with approval by all sellers, since it creates what is perceived to be an inauthentic community.414 Instead, members complained that this change fragmented easy communication and that administrators chose to dismantle the forums as a “result of too many protests that brought a lot of negative publicity.”415 Seller BowWowzerZ complained that:

Online shopping isn’t a social experience at all, it is distinctly nonsocial which is why many of us choose it as our primary form of shopping…IMO it is a waste of resources to try to turn such a purely economic function into something else.416

Part of the distrust some Etsy members show towards combining markets and communities results from the “hostile worlds” tradition, as these members would prefer to keep business and personal relations separate. For example, in 2015 Melody from NevermoreGifts wrote that:
Etsy does not feel like a family to me. It is where I run my business not a place I go to to (sic) make friends or share my emotions. Family and business stay separate for good reason.\textsuperscript{417}

Some members felt discomfort from what they perceived as inauthentic and unnecessary social commerce changes.

Etsy’s success in creating a feeling of and space for community has also led sellers to feel betrayed by Etsy when Etsy makes decisions that seem counter to its ideals. Most notably, in October 2013, two years after Dickerson became CEO, Etsy “made a shift away from its roots in grassroots idealism and toward making the company more financial viable,” by changing the definition of handmade.\textsuperscript{418} Etsy began to define “handmade as authorship, responsibility and transparency,” rather than by method or process.\textsuperscript{419} Handmade is not a term that is easily defined, as discussed above. Yet, handmade is meaningful as something authentic, in contrast to industrialized mass production. One of the problems with craft as a business is that it often financially inviable and difficult to scale up without moving towards mass production. Etsy’s key changes were to allow sellers to hire and collaborate with people from different locations, use shipping or fulfillment services, and work with outside manufacturers to produce their designs. The result was that some sellers were relieved to be able to hire help to reduce the overwhelming work. Yet for others, “this announcement signaled a fundamental change in the company’s DNA.”\textsuperscript{420} \textit{Wired} journalist Liz Stinson is illustrative of such a reaction, claiming that:

If handmade were a religion, Etsy would be a Texas mega-church. So to some, Dickerson’s announcement was sacrilege\textsuperscript{421}
For a company based around the values of handmade and local, these changes that seemed to permit forms of mass production caused many sellers to feel betrayed by the company. With a broader definition of handmade, many worried that mass producers and cheap imported goods would become even more prevalent on the site, driving out small scale and individual crafters. Some worried that the “handmade ethos” would become just a “marketing gimmick.”

Even in a *Wired* magazine article, entitled “Etsy Restores Our Faith in People,” that claims Etsy sells authenticity and that human interaction and personal stories are “at the heart of its business model,” the author wonders if such faith in Etsy may be challenged as the new policies make room for outsourcing to manufacturers.

Etsy’s “handmade” policy changes also revealed the divisions in Etsy’s community. Etsy seller Joan Fritsch felt that the resold (mass-produced) and counterfeit items on Etsy “undercut the whole community.” Likewise, Etsy members Nan and Dermot from Vintagefrenchlinens felt “solidarity with the entire community of ‘genuine’ Etsy sellers, artists and crafters” but took as a personal “affront” resellers selling mass-produced “junk which is steadily flooding and diluting Etsy.”

The division of Etsy sellers into “genuine” sellers versus “resellers” indicates an insider-outsider demarcation that communities use to determine who belongs. This division also rearticulates the hierarchy that values handmade over machine-made. Moreover, the loyalty of its community has been strained over the years by Etsy’s growth and changes. The broader resurgence of interest in “handmade,” in which Etsy participates, revealed dissatisfaction with the inauthenticity of global brands, corporate jobs and industrialized manufacture. In
contrast, Etsy and the ideal of handmade were supposed to celebrate the human aspect of production and consumption. Yet, the result of Etsy’s changes to the definition of handmade led to backlash from sellers that still causes Etsy problems.

The problems resulting from the changes to its definition of handmade are part of Etsy’s expansion and growth as a company. The choice to use venture capital to fund Etsy’s growth and the subsequent choice to become a public corporation has also caused problems with its members over the years. Etsy’s community had been divided over the benefits of Etsy becoming a public company since Etsy’s second year of business. Some members anticipated that an IPO would be a positive thing and hoped to be able to buy stock as a way to support a business they believed in. Others worried about how going public and being responsible to stockholders would warp the company. The negative reactions tended to be the ones most often reported on in the press. For the members who found the IPO a positive move and wanted to invest in Etsy, they hoped that an expansion would bring more buyers, more accountability to deal with resellers and counterfeiters, more advertising, better search functions, better shipping tools, and better overall site stability. For those who were disappointed or upset that Etsy was going public and would not invest, they complained that Etsy had lost its core values, that Etsy would be bought by eBay or Amazon and that Etsy would become too focused on shareholder value. These concerns reveal that Etsy successfully gained some community support of its mission with its kind and idealistic corporate rhetoric. Notably, the community reacted unfavorably in 2008 to Etsy’s receipt of $27 million in venture capital, led by Accel Partners. Jim Breyer from Accel Partners joined Etsy’s board of
directors, to the consternation of many sellers, since he was also on the boards of Dell, Facebook, and Walmart. Walmart, a large multinational chain of discount retail stores, had been criticized for its low wages, poor working conditions and benefits, foreign product sourcing, and negative impact on local small businesses. Unsurprisingly, despite Kalin’s assurances several Etsy members questioned the connection between Etsy and Walmart now that the companies shared board members. For example, member sherrytruit asked Kalin:

Since you have public (sic) stated your aversion to Walmart and what it stands for, is that not in diametric opposition to etsy taking large capital infusion from a member who sits on the board? … So, what kind of infrastructure (sic) can be put into place to ensure the handmade revolution can continue? … How do you envision etsy in the corporate marketplace?  

Sherrytruit’s reference to “handmade revolution” reveals the perceived incompatibly between Walmart, a quintessential capitalist corporation, and craft’s history of anti-capitalist ideology referenced in Etsy’s mission to change the economy through craft. As Etsy continued to financialize and move towards its IPO in 2015, members continued to be troubled by the perceived disconnection between Etsy’s cultural ethos and capitalist expansion.

By 2015, Etsy’s community was perceived as both a business asset and potential liability. In its IPO Prospectus, among the business risks included was:

The authenticity of our marketplace and the connections within our community are important to our success. If we are unable to maintain them, our ability to retain existing members and attract new members could suffer.
Both Etsy and outside journalists and investors worried that if Etsy alienated its community, which going public had the potential to do, then Etsy would not survive as a public company. Dickerson strove to convince Etsy members that Etsy rejects the idea that people and profits are mutually exclusive, instead arguing that “Etsy’s strength as a business and community comes from its uniqueness in the world.” Media coverage of the IPO even mentioned “community” in several titles: “Etsy Bringing Its ‘Community’ to Wall Street,” “Etsy’s IPO and the Handmade Community,” and “Will Etsy IPO Effect Its Community?” The latter article situated community and investors in an antagonistic relationship to Etsy’s future:

If Etsy were to backtrack on their highly publicized core values it could turn off many members of their very large and loyal community. But, with increased pressure from investors, it’s impossible to know which side will win.

Investor reports looked at the Etsy Forums to judge community reactions and evaluate the company’s future prospects. In order to appease and include its community, Etsy chose to make its IPO different than many, leading journalists to talk about its “custom-made process” and make comments such as “Leave it to Etsy Inc. to craft an artisanal public offering.” Normally early purchases are exclusively available for rich investors. Yet true to their “hand-crafted and ‘feel-good’ overtones,” Etsy reserved up to 5 percent of the offering for individual investors, such as Etsy sellers or other “Etsy fans,” who could buy between $100 and $2,500 worth of Etsy stock. By limiting investors to $2,500, Etsy wanted to attract long-term shareholders, who were invested in the company’s social goals and its mission, instead of those who wanted to turn a quick profit.
Despite the praise Etsy received for creating a way for small investor participation, journalist Jillian D’Onfro points out that the “big winners” from Etsy’s IPO were the venture capital firms: Accel, which owned 30% of Etsy, and Union Square Ventures which owned 15%. As a financialized company, Etsy had depended on millions of dollars of VC investment - and guidance - for stability and growth. In other, less value-driven companies, the fact that the VC investors received large profits from an IPO would not be notable or criticized. In the case of Etsy, its rhetoric of transforming “the world economy into one that is more people-centered and community-focused” and its choice to include small investors in its IPO ended up highlighting the contradictions between its professed business ideals and the prevailing profit-centered capitalist stock market ideology.

Etsy’s IPO received wide-ranging media attention. Journalists speculated whether Etsy, “a happy, crunchy company,” could really survive on Wall Street as a public company. Others wondered if a large enough marketplace for their goods really existed. Others referenced the perceived disconnect between craft, with its idealistic, pre-capitalist associations, and the capitalist stock market, such as a Huffington Post article that claimed “Etsy Files For $100 Million IPO, Doesn’t Seem So Cutesy Anymore.” Another wrote that “behind the glitter and the chevron and the endless iterations of mason jars beats the steady drum of a Wall Street ticker.” Etsy, as both a B Corp and a craft-dominated marketplace, seemed an unlikely company to go public and survive with its ethics and warm community connotations intact. Again, articles on the IPO explored the conflicting relationship Etsy community members have towards Etsy’s
IPO. An article in *The Guardian* quoted seller Joy Appenzeller Bauer, who claimed that “Etsy is betraying its original artists by selling out to make money.” She warned investors that they should be worried that the Etsy “community is very concerned and angry about the IPO plans.” In contrast, the same article quotes seller Jessica Kennedy who thought the IPO would be a great move for Etsy that was “very smart in how they’ve conducted business.” However, Kennedy continued, “Etsy is not that great at communication in general, and telling us how they are changing things.” Despite the emphasis on community, poor communication decision-making between Etsy and its members is a consistent problem. One article sums up the effect of the contradictory feelings Etsy members have toward the IPO:

…”going corporate could create strain as Etsy tries to negotiate the expectations tied to its original brand identity while satisfying its obligation to all its new shareholders.”

Finally, another theme of articles on the IPO focused on Etsy’s status as a Certified B Corporation. In a eulogy of sorts, journalist Katie Benner wrote:

Let’s cherish the memory of Etsy as it was on its last day as a nonpublic company: A website for people who sell handmade crafts that has vowed not to let greed get in the way of doing good.

She felt it was unlikely that you would be able describe Etsy as a company doing good in five years, suggesting that: “The Wall Street machine — bankers, analysts and big institutional investors who only care about the stock price going higher — has a funny way of smoothing away a business’ quirks.” As long as companies deliver earnings and revenue growth, they can retain their ideals, but if growth is insufficient then the companies get pressured to grow at any cost.
Etsy as a corporation was able to survive thus far most likely only because of infusions of venture capital. Nonetheless, Etsy has always needed the support of its community to survive and prosper. Etsy’s appeals to community, combined with craft’s history of anti-capitalist, anti-corporate, countercultural idealism helps Etsy resist some of the backlash it has faced over its financialization and choice to become a public company. Craft, in contrast to mass-produced, standardized goods, is seen as authentic through its slow and individual process of making. Craft is also viewed as a better and more authentic way to work than in a corporate job. On the other hand, craft and crafters are subject to commoditization, and many chose to conduct their businesses on Etsy, a for-profit, venture capital funded company. As Etsy, Inc. and the successful craft entrepreneurs on its site have scaled their business, they run the danger of losing authenticity and community. As a public company, now Etsy also has to attract and retain shareholders who are supportive of its B Corp status and are not only concerned about profit, which Etsy has warned may not happen.

**Etsy as a B Corp**

This section will address if Etsy can “do good” as a Certified B Corporation (B Corp). As a B Corp, Etsy wants to “use the power of business to solve social and environmental problems.” When Etsy became a public corporation in April 2015, it reignited “the age-old debate” of the corporate sustainability movement “over whether corporations’ primary duty is to shareholders.” “Depending on whom you ask,” journalist Hiroko Tabuchi writes, “B Corp companies like Etsy are a panacea to the ills of shareholder capitalism, a sure money-losing proposition or a tricky and untested scheme
that opens a legal can of worms.” Simply put, many questioned whether a company is able to pursue both social and environmental welfare and profits, which ties into a larger debate about capitalism. While business and capitalism is seen by some as the best hope for humanity and the environment, others believe that capitalism is in fact a barrier to human welfare and the cause of various socio-cultural and environmental ills. In relation to Etsy’s IPO, most analysts were interested in seeing if a company could maintain its “social spirit in the face of Wall Street pressure for financial returns,” or “the degree to which greed and good can really coexist on Wall Street.” Etsy acknowledged the related risk in its IPO Prospectus:

Our reputation could be harmed if we lose our status as a Certified B Corporation, whether by our choice or by our failure to meet B Lab’s certification requirements, if that change in status were to create a perception that we are more focused on financial performance and are no longer as committed to the values shared by Certified B Corporations.

If Etsy’s reputation among its socially conscious investors were harmed, Etsy could lose both shareholders and profitability. In order to address the possibility of doing good as a public company, this section will give an overview of corporate social responsibility (CSR) approaches and then focus on Etsy specifically.

Corporations only have one fundamental mission under US law, which is to make a profit, according to management professor Rae André. This view of corporations led many Etsy sellers to worry about the effect of Etsy’s IPO. In 2014, Etsy member Amy Esry from AmyEsryTreasures wrote in a forum thread called “Etsy publicly traded company? ick, ick, double ick” that:

Shareholders only care about profit. Far too many corporations put short term profits ahead of long term viability because they now work for the
shareholder, and no longer care about much else. I’m not saying Etsy will be that way. But I am concerned that us handcrafters will be largely forgotten.455

In the for-profit view, the provision of social benefits or corporate social responsibility (CSR) initiatives are “inconsistent with the tenets of capitalism and weakens a market economy.”456 CSR has many definitions, but legal scholar Anne Burke defines CSR as “practices that improve the workplace and benefit society in ways that go above and beyond what companies are legally required to do.”457 Because companies could not exist without the members of society serving as customers, suppliers, and employees, or without environmental resources and travel infrastructure, these companies therefore “have a responsibility to protect society and the environment and not just use them to maximize shareholder wealth.”458 Sociologist John L. Campbell identifies two things corporations must do in order to act in socially responsible ways. First, they must not knowingly harm stakeholders, including “investors, employees, customers, suppliers, or the local community.”459 Second, if they do harm, they must rectify it, either voluntarily or in response to some kind of pressure, legal or normative, when it is discovered.460

Opponents of CSR see it as unethical, since money spent on CSR should belong to company stockholders and investors.461 As an Inc. magazine article explains, “a social mission has long been viewed as a financial drag on a company—thus imperiling a company’s ability to financially benefit its shareholders.”462 Another concern is that CSR could camouflage self-interest on the part of directors, so that they appear to be acting ethically but instead are benefiting from business decisions. Yet law professor Lynn Stout claims that the “common belief that corporate directors have a legal duty to maximize
corporate profits and ‘shareholder value’… is utterly false.” In fact, no single “shareholder value” exists, because investors have different values and goals. Stout quotes a 2014 U.S. Supreme Court opinion: “Modern corporate law does not require for-profit corporations to pursue profit at the expense of everything else, and many do not.” Additionally, law professor Tamara C. Belinfanti argues that profit motives and social interests are not incompatible:

To falsely divide the world between “profit” and “social good,” and to limit corporate participation to the former, cheapens the value of the corporate form and is wholly inconsistent with the goals of the economy.

Businesses should be able to both earn a profit, making economically, socially and environmentally sound decisions.

Two main approaches to CSR exist. The first is the Anglo-American shareholder approach. Shareholders, which can be individuals or institutions, legally own a share of stock in a private or public corporation and may profit financially when the company does well. The shareholder approach to CSR is often criticized for its focus on maximizing shareholder value to the extent that damage to the environment and communities does occur. Additional criticism for the shareholder approach is the creation of financial crises, in the wake of which “corporations have been criticized as being self-interested and unmindful of their relationship to society.” The second version of CSR is the European stakeholder approach. Stakeholders can include, but are not limited to, “customers, employees, investors, and communities where the company operates.” Using a stakeholder approach helps companies maximize their “social, environmental, and economic impacts,” according to business consultant Alice
Korngold. Korngold also points out that stakeholders “will ensure that their voices are heard, whether they are invited or not,” so it is better to welcome their input for strategic business decisions. B Corps, like Etsy, are supposed to consider the impact of business decisions on both shareholders and stakeholders.

Companies can potentially gain economically from engaging in CSR but such gains often come in the long-term and may hinder short-term benefits and bonuses. Business historian David Vogel argues that advocates of ethical capitalism have determined that maximizing profit is helped by acting virtuously while creating wealth for shareholders. Etsy investor Union Square Ventures finds B Corps “appealing because the companies that produce the most stakeholder value over the next decade will also produce the best financial returns.” The result is that social responsibility is now a competitive business strategy. Companies can benefit from marketing their CSR activities, which “helps to build a reputation of reliability and honesty concerning health, safety, ecology, and sustainable issues.” Yet CSR is not always a profitable brand strategy, since consumers like the idea of virtuous companies more than they actually like to spend money to support them. Nonetheless, CSR can gain companies new customers and employees interested in environmentally friendly companies, keep existing customers happier through trust and better service, and retain more committed and motivated existing employees. Additionally, some assert that “consumers prefer to buy from companies that blend social purpose with corporate mission,” but it can be difficult for consumers to tell which companies are legitimately doing good. Consumers face difficulties in determining how ethical companies actually, since they receive asymmetric
information on “if a firm’s internal operations meet their moral and political standards for social responsibility.”475 The problem of being able to judge and assess a firm’s true commitment to CSR has led in part to the creation of new types and certifications of corporations.

Benefit corporations and Certified B Corporations (B Corp) are two related, but distinct, types of corporations. Certified B Corporations (B Corp) are “a new class of corporation that voluntarily meets higher standards of corporate purpose, accountability, and transparency,” certified by the nonprofit organization B Lab to “meet rigorous standards of social and environmental performance, accountability, and transparency.”476 According to B Lab, “B Corp is to business what Fair Trade certification is to coffee or USDA Organic certification is to milk.”477 Being a B Corp is an international certification and does not affect a company’s tax status, nor change the company’s articles of incorporation or the rights of its shareholders.478 Yet B Corps must amend governing documents “to be more supportive of maintaining their social and environmental mission over time.”479 The legal changes to B Corps’ governing documents are designed to protect a company’s social and environmental values and mission during times of change, such as the retirement of the founders, the sale of the company, the hire of a new CEO, or the recruitment of new investors. More than 1,890 B Corps from 50 countries and 130 industries currently exist.480

Benefit corporations are a new class of American corporation in twenty-seven states and the District of Columbia. Benefit corporations are a form of American corporation that must revise their charter to include their “corporate purpose to create a
material positive impact on society and the environment,” must consider their impact on shareholders, workers, community and environment and must publicize “an annual benefit report” that assesses their performance against a third-party standard. In contrast to B Corps, benefit corporations do not mandate third-party certification and do not:

…have to pass any stringent test or intensive analysis to become a benefit corporation. They can simply profess their intent to influence society positively and reincorporate with the blessing of shareholders. But their “responsibility to other stakeholders… becomes part of their charter,” so that they are both protected against lawsuits and are held accountable to their social mission by shareholders. The purpose of benefit corporations, according to law professor Mark J. Loewenstein, is to “create a form that mandates non-profit maximizing behavior.” The benefit corporation also allows companies to refuse ethically undesirable takeover offers. All American B Corps must become benefit corporations in order “to align the interests of business with those of society and to help high impact businesses be built to last.” Etsy became a B Corp in May 2012 and is therefore required to become a benefit corporation in its incorporation state of Delaware by 2017.

The B Corp certification claims to evaluate the entire company in order to help “distinguish between good companies and just good marketing” and to provide concrete and measurable standards. The certification judges companies based on five categories: Environment, Workers, Customers, Community and Governance. B Corps must provide documentation for their self-assessed B Impact tests. B Lab also randomly audits 10 percent of the B Corp community each year. Etsy currently earned 127 out of...
200 (80 is the minimum needed to become a B Corp). However, critics claim that the assessment system “is less robust than Fairtrade certification, which requires that every part of a company’s supply chain be monitored by third parties.” It is also less robust than “business-government systems” oversight, such as the Environmental Protection Agency (EPA), the Securities and Exchange Commission (SEC), or the Food and Drug Administration (FDA). According to B Lab’s biased assessment, some proposed benefits of being a B Corp and “using business as a force for good” include saving money, enhancing profitability, and generating value, all of which could arguably occur without such certification. The relationships developed between individual B Corps can help likeminded companies connect, providing potential financial benefit from networking and support. Yet “B Lab’s approach to regulation and its dependence on self-monitoring” are “manifestations of the movement’s free-market philosophy,” according to management professor Rae André. André questions the existence of an interdependent financial relationship between B Corps and their third party evaluator, B Lab. Unlike government regulatory systems, “B Lab does offer monetary incentives to companies that become benefit corporations and use its monitoring services,” so that B Lab cannot truly be considered an independent third party. One of the benefits B Lab advertises for becoming a B Corps is the “more than $5 Million in savings and accessed technology, talent, and expertise” that results from “access to over 80 service partnerships.” B Lab also offer shared advertising. Although B Lab’s international B Corp certification can help consumers judge companies who want to both make a profit and be socially
responsible, the certification process is not as rigorous or as impartial as most
government-based assessments.

Support for B Corps, according to Honeyman’s *The B Corp Handbook*, comes
from the belief that “Business is, for better or worse, one of the most powerful forces on
the planet,” and governments and nonprofits, while necessary, are “insufficient to address
society’s greatest challenges.” This belief in the power of business fits well within the
neoliberal framework in which freedom for corporations to operate through free markets
and free trade is a fundamental good. Freedom for corporations means deregulation
from government interference. Private property rights, private enterprise, and
entrepreneurship are some of the bases for neoliberal wealth creation, which supposedly
should raise everyone’s living standards. Instead, inequality of wealth is significantly
increasing, which economist Thomas Piketty worries will “radically undermine the
meritocratic values on which democratic societies are based.” In contrast to Piketty,
economists Michael E. Porter and Mark R. Kramer agree with Honeyman that
“Capitalism is an unparalleled vehicle for meeting human needs, improving efficiency,
creating jobs, and building wealth…” They want businesses to act as businesses, not as
charitable donors, to address contemporary issues by linking economic and social values.
Similarly, Korngold agrees that only businesses can solve:

…the most serious issues facing humanity and our planet…. Only global
corporations have the vast resources, international scope, global
workforces, and incentives of the marketplace to truly bring about the
changes that are necessary in order to achieve global peace and
prosperity.”
Korngold discounts the role governments or international agreements play in preventing environmental damage, avoiding war, and fairly regulating wages. Korngold does acknowledge that some people may have problems with the idea that companies are the only solution to the world’s challenges, since they are “not democratically elected, and their ultimate purpose is profits, not mission” and often the cause of many of the world’s challenges. Now, Korngold writes, apparently without irony, companies realize that the way to be profitable is to show “accountability, transparency, and adherence to labor and environmental norms in order to be brand-worthy.” Companies can profit from choosing to behave legally and then marketing their good works.

Etsy fundamentally believes “that companies can and should use the power of business to create social good.” Dickerson wrote of making “the world more like Etsy: a world based on community, shared success, commitment to sustainable operations, and using the power of business for a higher purpose.” Etsy grew from a volatile start-up company to one that has been highly ranked as a good place to work. According to press reports, Etsy excels at making its workers happy. In 2009, Etsy was one of the World’s Most Innovative Companies and by 2015 Etsy was sixth on Fortune magazine’s list of 25 Best Medium Workplaces. Similarly, in 2015 Inc. magazine short-listed Etsy for “Company of the Year,” praising Etsy for how it “Grew to $195 Million (and Kept Its Cred).” One employee describes the difference between other companies and Etsy as: “at Etsy…there is a genuine desire baked into the DNA to get things right — to do good work and care about people above all else.” One of the reasons Etsy is such a good place to work is that its employees receive many benefits, leading one journalist to liken
the company to “an extremely cozy private welfare state.” Some of the benefits include free biweekly, locally-sourced “Eatsy” lunches, on-site continuing education, and excellent health care benefits and salaries. As a B Corp, Etsy has a values-based workplace culture and employees “really care about how we run the business and that we’re delivering social good,” according to Dickerson. They also measured employee happiness and reported that 88 percent of employees feel aligned with Etsy’s mission and values and 86 percent feel connected to the company and fellow employees. Yet being a B Corp means more than just making its employees happy. Dickerson claimed not to need to choose “between the success of our community and the success of our business,” because:

…we have built a business that does well when our community is successful. Making money matters to Etsy because our financial success creates long-term sustainability for our community.

In other words, one of the reasons for financialization and going public was to help its community succeed in building their own individual businesses through Etsy’s platform. Journalist Suzanne McGee considered Etsy’s business model “embraces capitalism while rejecting greed,” raising questions about the possibility of “sustainable capitalism.”

One definition of sustainable capitalism is “a framework that seeks to maximize long-term economic value by reforming markets to address real needs while integrating environmental, social and governance (ESG) metrics throughout the decision-making process.” Similarly, Donna J. Wood et al argue that:

In order to be sustainable, the global business institution and its member-companies must and should identify and implement policies to promote ethical conduct, to ensure basic human rights, to protect the environment,
and to move toward social justice and collective well-being, wherever businesses operate. 514

This means answering socio-economic, socio-political and philosophical questions about “who gets what, who has power and who should have it.”515 Additionally there needs to be a consensus on the definition of the “good life.” Etsy, as a B Corp that is supposed to be socially and environmentally conscious, fits within this framework of sustainable capitalism.

The first test of Etsy as a publicly traded B Corp came in August 2015, when changes to Etsy’s international tax strategies were publicized and criticized by the media. Etsy was accused of lacking transparency in its business dealings. In January 2015, before its IPO, Etsy had changed the way its Irish subsidiary was registered so that it became an unlimited liability company, and “no longer need[ed] to publicly disclose basic financial information about that unit.”516 Dickerson explained that Etsy changed its “global tax structure to better reflect the reality that Etsy is a global company.”517 Then in July 2015, Etsy announced that users outside of North and South America would have a legal contract with Etsy Ireland. As an unlimited liability company, Etsy is not required to disclose full financial details, meaning that the company’s financial affairs are not a matter of public record. Therefore, Etsy appears to lack transparency, despite its claims as a B Corp to use business for good.

Relatedly, Etsy also reduced its tax rate by moving intellectual property developed in the United States, with its high tax rate of 35 percent, to Ireland with its 12.5 percent tax rate.518 Etsy’s media problems started with a Bloomberg article on how “Etsy Taps Secret Irish Tax Haven and Brags about Transparency at Home.”519 Law
professor Neil Buchanan called Etsy’s tax move “absolutely inappropriate.” Other experts agreed that “the scheme ‘must offer pretty substantial tax savings.’” Frank Clemente, Executive Director of Americans for Tax Fairness, argued that Etsy joined “a larger fraternity of American corporations that use a variety of offshore tax havens to collectively dodge $90 billion in U.S. taxes every year.” U.S. Congress and others have criticized big technology companies for moving operations to lower taxes locations. Clemente continued in an open letter to B Lab, the organization that certifies B Corps:

> When corporations use fancy offshore accounting tricks to dodge their taxes, the rest of us pick up the tab. To compensate, either taxes are raised on individuals and small businesses or less money is available to invest in roads, schools, medical research and other vital public services.

Clemente asked B Lab to make Etsy’s status as a B Corp contingent upon the elimination of its Irish subsidiary, since one of the questions on the B Lab’s Disclosure Questionnaire is “Has the Company reduced or minimized taxes through the use of corporate shells or structural means?” Executive director of the Institute on Taxation and Economic Policy (ITEP) Matt Gardner argued that B Corps were supposed to change the way tax-dodging corporate executives cite fiduciary responsibility to their shareholders as a necessary reason for tax avoidance. If Etsy were to be re-certified as a B Corp, then the “benefit corporation” label loses credibility. In response, Dickerson called the articles on Etsy’s tax structure “grossly inaccurate and misleading.” He argued that the new tax structure, which has been under consideration since 2009, is the “most straightforward and in line with our value of transparency.”

Despite Etsy’s assurances of the straightforwardness of its tax structure, management consultant John Montgomery concluded that:
Etsy sold its soul for a lower corporate tax rate. Etsy forfeited its opportunity to be the global leader in corporate governance and business as a force for good when it availed itself of clever Irish tax strategies to reduce its overall corporate tax rate.\textsuperscript{529}

Etsy did not try to re-imagine commerce, as its mission statement claims, but instead showed its ephemeral commitment to social responsibility by opting for business as usual. Montgomery further argued that prevailing US corporate culture is to blame for Etsy trying not to breach “their fiduciary duty to stockholders to maximize stockholder welfare if they do not avail themselves of international tax arbitrage strategies.”\textsuperscript{530}

Journalist Jeff John Roberts took a different view of Etsy’s tax choices, saying:

Poor Etsy. The press, customers, and rivals are tarring the crafts company as a tax dodger and a hypocrite—even though it may have done nothing wrong.\textsuperscript{531}

Roberts argued that “Etsy was unlucky in part because corporate tax dodging, real or perceived, is a hot issue right now.”\textsuperscript{532} Furthermore, he continued, by trying to be a corporate do-gooder, Etsy brought these troubles on themselves. Socially responsible corporations often get punished for their troubles more than other corporations.\textsuperscript{533}

According to business professor Jerry Kim:

Having a reputation as a “good” company is a double-edged sword. On the one hand, there is a halo effect, where consumers love you and are willing to pay a premium to be associated with your brand; on the other hand, you are held to higher standards, and even small violations of trust will attract lots of attention, and will be severely punished by consumers.\textsuperscript{534}

While the U.S. Congress and groups such as Americans for Tax Fairness have critiqued other tech companies who chose to lower their taxes, Etsy faces a dilemma in the clash between its cultural ethos and capitalist expansion that these other companies do not.
In February 2016, Etsy completed the post-IPO reassessment of its B Corp status and was successfully re-certified as a B Corp. B Lab’s independent Standards Advisory Council (SAC) reviewed its tax structure in detail and concluded that it was still consistent with B Lab’s Framework for Evaluating Tax Strategies. Despite the numerous articles eager to condemn Etsy for violating its ethics, Etsy’s re-certification did not receive press attention.

In conclusion, Etsy as a publicly traded B Corp is of great interest to investors and businesses. While media articles and investors debated the risk and benefits of Etsy as a public B Corp, many Etsy members did not see how it related to them and their business. Overall, very few forum threads were dedicated to the topic of Etsy as a B Corp, revealing that many sellers find it unimportant or not beneficial to them. While companies are criticized as the source of social, economic and environmental problems, socially and environmentally responsible businesses are seen as a solution to the problems they create. B Corps like Etsy want to refuse the binary of social good versus profit. Etsy can “do good” as a corporation as long as it continues to follow its own professed values, which have already been called into question but cleared of wrongdoing by B Lab. Within the current business framework, becoming a B Corp is an optional choice, regulated by B Lab, a third party evaluator whose neutrality may be compromised by its interdependent financial relationship with the evaluated companies. Both B Corp and benefit corporations depend on companies to voluntarily choose to do good by the environment, by their employees, and more, while profiting from marketing their good behavior and social responsibility. Trusting in a free market and the power of businesses
to address world problems has often meant deregulating corporations, which led to financial crises and rising inequality. Because doing “good” as a B Corp is a voluntary choice, one that is dependent on business interests, B Corp certifications may not be able to sustain socially responsible business practices in the long term due external pressures.

**Conclusion**

This chapter then set out to address how Etsy as a corporation could survive and prosper and if Etsy could “do good” as a Certified B Corporation (B Corp) in order to understand contemporary opportunities and limitations for practicing craft, which have been greatly expanded through peer-to-peer connections online. To answer, Etsy has been able to survive and prosper as a corporation through the infusions of venture capital combined with the support of its community. As a public company, Etsy now also has to attract and retain shareholders who are supportive of its B Corp status and who are interested in its social mission, rather than solely in profit. Furthermore, Etsy can do good as a corporation, since B Corps, who refuse the binary of social good versus profit, certainly can make influential choices to protect the environment, fairly compensate employees and more. Etsy’s reputation - and therefore business - could suffer if it were perceived to focus more on profits than its values. B Corp certifications can provide consumers with ways to make informed decisions on what companies to support, but becoming a B Corp is a choice backed by the market.

Yet conflicts between the community and the commoditized sides of Etsy continue to cause problems for the company. Etsy’s appeals to community, combined with craft’s history of anti-capitalist, anti-corporate, countercultural idealism has helped
Etsy resists some of the backlash it has faced over its financialization and choice to become a public company. Etsy draws on craft as a better, more authentic way to live, work and shop, in opposition to alienating and impersonal employment and consumption. The ideal of handmade continues to survive through craft’s history of anti-capitalism, anti-corporate, and countercultural rebellion. At the same time, craft suffers from potential problems with financial viability and difficulty scaling up without moving towards mass production and mainstream co-optation. As a sharing economy company that emphasizes community, Etsy was able to position itself as alternatively capitalist. Sharing economy platforms appeal to both venture capitalists and people looking for flexible jobs and interesting goods and services. The sharing economy can be seen as an alternative to contemporary capitalism, revealing the interest in viable alternatives to the economic structures that are causing such dissatisfaction. Peer-to-peer transactions can be a way to create more sustainable practices that disrupt capitalist hyperconsumption practices and provide more authentic and flexible jobs. The neoliberal aspect of the sharing economy celebrates the individual economic empowerment of micro-entrepreneurs. Yet inequalities built into the structure of the peer-to-peer platforms often lead users to experience work insecurity, while a small number of sharing economy platforms profit off the transactions. As Etsy, Inc. has scaled its businesses, it runs the danger of losing its authenticity and its community, and the same holds true for the successful craft entrepreneurs on the site who have scaled their businesses.


299 Ibid.


303 Ibid.


305 Ibid.


307 Active sellers mean they incurred at least one charge in the last 12 months and active buyers made at least one purchase in the last 12 months. See Appendix Table 1: Etsy, Inc. Overview for company growth statistics.


308 Other e-commerce sites include Zibbet, DaWanda (Germany), Folksy (UK), Not On the High Street (UK), A Little Market (France), Artesanum (Spain), Ezebee (Germany), Breslo (Romania), and Made It (Australia)
Since Etsy is an international website, they have added British, Dutch, French, German, Italian, Portuguese, Russian and Spanish versions of the site but the description text in listings changes in only a few of these languages.


Individual online stores could be complicated to create and the auction-site eBay had been substantially raising their prices, making small-scale selling on the site economically unfeasible. eBay was founded in 1995 and, according to its 2014 Annual Report, eBay Marketplaces generated $8.8 billion in revenue, had 155 million active buyers globally, and more than 800 million live listings. A lot of eBay’s listings are auction-style while others can be set to be fixed-price. While eBay has a list of prohibited and restricted items, a large range of products can be sold by either individuals or small businesses on their website. The main category, Craft, contains thirteen subcategories, mostly of supplies, but also Handcrafted and Finished Pieces, which is further divided into eleven subcategories. eBay Inc. makes money from both variable seller fees and sponsored advertisement links.


Kalin and his friends, engineering grad students Chris Maguire and Haim Schoppik, wanted to create both a marketplace that was a community and a company that they would want to work for.

See Kerry Miller, “An eBay for the Arts and Crafts Set,” BusinessWeek, no. 4043 (July 23, 2007): 70; Thomas Pack, “Web Users Are Getting Crafty,” Information Today 25, no. 3 (March 2008): 36–37; Ryan Tracy, “The Evolution of a Handmade Ecosystem,” Newsweek, October 2, 2010. [Link] Freeman defines a venture capital firm as “a management organization that raises money, finds and evaluates entrepreneurial ventures, and participates in their management so as to increase their value as rapidly as possible.” T. Satyanarayana Chary explains “In a broad sense, venture capital refers to capital investment made in a business or industrial enterprise that carries elements of risk, insecurity and probability of business hazards.” Earlier investments are riskier but have potentially higher returns. VC often finances high-tech projects, like Etsy, with a long gestation period, so profits start accruing after 4 to 5 years on average. What differentiates VC finance from more conventional forms is the VC financier’s interest in the “business performance of the investee’s firm,” according to commerce professor T. Satyanarayana Chary.

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Dickerson chose to take an extended paternity leave in December to adopt a child from South Korea, a moment that “set the tone for the culture of the company... and demonstrate what my values were—and what the company’s values were—through actions and not just words.”


Ibid.


Etsy’s IPO was underwritten by Goldman Sachs Group Inc., Morgan Stanley and Allen & Co. With the profits from the IPO, Etsy wanted to spend about $300,000 to finance Etsy.org, a nonprofit established in January 2015, “dedicated to educating women and other under-represented entrepreneurial populations and empowering them to build businesses that regenerate communities and the planet,” according to their “Amendment No. 1.” Etsy planned to increase its advertising in order to expand beyond word-of-mouth referrals and gain more buyers. They also might use some of the proceeds to acquire other complementary businesses or technologies. Additionally, they planned to build “a snazzy new corporate headquarters” in Brooklyn with “$50 million worth of shareholder money,” which concerned some investors, according to Michael Brush.


NASDAQ, formed in 1971, is popular with growth-oriented technology companies. In contrast, the New York Stock Exchange (NYSE), established in 1792, is known for “larger, bottom-line focused companies” and brick-and-mortar companies, according to Dan Moskowitz. NASDAQ is seen as less prestigious but also has lower initial listing fees and lower annual fees.


Etsy’s IPO was compared to Facebook’s 2012 IPO, which also had an impressive first trading day. Then Facebook stock declined over concerns for “over how the social networking giant” would monetize and its shares did not reach its IPO level again for nearly a year. Similarly, journalist Brian Nichols points out in July that Etsy, whose shares were up nearly 70% from post-IPO lows, is following a “four-year old trend with mobile/internet-based companies following their IPOs.” The trend is a post-IPO stock collapse followed by a 50% plus reversal that several mobile app or Web companies with social elements and controversy around their actual worth went through, including Groupon, LinkedIn, Renren, Pandora, Zillow, Angie’s List, Yelp and Facebook.

Some observers blamed the unusual structure of the “custom-made initial public offering.” Demos continues “Etsy diverted from the standard playbook of working with banks and potential investors by using fewer research banks and targeting less big shareholders, which meant fewer analysts closely following the stock and fewer shareholders eager to buy more. But wider coverage is not a guarantee of a positive market reaction.’


The other retail flops included Sears Holdings, Gap, Macy’s, and Men’s Wearhouse. As one of the worst performing IPOs, Etsy’s shares traded for about $8 per share at the end of December, much less than $16 per share IPO price and the $35 peak price. Etsy’s problems were linked in part to currency issues, since US dollars dominate Etsy sales and were stronger than other key international currencies, causing products to be more expensive for international buyers. Additionally, competition from Handmade at Amazon was blamed for Etsy’s poor stock market performance. However, Etsy was not the only newly public that had problems that year. Renaissance Capital reported that 2015 was a disappointing year in general for IPOs, in part due to volatile markets. Of the 169 IPOs in 2015, 77 were venture capital-backed and only 28 were technology companies, like Etsy, compared to 62 tech company IPOs in 2014 and 48 in 2013 and an average of 159 tech IPOs in the 1990s. At the end of the year, half of the newly public tech companies were trading beneath their IPO price, such as Box and Square. In January 2016, Securities and Exchange Commission Chair Mary Jo White expressed concerns that stockbrokers were advising investors poorly, making the private tech companies sound too good.

“Our mission is to reimagine commerce in ways that build a more fulfilling and lasting world.
We are building a human, authentic and community-centric global and local marketplace. We are committed to using the power of business to create a better world through our platform, our members, our employees and the communities we serve.
As we grow, commitment to our mission remains at the core of our identity. It is woven into the decisions we make for the long-term health of our ecosystem, from the sourcing of our office supplies to our employee benefits to the items sold in our marketplace.”


Etsy’s 2011 mission statement was: “Etsy is the world’s handmade marketplace. Our mission is to empower people to change the way the global economy works. We see a world in which very-very small businesses have much-much more sway in shaping the economy, local living economies are thriving everywhere, and people value authorship and provenance as much as price and convenience. We are bringing heart to commerce and making the world more fair, more sustainable, and more fun.”

In 2012 or 2013, Etsy’s next mission statement was: “to reimagine commerce in ways that build a more fulfilling and lasting world:
We are a mindful, transparent, and humane business.
We plan and build for the long term.
We value craftsmanship in all we make.
We believe fun should be part of everything we do.
We keep it real, always.

Then October 2013, Etsy’s mission statement changed, along with its policies, to “Etsy is a marketplace where people around the world connect to buy and sell unique goods. Our mission is to re-imagine commerce in ways that build a more fulfilling and lasting world.”

In their 2015 IPO Prospectus, Etsy lists their “mission is to reimagine commerce in ways that build a more fulfilling and lasting world:
We are building a human, authentic and community-centric global and local marketplace. We are committed to using the power of business to create a better world through our platform, our members, our employees and the communities we serve. These guiding principles are core to our mission:
Make it easy to find and buy unique goods from real people every day, on any platform, online and offline, anywhere in the world.
Help creative entrepreneurs start, responsibly scale and enjoy their businesses with Etsy.
Communicate the power of human connection whenever anyone experiences Etsy.


350 Ibid.


353 Ibid.


355 Ibid.

356 The Maker Movement is a “tech-influenced DIY community.”


358 Etsy’s full “mission is to reimagine commerce in ways that build a more fulfilling and lasting world. We are building a human, authentic and community-centric global and local marketplace. We are committed to using the power of business to create a better world through our platform, our members, our employees and the communities we serve.”


359 Users must rely on the platforms’ infrastructure that determines the types of interactions available to them. Additionally, sites can have the power to censor, modify or use content from users in ways that were not intended.

360 Lizzie Richardson, “Performing the Sharing Economy,” Geoforum 67 (December 2015): 121.

361 David Harvey, A Brief History of Neoliberalism (Oxford: Oxford University Press, 2007), 3.


364 Ibid.


373 Ibid.
Etsy also promised to continue their practice of providing data to the community with an even higher level of transparency and accountability, but did not promise to give investors quarterly or annual earnings guidance.

See Lauren Gambino, “Etsy Reportedly Preparing $300m IPO,” The Guardian, January 14, 2015, sec. BUSINESS.

Dickerson’s whole statement in the IPO prospectus is “Etsy can be a public company that holistically integrates the concerns of people and the planet, the present and the future, profitability and accountability. If we succeed, then other companies might replicate our model. We think the world will be a better place for it.”

Ibid.


“Ibid.”


The media response to the launch of Handmade at Amazon was full of war metaphors. Amazon is an “Etsy-Killer” (Borison) that intends “an all-out assault on Etsy” (Iyer) and “throws down the gauntlet to craft-selling site Etsy” (Associated Press). Another uses an odd craft pun to claim that “Amazon Crochets Itself an Etsy Rival: Handmade.” While in a capitalist marketplace competition is not unexpected, crafts, with their nostalgic, pre-capitalist or even anti-capitalist associations, make a “craft war” seem incongruous. In contrast to Amazon, the “ferocious contender,” Etsy is portrayed by some as the plucky “Little Marketplace That Could” (a reference to a children’s book The Little Engine that Could) that “ earns points for moxie.” Dickerson later addressed the violent language used by the press, saying that “Military and sports metaphors fall pretty flat” in Etsy’s female-dominated culture, reported by Marantz.


395 For many crafters, sharing their craft processes and projects through social media is now an embedded part of the enjoyment of their craft and foregrounds the “creative” or “maker” identity. Similarly, sociologist David Gauntlett finds that people choose to make and share things (crafts, digital videos, blogs, etc) because of 1) the pleasure of making things, 2) the social connections as an active participant, and 3) the recognition of their effort. Online craft networks provide crafters ways to build status and cultural capital. Successful crafters gain more followers, likes, downloads, shares, and so on, which can lead to paid contracts or successful small businesses. Crafters tend to use social media sites, on which users are generally actively involved in the creation of content. Media scholars boyd and Ellison define “social network sites as web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system.”

Many crafters and craft supply companies post free tutorials or advertise patterns for sale on individual blogs, Ravelry.com for knitters, Instructables.com and in YouTube videos. Others use mainly photo-sharing sites like Flickr.com, Pinterest.com and mobile apps like Instagram. Crafters also use the internet to
arrange in-person classes, retreats, tutorials, craft swaps, and services. Other sites crafters use include MeetUp.com, Twitter, Facebook, Craftster.org, Betsy Greer’s Web site Craftivism.com.


In order to use any of Etsy’s community features or make any purchases, users must create a free account. First of all, members can start an email-like “Conversation” with sellers, which Etsy reports, as of their tenth anniversary on June 9, 2015, over 500 million conversations have taken place. Etsy also reports that “81% of sellers have received advice and inspiration from other sellers on the site” and “25% connect just for fun.” Members can follow others and see what items they “favorite.”

Other social networking features used to be more prominently available through a Community link at the top of every page, but are now located at the bottom of every page under “Join the Community.” The current community features are Teams, Forums, Upcoming Events, Affiliates, and Etsy Local. Members have to apply to join one of the over 12,500 active teams, with some team’s membership being moderated. A quarter of the active Etsy sellers worldwide are on a team, which can be based around themes or locations, and in which they might share information or organize local craft shows. Many teams are set up to help promote each other’s shops.

In addition to teams, in the Forums, members can read and respond to message boards in the Forum in five categories: Questions, Discussions, Bugs, Chitchat, and Promos. As of June 2015, over “250 million Etsy Forums posts have been written by Etsy members,” but the percentage of Etsy members who visit and post in the forums is not available.

Etsy’s Events announce offline, local events. Etsy’s biggest annual event is the Etsy Craft Party, started in 2010, in which they set a theme and send materials for parties for a set number of guests. In June 2015, there were 280 craft parties in 28 countries. Etsy has also held classes in their Etsy Labs in their Brooklyn headquarters since 2007.

Finally, Etsy has multiple blogs, including the Etsy News blog with company updates and CEO announcements, the main Etsy blog that is currently geared towards buyers, and the Seller Handbook that contains advice for sellers. They also have Australian, British, Dutch, French, and German blogs. The blog also used to be accessible through a link at the top of every page but there is now only a link the bottom of the homepage under “Discover and shop.” Sometimes blog posts are linked to promotional “Etsy Finds” or “Etsy Success” seller emails they send out.

Additionally, Etsy also allows users to share favorite items on social media sites Twitter, Pinterest, tumblr and Facebook.


Etsy fits in the category of niche social networks, defined by Nora Dunne, as “communities where users connect around specific topics… [and] get to build profiles, swap stories, ask for advice, and otherwise interact with people who share their interest.”


Zelizer argues against this point of view, positing a “connected lives” thesis that points out the continual and inevitable interaction between economics and intimacy.


Wright considers community to be more than a moral idea, but rather a question of the best way for humans to survive and thrive through cooperation.


A commenter on that blog post claimed that Etsy wanted “to kill the forums because sellers being in open communication causes problems for them. [And] they want to be like Facebook.”


Similarly, Dottyral said that “I really wish that admin would hold back on all of the social changes and get back to focusing on selling and buying handmade/vintage/supplies. That's why we're here and that's why etsy's is the best site for it.”


Between February 2006 and April 2015, 180 forum threads on the site clearly discussed a possible IPO. Additionally, member comments on blog posts by Etsy leadership starting mentioning the possibility in 2008.

Kalin posted a long blog post on “Etsy’s First Five Years,” from the perspective of being in the middle of the five years. He explains what the investment means: “This means that we now have the resources to extend Etsy’s reach in this world, to enable so many more people to make a living making things. We want Etsy to exist for hundreds of years. Our goal is for Etsy to be an independent, publicly traded company, focused on all things handmade…. Throughout Etsy’s growth, we have been very careful when raising money. We run the company as a democracy, meaning no one party has the power to act unilaterally. This new investment preserves these values, and adds to what we can do.” Kalin also describes Jim Breyer as “one of the ‘elder wisemen’ of the investing world. Except he’s not that old. He’s an outstanding investor who has many times shown he can see into the heart of matters, finding and supporting businesses that tap into underlying and disruptive change for the common good. He spotted Facebook early on, and now he’s joining up with Etsy.” The blog post also included a statement from Jim Breyers: “Etsy is a company with a clarity of mission that can truly have a long term impact on the way this world works. Rob himself is patient but intense, challenges conventional wisdom, and has an infectious enthusiasm and spirit.”


Even in a description of Etsy’s business on a stock rating review, uses the terms “connect” and “community”: “Etsy, Inc. runs a market where individuals connect, both online and offline, to make, sell and buy goods…. The Company’s community consists of producers who help their companies grow, entrepreneurs who sell on its platform, consumers planning to buy goods in its marketplace and its workers who preserve its platform.”


These individual investors could participate in the IPO without the large brokerage accounts, and Morgan Stanley waived the account fees for the program. Etsy had mentioned the program in an email about the IPO prospectus to all Etsy members and advertised it through a link at the bottom of all Etsy pages directing interested people to submit a form to receive more information from Morgan Stanley. An additional 10% of stock was reserved for other retail investors and was also limited to $2,500.
Journalist Michael Wursthorn points out that “Participation programs were popular in the late 1990s during the tech-boom era and are seeing something of a revival.” Wursthorn continues: “By and large, Etsy’s users aren’t the typical Morgan Stanley customer. The company, based in Brooklyn, N.Y., said in a 2013 report that its sellers have $44,900 in average income, noting that it was 10% lower than the national average then…. In recent years, [Morgan Stanley] has said it wants its brokers focused on attracting clients with $1 million or more to invest.” Other companies that have had participation programs include U.S. movie chain AMC Entertainment Holdings Inc. (2013), Google Inc. (2004), Samuel Adams brewer Boston Beer Co. (1995). According to a *New York Times* article, another recent company that used a participation program for their December 2014 IPO was LendingClub Corp., which facilitates personal and small business loans by connecting borrowers with investors. This article continues that both Etsy and LendingClub Corp are built around communities.


Journalist Merced reports “The venture capital firm Accel Partners is expected to collect as much as $24 million, while Union Square Ventures could make as much as $13.8 million. (Those two firms, along with Index Ventures, will still own roughly 45 percent of the company after the stock sale.)” Other major investors include Index Ventures, Tiger Global, and Breyer Capital. Additionally, Dickerson owned 2% of Etsy prior to the IPO but founder Rob Kalin was not listed among the top shareholders.


438 Several titles referenced Etsy’s “craft” and “handmade” business: “Etsy Files for Handcrafted IPO,” “Handmade, Artisanal, Brooklyn IPO,” “Etsy Expects IPO Will Raise a Handcrafted Bundle Full of Cash,” and “Brooklyn-Based Etsy Gets Crafty with IPO.” Some journalists got even more specific and commented on some of Etsy’s products like: “Does Etsy’s IPO Mean Goodbye to Crocheted Shorts?” and “those hand knitted sweaters and vintage earrings are finally paying off.”


440 “The Ethics of Etsy,” Thespec.com, March 10, 2015, sec. NEWS.


442 Ibid.
443 Ibid.
444 Ibid.


447 Ibid.

448 She pointed to Google’s “don’t be evil” philosophy that is now “open to debate, as shown by the European Union’s decision to file a formal anti-trust complaint against Google for manipulating search results.”


Abagail McWilliams, and Donald Siegel similarly define “CSR as actions that appear to further some social good, beyond the interests of the firm and which is required by law.” João MS. Carvalho, Jan Jonker, and Nikolay A. Dentchev look at a company’s social responsibilities for total CSR as economic, legal, ethical, and philanthropic. Carvalho et al date the beginning of the concept of corporate social responsibility (CSR) to the 1950s, listing the following stages: (1) 1950s: Self-evident CSR, (2) 1960s: Discovery of Social Constituencies, (3) 1970s: Social Responsiveness, (4) 1980s: Social and Economic Responsibility, (5) 1990s: The Quest for Measuring, (6) 2000s: Theorizing, and (7) the present decade: Strategizing and Economizing.

Kunal Basu and Guido Palazzo list three lines of CSR inquiry in academic literature: 1) Stakeholder driven (response to external demands, such as governments, NGOs, consumer lobby groups), 2) Performance driven (measurement of effectiveness of concrete CSR actions), and 3) Motivation driven (extrinsic reasons such as corporate reputation enhancement, preempting legal sanctions, etc).


Stout claims the mistaken notion that directors must maximize shareholder value (popular among economists) comes from activist hedge funds and not corporate law. Furthermore, Stout argues that corporate directors are protected from most interference with running their business “by a doctrine known as the business judgment rule,” so that courts should not second-guess the board’s decisions about the company’s good as long as the board of directors is “not tainted by personal conflicts of interest and makes a reasonable effort to stay informed.”


Belinfanti argues “Corporate law itself does not require that corporations relentlessly maximize shareholder value, except in the limited instance when the corporation has put itself up for sale.” Belinfanti continues: “In fact, state corporate codes (like the ones in Delaware and New York) and corporate charters generally give corporations license to pursue ‘any lawful’ purpose. … Also, a majority of states — including Connecticut, Massachusetts and Pennsylvania — have constituency statutes that explicitly allow
corporations to consider other stakeholders (e.g. employees, suppliers and customers) in addition to shareholders.”


469 Ibid.

470 Ibid., 157-8.


474 Michelle Goodman, “Make It Good—Officially,” *Entrepreneur* 41, no. 7 (July 2013): 91.


480 B Corps include King Arthur Flour, ice cream maker Ben & Jerry’s, which is a subsidiary of Unilver, online eyeglass retailer Warby Parker, online funding platform for creative projects Kickstarter, outdoor gear line Patagonia and Vermont-based Green Mountain Power.

Ben & Jerry’s ice cream company has the quintessential story about the problems ethical businesses face. In 2000, the owners of Ben & Jerry’s “felt compelled to sell their company to the highest bidder and, in doing so, to compromise their own social and environmental values,” according to Rae André. The lawyers had told the owners that they would vulnerable to shareholder lawsuits if they did not sell to the highest bidder, a legal view which has been challenged since. Ben & Jerry’s sold their business to the global company Unilever, which some saw as undermining its social mission. Nonetheless, Ben & Jerry’s, even as a wholly owned subsidiary of Unilever, was able to earn a B Corp designation in October 2012, even
though Unilever was not a B Corp. Furthermore, Ben & Jerry’s situation lead to the creation of benefit corporations, which offer expanded legal protection for a company’s mission.

Another prominent B Corp is Kickstarter.com, whose CEO Perry Chen has “rejected publicly the idea of an IPO, noting that people give money to Kickstarter projects because they want to see them happen rather than because they want to make money,” according to journalist Suzanne McGee. Angga Indrawan also reports that Kickstarter plans to reincorporate as a “public benefit corporation, which legally obligates it to act for the public good,” to ensure that “money does not corrupt their mission.”


487 Etsy could lose its B Corp status, if it does not become a benefit corporation by 2017. Now that Etsy is a public corporation, changing the corporate governance structure to become a benefit corporation would require the approval of 90% of their shareholder, which could be difficult. Yet, Dickerson had said at their IPO that Etsy did not have plans to transition to a benefit corporation at present. Journalist Hiroko Tabuchi warns that if Etsy reincorporates as a benefit corporation then it could be vulnerable to lawsuits from shareholders over failures to its social mission and fiduciary duties. The legal challenges could come from both those who think not enough or too many social objectives are being fulfilled.

The following section describes the ten benefits that the majority of B Corps cited as the most valuable. However, these benefits are not ranked in any particular order, so feel free to start with what seems most interesting and valuable to you.

• Being part of a community of leaders with shared values
• Attracting talent and engaging employees
• Increasing credibility and building trust
• Generating press
• Benchmarking and improving performance
• Attracting investors
• Protecting a company’s mission for the long term
• Building collective voice
• Saving money
• Leading a global movement

Additionally, “Certified B Corporations were 63 percent more likely to survive the Great Recession (2007–2009) than the average U.S. small business.”


Ibid., 143-4.


Ibid., x.

Ibid.

Etsy, Inc., “Amendment No.1 to Form S-1 Registration Statement under the Securities Act of 1933,” (March 31, 2015), 92.


In 2013, Etsy ranked No. 23 on *Fortune’s* list of Best Medium-Size Companies to Work For and moved up to 19 in 2014. In 2015, Etsy ranked number 6 out of 25 on Business Insider’s “Best medium-sized companies to work for” list. In 2016, Etsy was ranked 81 out of 100 Best Workplaces for Millennials.


508 Etsy gained a lot of good press for its improvements to its family leave policy, in which new parents, regardless of gender, get six months paid leave. Etsy also gets praised for fixing its gender imbalance and hiring more female engineers. Etsy’s board of directors achieved gender parity in June 2016. They also now allow their employees to self-report their gender from more than 60 choices (not just binary) and added gender inclusive bathrooms. Environmentally, Etsy also built a new corporate headquarters that received Petal Certification and the Living Building Challenge, which aims for the building to have a net positive environmental impact.


510 Etsy uses the “PERMA framework developed in conjunction with the Center for Positive Psychology at the University of Pennsylvania.”

The result of investing in their platform is “Etsy’s Empowerment Loop,” where they enable Etsy sellers to grow businesses and make it easier for Etsy buyers to “find unique goods.”


Dickerson continued in the blog article: “Etsy made its first cross-border sale in its first week of business. In the second quarter of this year, 30.2% of our Gross Merchandise Sales (GMS) was international.”


Other articles on Etsy and Ireland followed, claiming “Etsy’s Irish subsidiary makes it look crafty in a different way” and explained “How Etsy Crafted a Tax Strategy in Ireland.” Others questioned whether Etsy was engaging in a “Double Irish” tax shelter, which Etsy denies. Using the “Double Irish” companies sell or license the foreign rights to U.S.-developed intellectual property to a subsidiary in a lower-tax rate country, such as Bermuda or the Isle of Man. Other tech companies, such as Google Inc., LinkedIn Corp., Apple, IBM, and Microsoft, have used the “Double Irish” or similar tax moves, to conceal financial disclosures and reduce global taxes on billions of dollars of profits.


Ibid.

Ibid.

Ibid.


He also attempted to disprove four “myths” about their tax structure. He claimed that, first, Etsy’s tax structure changes was never secret, and second, they were not dodging taxes. Third, Etsy is not refusing to be transparent by not publicly filing annual Irish financial statements, since their “public financial filings with the SEC are the best source of information about the revenues we generate and the taxes we pay globally.” Finally, he argued that the Irish business structure does not violate their company values or hurt their commitment to transparency, and they intentionally avoid complex tax structures associated with other tech companies. He did acknowledge that Ireland has an attractive tax rate. Dickerson concluded that Etsy will “work harder to explain why we’re making particular choices and how they align with our core company values.” Etsy has repeatedly apologized for poor communication and transparency, usually to its sellers and now to its investors.


CHAPTER THREE: CRAFTING A LIVING

Craft has been ideologically linked to ideals of meaningful work and anti-capitalist values since the late nineteenth century, so it was no surprise that journalist Rob Walker reported in 2007 that the resurgence of interest in craft was not only fundamentally “a work movement,” but also “an art movement, or an ideological movement, or a shopping movement.”537 Walker claimed that the “path that has led to Etsy begins with a motto — do it yourself — that implies distaste for consumer culture.”538 Yet, craft will always be inefficient and capitalism seeks efficiency, points out scholar Dennis Stevens, since a disconnect exists “between the ideology of craft work and that of the economic system that supports it.”539 Etsy fit easily into the craft movement with its mix of “high-minded ideas about consumer responsibility [and] the unsentimental notion of the profit motive.”540 As a peer-to-peer digital platform, Etsy is also one of many new sharing economy companies. In the twenty-first century, many crafters were trying to figure out how to balance their ideals with sustainable businesses. With jobs increasingly unavailable or insecure, starting a craft business became for some a way to get by. Etsy provided a space for individuals to practice a monetized form of craft, including: people wanting a stay-at-home lifestyle, students avoiding or paying back loans, and other workers filling in the gaps when work is slow at their regular jobs or when they lost their jobs.
The ideal of craft as desirable, good work in conjunction with the neoliberal emphasis on entrepreneurship made Etsy an appealing flexible source of income for many people (mostly women). Despite the appeal of flexible, creative work and the success of a few top shops, crafters have also discovered that one of the limitations of selling on Etsy is that it is often precarious work, which lacks stability and benefits and can cause distress beyond the workplace. On the other hand, for very successful sellers, successfully scaling their craft businesses without losing their authenticity is made difficult by the definition of craft, which is tied to the ideal of the “handmade” and notions of the lone craftsperson. This chapter seeks to address this bind that Etsy sellers often find themselves in, asking whether they will be successful and find genuine fulfillment through craft while still making a living in the digital peer-to-peer economy into which Etsy channels them.

**Etsy Seller Overview**

Etsy was the first non-juried, peer-to-peer e-commerce site to specialize in handmade goods, vintage products, and craft supplies, creating a central place for mainly amateur, but also professional, crafters to sell their goods and directly reach customers interested in craft products. Before Etsy, some of the ways crafters could sell their crafts were through galleries, local stores, at craft fairs, by mail order, on the auction-style e-commerce site eBay, or on their own websites. Some professional craftspeople saw Etsy as a way to “level the playing field for creative, independent businesspeople,” by creating a central place for buyers “willing to pay more for real materials and handcrafted quality,” which removes direct competition with big corporations. Additionally, one of
the biggest benefits of sites like Etsy for sellers is the reduction of some of the logistical difficulties with entrepreneurship. A potential Etsy seller can make a free account and set up a shop just by providing a valid credit card or PayPal account for verification purposes, without going through an application or approval process or paying membership fees. Sellers can list as many or as few items as they wish, spending as much or as little time as they want, with each listing costing $0.20 for 4 months with a 3.5% transaction fee upon sale of an item (Figure 4). As an Etsy seller, one no longer requires a physical selling location, such as boutique stores, galleries, museums or craft shows, which would usually take a larger cut of the profits. Sellers do need regular access to the internet and email, a bank account for electronic transfers, a digital camera or scanner for product photography and, most likely, photo editing software. With such ease of starting a business, many amateur crafters suddenly had a way to earn some extra money. However, with such purported ease many started out overly optimistic and underprepared for the reality of starting a business.
One big impetus behind the contemporary craft resurgence was the Great Recession (December 2007-June 2009). As Etsy CEO Chad Dickerson does not claim Etsy is recession-proof, but:

> Etsy is somewhat counter-cyclical. When people have the money to spend they want to spend it on special things instead of mass-produced stuff but when the economy is tough they want to spend their money on special things and they also want to make money.\(^{544}\)

The Great Recession led to a shift for both worker and consumer, so that “in their search to make ends meet, people began to maximize their talents” and the “selling of high-quality crafts has become exceedingly popular.”\(^{545}\) *Wired* journalist Clive Thompson agreed that making and selling crafts was a way to “recession-proof your household.”\(^{546}\) Etsy seller Dawn Beckwith from CRAZYCOOLSTUFF even claimed in 2013 that:

> …the world NEEDED Etsy, as proven by its stellar rise in popularity….Those who needed ‘flextime’ and have had major struggles
with dividing home and work life - Etsy offers you a new option…. The only ‘stability’ now is making your own way.\\footnote{547}

In her comment, Beckwith lists many of the issues with current employment that this chapter will discuss in relation to Etsy, including creative and precarious work, and the appeal of entrepreneurship.

In 2015, Etsy reported that sellers were mostly women (86%), more likely to be college educated than the general population (56%), and more likely to have higher than average household incomes ($56,180).\\footnote{548} Yet it is worth noting that 17% of sellers had a household income under $25,000 annually.\\footnote{549} Most sellers worked from home by themselves and many (69%) do not want to scale their business beyond what they can handle alone, so that only 1% took out a loan. For 30% of sellers, their creative business was their sole occupation and for the rest, Etsy shops provide a “meaningful source of supplemental income” that helps with household expenses, rent or mortgage payments or educational costs.\\footnote{550} About half of sellers use multiple venues, such as craft fairs, other craft-focused e-commerce sites, and their own individual websites as a means of generating income, but Etsy usually provides their primary source of income.\\footnote{551}

While some very successful sellers earn six-figure incomes on Etsy, former Etsy seller Grace Dobush critiques “the idea of quitting your day job” as “a manic pixie fever dream,” since most sellers are not running their businesses full time.\\footnote{552} Furthermore, sellers who do become very successful may not actually like making their most popular product, but want to earn a living. Nonetheless, Etsy’s “Quit Your Day Job” marketing strategy helped to establish Etsy as “one of the largest, most chaotic flea markets the world has ever known.”\\footnote{553} Starting in 2008, the Etsy blog began to run a series by that
Yet, an article on the Academy of Handmade blog points out “opening an Etsy shop does not mean you have a business.” In fact, the blog argues that Etsy’s promotion of lucky and quick success stories has made many crafters bad at some aspects of business, particularly since:

...in the beginning of Etsy it was done in a very close community through a highly personal company that got you all hopped up on feelings of being cared for/about.

Despite the community side of Etsy, starting a real business is not as easy as a simply opening an online store. Running a business takes hard work and perseverance. Despite the hype around the few successful sellers, Etsy serves mostly as a way to have a part-time business or a means of earning money to support a seller’s own hobbies. Many sellers find it difficult to find fulfillment and make a living through Etsy.

**Craft As Good Work**

The ideal of craft as desirable, good work in conjunction with the neoliberal emphasis on entrepreneurship makes Etsy an appealing flexible source of income for many people, particularly women. Craft’s ideological links to ideals of meaningful work and anti-capitalist values date back to the late nineteenth century Arts and Crafts movement and continue to influence crafters’ decision to try to sell their crafts. The resurgence of interest in the handmade reveals current widespread dissatisfaction with current socio-economic trends, including: the impacts of financialization, the recession-prone economy, rising inequality, perceptions of job insecurity, and inauthenticity. In contrast, the ideal of handmade celebrates the human aspect of production and
consumption. Exemplifying the legacy of craft idealism, Matt Stinchcomb, Etsy’s former vice president for values and impact, claimed that:

A lot of people are looking to do work that is more meaningful…. We have people longing to produce things that are more an expression of their humanity.557

Journalist Alex Williams also wrote about “cubicle captives… fantasizing” about starting their own business and being swept up in the “swelling enthusiasm for all things artisanal and the growing sense that work should have meaning.”558 Etsy draws on the tradition of craft as desirable, good work that produces quality, personal goods in opposition to alienating and impersonal work or mass production. By 2012, CEO Dickerson spoke about how:

When you meet Etsy sellers, they say it has changed their lives…. Not only do people get out of dead-end corporate jobs through Etsy, but this discovery of self happens. Making something and having people appreciate it makes people feel good.559

As in Dickerson’s statement above, craft work is often contrasted with “corporate” jobs, which are usually vaguely described and assumed to be negative and impersonal. The legacy of craft idealism combines with the sharing economy of ideals of flexible, creative work, to make self-employment – particularly through sites like Etsy – desirable.

At the 2007 Craft Congress, many crafters told documentary filmmaker Faythe Levine that “running a small business yourself, and trying to separate yourself from the masses — it’s a political statement in its own.”560 This conference presented starting one’s own business in a way that “made that most conventional American path — small business — seem like an instrument of radicalism,” according to journalist Rob Walker.561 The idea of independence, sociologist Stephen Edgell explains, “is a key
element of a nexus of what may be regarded as basic capitalist values, including self-reliance and initiative.” The idea of being in control and being one’s own boss is a deeply and widely held aspiration. Self-employment also has higher status than being an employee. Etsy sellers Britton and Matt exemplify these attitudes in their statement that they “always, always wanted a creative job…. independence is a huge thing for us. Plus it just feels awesome knowing that all those seeds you planted, sacrifices you made, and all that hard work has really paid off — we’re self-employed!” For some crafters, independence and self-employment can be seen as a way to change the world (“make the world a better place one stitch at a time”) and move beyond capitalism. Ideologically, Etsy’s founder Rob Kalin fit well into this side of the craft scene, promising in 2008 that Etsy and people “who make a living making things” would “play a key role in revitalizing and stabilizing the world” in opposition to the current unstable “economy, favoring megacorporations and supersizes.” Some even credit “makers” and crafters with “the power to create a truly independent economy free from corporate ties” and to develop a community that benefits both makers and consumers. Similarly, Etsy wants “independent artists and crafters” to “defy this wave of cynicism” produced by mainstream media and to choose “to reconnect with the individuality, the hard work, and the creativity that is America at its best.” Choosing to craft as a business can be a utopian or nostalgic choice to reject contemporary capitalist choices in favor of a more fulfilling lifestyle.

Although it is “tempting to look at craft businesses as simply a rejection of modern industrial capitalism,” journalist Adam Davidson argues that “the craft approach
is actually something new.” He continues that “we’re entering an era of hyperspecialization,” in which middle-class people can make a living specializing in crafts they enjoy. Davidson’s argument fits within other claims about a new artisan economy. In 2008, the Institute for the Future (IFTF), an independent, non-profit research organization, predicted that the next decade would see a re-emergence of the artisan as an economic force, citing Etsy as an example of an online marketplace that enables hobbyists to make the transition to small business owners. The beginning of the artisan economy dates to the 1970s, but “dramatic globalization, consolidation and de-localization of corporations” in the last 15 years caused an expansion of the artisan economy, concurrent with the spread of neoliberalism. The new artisans are pioneering a “shift in the economy toward higher quality and lower volume, formulating a new belief along the way that work can be art and art can be profitable.” According to the IFTF, many of these new artisans would be small and personal businesses producing one-of-a-kind or limited runs of specialty goods. Although people making and selling crafts or small-scale services out of their homes is hardly new, the internet lowered barriers and “turned these activities into something larger, something potentially more viable for many people.”

As “part of a burgeoning micro-business sector,” Etsy sellers may have limited individual impact on “traditional economic measures” but “taken together they are reshaping the U.S. economy” and creating durable micro-economies globally, according to Etsy’s 2013 report. Small businesses, such as artisan companies, have the size, ability, and cost structures to better serve niche markets and customize their products, and
since 2000 have created 60–80 percent of the new jobs in the United States economy. Small businesses also generate more than half the country’s economic output and employ over half the private labor force, potentially granting artisans the economic power to affect change. Another argument in favor of the artisan economy is that by “producing small quantities of artisanal products in an environmentally friendly way,” journalist Ted Pouls explains, “the overall economy becomes more sustainable which benefits everyone.” Moreover, specialization and customization, argues Davidson, is a way “American manufacturing can compete in the global economy.” However, it is it this very global economy that threatens the stability of the artisan economy, as successful crafters can lose their businesses if their previously unique products are mass-produced elsewhere.

Despite the difficulties inherent in a craft economy, the discussions of the artisan economy and the success of Etsy all prove that ideal of craftsmanship as meaningful work continues to influence views on craft. By offering freedom, flexibility, and “highly competitive compensation,” these artisans could attract and retain highly skilled employees. Many of the benefits listed for the artisan economy are highly influenced by the legacy of craft idealism. For example, urban studies professor Charles Heying positively contrasted the artisan economy with the routinization of a Fordist-style economy. In this juxtaposition, Heying claims that small businesses created by artisans will provide better work-life balance, in part because artisan work is supposed to be life-giving and purposeful, making the line between life and work is less stringent. Moreover, improvisational artisan work is contrasted with routine work and so is the integration of
work, living and socializing spaces with their segregation. Another way the ideal of craft as meaningful, fulfilling work appears is through the writings of sociologist Richard Sennett and philosopher/motorcycle repairman Matthew Crawford, who both promote the ideal of craftsmanship as a better method of working. For them, craft is doing something well for its own sake, rather than focusing on a type of product as craft.578

In contrast to concerns that craft is threatened by industrialization, Etsy and contemporary crafters want to make craft more commonplace and easily purchased. Etsy is “part of a broad movement that represents one possible entrepreneurial response to a new and different economy,” according to an Economist article.579 This movement began more than a decade earlier when sites like Craigslist and eBay moved transactions that had previously been conducted privately through classified ads or flea markets to online websites. In so doing, such e-commerce sites increased the scale of the market, improved matches between buyers and sellers, and created new job opportunities. As a 2014 report argues, the effect of Etsy and similar marketplaces has “been to reveal entrepreneurial behaviours that were once hidden beneath the surface by minimum obligations.”580 Although the “sharing economy” is the most popular term for this movement, another relevant term for peer-to-peer economic activity through digital platforms is the “gig economy,” referring to the flexible nature of such employment.581 Sharing economy companies provide a range of services, including renting, service-provision, employment, and gifting. Platforms connect sellers or workers directly to customers for a fee, and payment passes through the platform. One way of dividing the sharing economy is into labor platforms, where participants perform discrete tasks, and capital platforms, such as
Etsy, where participants sell goods or rent assets. Although the size of the sharing economy is up for debate, 10 to 22 million Americans may have been providers, the most common being college-educated millennials (generally accepted as those born between 1980 to 1995). Additionally, sharing economy workers fit within the Government Accountability Office’s (GAO) estimate of contingent work, which includes temporary employment and, at its broadest, all work without traditional employers or regular schedules. A core group of contingent workers comprised about 7.9 percent of the employed labor force. One of the fastest growing groups of contingent workers are college-educated, white-collar professionals, who do not have the economic security they thought they would have but instead end up working job to job as consultants. While some praise the sharing economy for creating flexible jobs that provide consumers low prices and convenience but others condemn it for destroying traditional employment and undercutting formerly regulated industries.

To supporters, the sharing economy “seems the perfect locally rooted, small-is-beautiful antidote to an economic crisis precipitated by reckless financial giants too big to fail” with a “community ethos of sharing” and “collective empowerment through human contact,” which Caroline W. Lee calls “hazy, cuddly ‘anti-establishment’ ideology.” For example, Etsy’s mission statement includes not only the practical – helping “creative entrepreneurs start, responsibly scale and enjoy their businesses” – but also the cuddly – communicating “the power of human connection whenever anyone experiences Etsy.” Etsy’s success in building a community is exemplified by statements such as Rachel Botsman’s, that “the core of what Etsy is all about” is making “meaningful connections
between real people” and that “the company resonates emotionally with people.”

Etsy’s community focus can be seen as a way to overcome the tension between the Etsy the corporation and the crafters who utilize the platform for their sales. The community focus becomes a way to reject the impersonal and the bureaucratic.

Compared to other small business owners, Etsy sellers are more likely to be women under 35 who work from home but are less likely to have their business be their primary source of income. Since people of all ages, even those with full-time jobs, worry about job security, many want a side business as a safety net or a creative outlet. One of the main benefits of the sharing economy and Etsy is the possibility of flexible jobs. Flexible jobs allow employees to decline promotions in their corporate jobs to be able to spend time with family, while others start small businesses for more control over schedules. For example, Etsy seller Khristian A. Howell was seeking “even more control and autonomy,” so she opened her Etsy shop. Additionally, flexible jobs are part of what historian Richard Greenwald deems “a craft sensibility” that occurs when workers “blend leisure and work and work harder, faster, and longer, but also find time to squeeze in a social life too.” He continues that this “new work ethic that values multitasking, embedded communities of workers, the blending of leisure and work activity, and the rise of creativity and independence, along with money as co-measures of success.”

Creative work is more than just part of a potential artisan economy. Creative work is also being praised by management theorists and businesses as a way to transform workplaces into “powerhouses of value.” For some, creativity has always been “an essential, irreplaceable human resource,” as evidenced by the emergence of international
creative industries policies, the idea of “creative cities” as recipes for development, and the growth of knowledge-driven business sectors dependent on “intellectual capital.” Since creative work can potentially make workers happier and more compliant, the emphasis on creative labor is part of a wider response to a crisis in attitudes towards labor. Managers and employees alike hope that creative jobs cannot be outsourced. Creative occupations are also praised since they do not require cost-intensive institutional supports or infrastructures. For many Etsy sellers, having a creative job was always their dream. Seller Brandi from kukubee thought that “most creative-minded people will say that working a 9-5 isn’t really cut out for them,” revealing again the sense that “corporate” jobs are vaguely a negative thing. Both the emphasis on creativity and the importance of flexibility appear in an Etsy survey concerning the top motivations for starting an Etsy shop. The reasons are: 1) outlet for creativity, 2) supplemental income for self or family, 3) fun, 4) business opportunity, 5) personal dream, and 6) greater flexibility for self or family.

Etsy’s Juliet Gorman said not everyone is looking to make a lot of money or a huge business; instead some people just want a micro-business:

Most want more sales but few want to grow operations. Most are solo entrepreneurs working from home. They’re interested in creative expression. It’s supplemental (income) not just a growth engine.

On one hand, being in a “messy peer-to-peer part of the economy, where personal and professional activities increasingly overlap,” Etsy sellers may not consider what they are doing as a job or being self-employed. Instead they may think of it as money for extras or gas. On the other hand, according to CEO Dickerson “74 percent” of Etsy sellers in
2014 “consider it a business, even if they do it part time, so we don’t really equate full
time with the level of seriousness.” An Etsy report expanded on some of the problems
microbusinesses face, claiming that they:

…operate in gray areas between amateur and professional, business and
worker, consumer and provider. They are inconsistently captured in
government statistics and poorly understood by policy makers.

Part of the difficulty the government faces in recording statistics on microbusiness is that
the work can be “sporadic or so inseparable from personal life that it often doesn’t look
like a ‘job,’” according to journalist Emily Badger. “Lawmakers and regulators,” Etsy
CEO Dickerson claims, “have trouble imaging a type of work that might take place at
someone’s kitchen table in between life’s other responsibilities…. In a really crude way, I
think that policymakers still need to understand the Internet.” One solution is better
government data in order to develop policies to support micro-businesses. Part of the
challenge is also developing a metric to assess whether micro-entrepreneurs are doing the
work out of passion or necessity. As Etsy seller Jody Rice explained, “I think the
perception is that we can’t get a job or we’re flaky or we’re desperate…. That’s not who
we are. This is a passion. This is what we want to do.” Rice defines the views of many
Etsy sellers, according to a 2013 corporate survey. Very few Etsy sellers aspire to be as
big as possible, instead they want their future shops to be a size they can manage
themselves, prioritizing independence and sustainability. While some sellers “see their
Etsy shops as a source of income or a business opportunity, many sellers are equally – if
not more – motivated by creativity, flexibility and fun.” While this statement is
probably intended to reference amateur crafters who are looking to support a hobby,
rather than formally start a business, Etsy ends up separating fun from work. Yet having a passion and needing to earn money do not need to be separate goals.

In order “to support the emerging maker economy,” Etsy has advocated several proposals beginning with placing micro-advocates in regulatory agencies to help makers learn about relevant regulations. Etsy promoted entrepreneurship training to support unemployed and underemployed populations become self-employed, set up a Craft Entrepreneurship Training program, and has lobbied Congress to “to eliminate online sales taxes and exempt small businesses from import and export charges.” Etsy has also tried to help its sellers obtain health insurance, joining with other sharing economy companies, such as Lyft, Handy, and Instacart, to endorse a “common ground...for establishing a stable and flexible safety net for all types of work.” Such a safety net is necessary because the downside of flexible sharing economy type work is greater job insecurity and a lack of benefits, such as health insurance. Sharing economy workers are also ineligible for unemployment insurance, workers’ compensation, long-term Social Security disability, employer liability, and lack of retirement planning. To combat these problems, Etsy released a report, “Economic Security for the Gig Economy: A Social Safety Net That Works for Everyone Who Works,” containing policy recommendations to begin a larger conversation. Since most benefits are tied to traditional employers, Etsy wants a way for workers, regardless of income source, to manage benefits (through a “Federal Benefits Portal” tied to individuals), fund their benefits (through tax withholdings), and also manage income fluctuations (through combined tax-advantaged savings accounts).
Although the sharing economy is praised for creating flexible jobs that provide consumers low prices and convenience, it is also condemned for destroying traditional employment and undercutting formerly regulated industries. Despite the hype about sharing economy jobs, the numbers of self-employed and unincorporated American workers (which should include many people in the sharing economy) has been declining since the 1990s and is about 6.5% of workers today. Additionally, the number of people who hold multiple jobs is also declining, currently only at 4.8% of workers. In short, a lot of the changes in work do not directly relate to peer-to-peer platforms. In fact, a lot of people who try online platforms abandon them or only use them for supplemental income as needed.

**Craft as Precarious Work**

Despite the appeal of flexible, creative work and the success of a few top shops, selling on Etsy is often precarious work, which lacks stability and benefits and can cause distress beyond the workplace. One of the main problems sellers face is competition from other Etsy sellers from around the globe. Another problem for Etsy sellers occurs when hobbyists choosing to sell their crafts undercharge for their labor. The low prices they charge, generally meant to cover their material costs, make it more difficult for people who want to make a living and be properly compensated for their labor and materials. Since the 1970s, work has become more precarious worldwide through the alignment of social, economic, and political forces. Sociologist Arne Kalleberg defines “precarious work” as “employment that is uncertain, unpredictable, and risky from the point of view of the worker.” Precarious employment results in negative consequences that extend
beyond workplaces to stress, education, family, community, political stability and
democratization. Kalleberg lists five pieces of evidence for the growth of precarious work
in the United States since the 1970s: 1) decline in attachment to employers (shorter time
working for employers), 2) increase in long-term unemployment, 3) growth in perceived
job insecurity, 4) growth of nonstandard work arrangements and contingent work, and 5)
increase in risk-shifting from employers to employees. Kalleberg also points to
ideological changes supporting the structural ones: “shifts toward greater individualism
and personal accountability for work and life replacing notions of collective
responsibility.” Precariousness can also result from the increase in non-standard work,
which includes underemployment (such as work not equal to one’s skills), part-time,
temporary, and home-based work. The perception of precarious work was so widespread
in 2013 that Etsy seller Crystal from IKANDiiAccessories felt that most of the people in
her “age group 20 to 30 are either unemployed or underemployed.” A 2014 article in
The Economist agrees that “despite the opportunities opened up by some new tech-based
ventures, a generation of workers the world over is facing underemployment and stagnant
pay.” While some of the new technologies mentioned by The Economist led to the
creation of the peer-to-peer platforms of the sharing economy, it is the sharing economy
that some blame for compounding the precarious nature of twenty-first century work and
“creating a new class of networked workers: the ‘precariat.’” The result is the
generation of disproportionate inequality between platform owners and precariat who sell
their labor on them, meaning that venture capitalists and management make large
amounts of money while the workers on the platform struggle.
Despite the technological and social changes that make precarious work seem so widespread, many theorists point out that precarious work is not a new phenomenon. Rather, insecure, marginal, or irregular work, with no pensions or health insurance, was common until the end of the Great Depression. In many ways, workers are better off now than in earlier phases of industrialization, but what is novel about precarious work in the present is its impact on well-paid, high-status workers and the severe consequences for unemployment. Cultural theorists Brett Neilson and Ned Rossiter conclude that current perceptions of insecurity are more complex than just precarity at work; other sources, such as global terrorism, environmental risk, and volatile financial markets, contribute to a general feeling of unease at the existential level.615

In terms of craft work, making has been positioned as inherently moral, meaningful, and pleasurable, so that work, including selling on Etsy, is seen as enjoyable, creative work rather than unstable, precarious, or exploitative. Anthropologist Nicole Dawkins argues that “the desire for pleasurable, creative work might produce forms of self-exploitation and precarious labor that best serve the interest of post-Fordist capitalism.”616 She focuses on creative work, like craft, as “a form of highly individualized, flexible, affective work that blurs the boundaries of leisure and labor time.”617 Likewise, sociologist Mark Banks agrees with Dawkins that “the promotion of creative and reflexive work as inherently fun, pleasurable, and free (that is, like leisure)” has resulted in a lack of differentiation between the two realms, so that work becomes the site to achieve status, meaning and self-fulfillment.618 Management lecturer Andrew Jackson also points out that a lot of do-it-yourself (DIY) and home improvement
activities, which often relate to craft, blur the line between labor and leisure, so that, in other contexts, DIY work would be undesirable labor. Leisure is often seen as the opposite of labor – such that labor, according to Jackson, is:

...defined as structured, repetitive, and extrinsically rewarded. Leisure, on the other hand, is controlled and regulated by the individuals themselves, and is seen as containing intrinsic rewards.

In fact, Dawkins argues that the primary discourse surrounding the “handmade” is not about artisanal qualities or labor concerns but rather focused on the “pleasures and the transformative value of making things yourself.”

This discourse is rearticulated, for example, by Etsy seller Daniela Kloppmann, who describes her decision to take a pay cut and quit her day job to become a full-time spinner as “a lifestyle choice:”

Being creative every day is fulfilling and enriching and I am much happier now.... Knowing that my work is valued by my customers makes the long hours worthwhile.

Kloppmann chose precarious and flexible work because she found creative work more fulfilling, in particular she likes knowing that her products have value to her customers. Likewise, craft author Betsy Hosegood considers “Dedicating time to such traditional, time-consuming activities promotes the idea of conscious choice, of being in charge of one’s life and time,” making crafting a relaxing and pleasurable activity. These examples fit with Miya Tokumitsu’s argument that the phrase “‘Do what you love. Love what you do’” (DWYL) “is now the unofficial work mantra for our time.” The problem with doing what you love is that it keeps people focused on themselves and their own individual happiness and choices, while distracting from “from the working
conditions of others… and relieving us from obligations to all who labor, whether or not they love it.” Tokumitsu concludes that DWYL marks socio-economic privilege and “is, in fact, the most perfect ideological tool of capitalism,” since it hides the work of others and our own – leading to self-exploitation.

For craft, the emphasis on doing what you love and controlling the whole production process “seems to encapsulate the anti-capitalist credentials of craft.” Craftspeople often focus on the ideal model of craft production, which is autonomous self-sufficiency, in which the craftsperson contributes to the whole production and has individual control over the objects made. This “collective ideology” makes the less creative, unsatisfying, or “degrading aspects” of craft work less visible, according to Brian Ranson. Craftspeople’s focus on the “dignity of labour” and the “worth” of the produced object also leads them to believe their work is so different from other kinds of work, when in fact craftwork is very similar to other kinds of work. Stephen Knott argues that craft idealism “ignores how craft procedures, both commercial and non-commercial, always depend in some way on the capitalist structures they aim to oppose.” Moreover, post-industrial capitalism usually absorbs “alternative countercultural models of production,” so that craft loses its utopian potential. Because the “crafter is often forced to exist in a conspicuous space between politics and profits,” craft idealism is often lost to the mainstream. As a result Etsy is a “pro-consumerism website” that relies on DIY crafters who may wish to promote anti-consumerism. For sellers who wish to find fulfillment through creative work, the disconnect between the capitalist market and craft idealism can cause problems.
Since the appeal of craft comes from the focus on the individual labor involved in creation, craft becomes about the personality of the maker. Craftspeople make themselves into a brand and “sell their selves, their politics, and their interests in order to sell their crafts,” according to Nicole Dawkins. She continues that both shopping and vending crafts “constitute an intersubjective performance where vendors and shoppers alike are able to enact and assert their unique individualism through the exchange of crafted objects.” Exemplifying the approach to self-branding, an article from The Etsy Blog, “Branding 101: How to Build a Memorable Etsy Shop” explains that:

Now, branding is applied to everything and everyone. Including you.... a big part of the appeal is the authenticity and personal aspect of what you do. The story behind your products can attract customers because it makes what they’re buying special — and by extension, it makes them feel special.

Self-branding is a form of affective labor, which is both economic and cultural, and “results in a slippage between people and brands” (brand are like people, people are like brands), according to Sarah Banet-Weiser. Moreover, Alison Hearn describes self-branding as a way to “establish some form of security in the extremely precarious work world of 21st-century capitalism.” The emphasis on self-branding and entrepreneurship places craft and the sharing economy within neoliberalism. Neoliberalism turns competition into the main characteristic of relationships and turns citizens into consumers. Since individuals are now supposed to actively self-manage their own social welfare and employment, some theorists claim that the entrepreneur is now the role model for subjectivity. Initially Etsy referred to its members as “Etsians” but quickly changed to “entrepreneurs.” The term is still in use, and now Etsy describes its
sellers as a “unique population of Internet-enabled creative entrepreneurs who are building businesses on their own terms—prioritizing flexibility, independence and creativity.”\textsuperscript{640} The result of neoliberal entrepreneurship is deriving “pleasure from the presumed autonomy we have in ‘choosing’ to be molded or to mold ourselves,” according to Rob Horning.\textsuperscript{641} He continues that the effect of sharing economy platforms is to “more thoroughly atomize individuals, demanding that they regard themselves as a kind of small enterprise while reducing their social usefulness to the spare capacity they can mobilize for the platforms to broker.”\textsuperscript{642} Furthermore, personal responsibility and happiness are neoliberal themes. Horning claims that neoliberalism:

\begin{quote}
…hinges on making people work for love rather than money. You don’t work for money, you work to be money, and you love being so useful.\textsuperscript{643}
\end{quote}

The impact of neoliberalism on Etsy is revealed through their mission to foster “a world in which personal fulfillment is a key element of success.”\textsuperscript{644} Etsy’s Values reveal how craft idealism has been altered since the late nineteenth century Arts and Crafts movement. William Morris spoke of art as “man’s expression of his joy in labour,” as a socialist concerned about the “the unhappy life forced on the great mass of the population.”\textsuperscript{645} He wanted to claim the “compound pleasure in handiwork,” composed of variety, hope of creation, and self-respect, “as the birthright of all workmen,” in order to change “the system of the conditions of labour.”\textsuperscript{646} While Etsy’s Values promote fun as “part of everything we do” and believe in a “way of working” that “is connected and joyful,” their mission is far more neoliberal and individualistic than William Morris’ vision.\textsuperscript{647} Individuals are valued over groups – everything is individually focused and individuals are blamed for their failures rather than systemic reasons.
Despite the promise of flexible, fun, creative employment that sites like Etsy offer, some consider it a form of informal work, “also known as hidden, irregular, invisible, underground, off-the-books.” Informal work is therefore not protected by labor laws. Due to its nature, it is hard to find evidence of the scale of such work. In fact, Ursula Huws argues that the exponential growth of sharing economy platforms is just a “formalization of the informal economy.” Journalist Anand Giridharadas continues that the new informal labor market is lucrative but is:

…also a way of going back to what the labor market was like before there were anti-discrimination laws, minimum wages and hours ceilings — with all the liberties and efficiencies and perils that implies.

The problem is these websites offer “do-it-yourself job creation” that could lead to a “metastasizing economy of freelancers,” whose competition against each other lowers wages while they have to pay for their own health care and retirement plans.

Particularly relevant to Etsy as a global website is the problem that workers may now be competing against each other regardless of location.

Increased competition as the site grows is one of the reasons why more sellers are not successful. Sellers are not just competing in a local market but globally, so that price differences between products also include international differences in wage standards and costs. To offset this last problem, shipping costs and times may reduce some global competition. Sellers may feel pressure to keep their prices in line with others. The problem results when a hobbyist who only wants to cover the cost of her materials and does not consider the labor time is competing with someone who wants to make this a professional career and needs to make a reasonable profit, thus also covering her labor
time and vice versa. The cheap prices of some work upset other crafters who know the time and effort spent on their own projects, such as quilter Boo Davis:

You’ll see these elaborate, queen-size quilts for $300. That’s pennies an hour. So much of a person goes into a quilt. It’s an artistic labor of love that deserves respect.652

In more traditional forms of employment, placing monetary value on one’s own labor is set by the company and comparable positions, but for crafters, how to price a product is a common problem. The Etsy Seller Handbook, one of Etsy’s ways to actively help sellers succeed, has a category dedicated to Pricing and Finance and many outside blogs and articles also give advice on pricing.653 As journalist Max Chafkin explains, “Working for a few bucks an hour is fine if you like crocheting, but it hurts full-time sellers by creating the equivalent of a developing economy on the Internet.”654 Similarly, journalist Chris Anderson writes of “tales of that grim moment when a seller actually calculates how much she or he is making per hour (and how poorly that compares to flipping burgers at McDonald’s) abound; suffice it to say that it’s not about the money for most of them.”655 Therefore, one main problem with craft as a job is that many crafters are most likely not valuing their time properly and under-charging for their labor—something which is especially true of women.

Although more than half of Etsy sellers are college-educated, they are also underpaid, which follows from the general undervaluing of women’s work by society,” according to philosopher Clare Chambers.656 Women are coached early on to have different aspirations from men and taught to accept that their work is of lesser economic
value. Sara Mosle also wondered why such highly employable women are choosing to work part-time or pursue hobbies, concluding that:

…what Etsy is really peddling isn’t only handicrafts, but also the feminist promise that you can have a family and create hip arts and crafts from home during flexible, reasonable hours while still having a respectable, fulfilling, and remunerative career.\(^{657}\)

Women often chose to take flexible work in order to deal with domestic responsibilities. Regardless of their work status (full-time, part-time, or unemployed), women also do the bulk of domestic work, including child-care. Etsy seller Melissa Grice, quoted at length in Etsy’s 2013 report, spoke about her responsibilities to her family and the benefits of working full-time from home.\(^{658}\) Grice was expecting their first child and happy to be able to earn the same income she did outside of the house, have a flexible schedule, less stress, and a “sense of achievement that comes with being [her] own boss.”\(^{659}\) For crafter Betsy Greer, “women’s hunger for the domestic,” was one of the main reasons for the craft resurgence: “Now that we realize we have the freedom to do as we wish… we can feel free to openly embrace the domestic for the first time in decades.”\(^{660}\)

Yet Mosle finds craft’s promise to be a fantasy for women, in contrast to men who “have evaluated [Etsy] on purely economic terms and found it wanting.”\(^{661}\) Despite the small financial rewards, some sellers consider the act of someone buying their handmade item to be fulfilling and rewarding enough. An Etsy report indicates that sellers value “meaningful work” over “high pay.”\(^{662}\) One problem with valuing meaningful work over high pay is that sellers may “think they’re supporting themselves when their boyfriends pay the rent,” Etsy seller Susan Morgan Hoth says, but “a lot of young girls on Etsy are headed for a shock when they get older and don’t have
anything." Similarly, according to Rachel, a thirty-eight-year-old ex-homemaker turned English professor:

If you’re quitting your job to focus on the domestic sphere, you’re saying, ‘No, no, no, we’re separate but equal.’ It’s a fact that if you sign up for that you’re putting yourself at huge risk. Because if you get divorced, he’s going to be fine and you’re not. You’re not going to be able to do it on Etsy, period.

Eleanore from FiberBeads also worries about women and men whose working life does not “involve a formal paycheck that pays into the social security system,” since they “are seriously setting themselves up for a dependent scenario into old age” where they will be a big burden to their families. Etsy seller glowdecor likewise points out that most people who ‘drop out’ of corporate jobs are “are dependent upon a husband/wife/parent/unusual living situation that allows them to bypass paying the fixed price of housing, utilities, food,” but what she wants is “a widening of activism” to push for “programs like single payer, employment-independent healthcare, basic income guarantees, etc.” Such programs would make this employment path less precarious and allow crafters without the privilege of support from family or substantial savings to start their own businesses. These problems with lack of future planning and benefits affect not only Etsy sellers, but most sharing economy workers and those in contingent work.

One reason many women turn to craft and other entrepreneurial endeavors is because advancement is blocked for them in traditional corporations. Management professors Mainiero and Sullivan argue that the choice women make to opt-out of high-powered jobs does not mean that feminism or women have failed, but rather a new model of career choices allows women and men more freedom to create their own version of
career and life success. Journalist Emily Matchar takes up the debate over women opting out of corporate jobs and relates it to why 86 percent of Etsy sellers are women. According to Matchar, the problem with media stories promoting women “opting out” is that they have “enshrined the idea that work-life balance is impossible and that mothers generally find it more satisfying to stay home.” Such articles ignore the structural forces that make it difficult for women to both work and raise a family, such as “lack of maternity leave, lack of affordable day care, lack of job training, and unhappiness with the 24/7 work culture-well.” Matchar argues that the lack of flexible work arrangements has led many middle-class American women in their twenties and thirties to choose domesticity over corporate careers. These women have the means to re-embrace crafting, cooking, and stay-at-home motherhood as part of a “longing for a more authentic, meaningful life in an economically and environmentally uncertain world.”

Matchar finds it ironic that:

…what started as a movement to empower women seems to have inadvertently morphed into another low-margin pink-collar industry-enjoyable for many, lucrative for a few, but ultimately falling far short of its promises.

For many women, then, selling on Etsy falls into the same economic niche as selling Avon, Mary Kay or Tupperware. Anthropologists Tracy Bachrach Ehlers and Karen Main define pink-collar jobs as:

…cottage industries or home operations that are built around the type of work or hobbies women already do or are familiar with (e.g., cleaning, day care, cooking or baking, sewing, handicrafts, selling women’s products to neighbors and friends).
Ehlers and Main conclude that pink-collar businesses are mainly dead-end, contingent and unstable. Working from home provides a way of coping with the lack of flexibility in the formal workplace or a way for stay-at-home parents to earn extra income for their families. The new possibilities for working from home have led sociologists Barry Wellman et al. to conclude that the home and workplace are being re-integrated to pre-industrialization conditions, which was also a characteristic of the artisan economy.\textsuperscript{673}

One problem with the reintegration of working and living spaces is the failure to renegotiate gender roles. For men, working from home is a privilege granting them more autonomy, and, for women, it is a compromise with their family responsibilities. Women are still seen as more responsible for resolving work-family conflicts than men, although both men and women are often dissatisfied with such work-family arrangements.

Nonetheless, “working from home,” according to Gregg, is:

\textit{…regularly touted as the solution to women’s particular (biologically determined) responsibility to be primary caregivers - as if men had no part in the matter of producing and raising children.}\textsuperscript{674}

This resilient double standard is used to justify or excuse the amount of part-time work for women and the lack of changes in “gendered protocols of workplace culture."\textsuperscript{675} In fact, female workers often consider themselves “lucky” to be able to combine paid and unpaid work, but the total amount of work remains hidden from remuneration.

Additionally, most women-owned businesses are self-employed women, meaning 90% have no employees other than business owner, only 2% of women-owned firms have 10 or more employees compared to 4% for all businesses.\textsuperscript{676} This means that women are choosing to have small businesses they can handle while balancing other life
responsibilities. Studies have also found that women are less likely to be approved for loans or get less favorable loan terms and are less likely to apply for loans in the first place. This perhaps explains the finding in Etsy’s 2015 report that less than 1% of sellers took out a loan to start their businesses. Women are also less likely to use outside financing, according to a study by the US Department of Commerce. This gender disparity in terms of work-life balance and in the ability to acquire capital can only augment the precarious nature of craft as work.

Although Matchar explicitly states that it is unreasonable to blame Etsy, a for-profit company, for its sellers’ lack of success, Etsy’s Communications Director Juliet Gorman responded to Matchar’s critiques through a blog post entitled “The New Domesticity: Homespun Rebellion or Retreat?” This response drew almost 300 impassioned and thoughtful comments from Etsy members and a follow-up blog post. Gorman writes that while Etsy agrees with Matchar’s argument “that people today feel let down by big institutions and mass culture and are seeking a more meaningful life and livelihood,” it disagrees that the trend is limited to the subculture of the 20- and 30-year olds Matchar studies, since the average age of an Etsy seller was 41 (the median age is now 39). Furthermore, Etsy’s response to Matchar’s claim that the “low-margin pink-collar industry-enjoyable for many, lucrative for a few” is that it has always been difficult to be an entrepreneur but that Etsy is making access to entrepreneurship easier. Additionally, Etsy was quick to point out that it is its sellers, not Etsy, that determines what success looks like. For example, one of the commenters, seller Anne from Free Range Cowgirl, has “great hopes” for her shop, but writes that:
This morning my third sale emerged from my shop, and the cold reality is that, divided by the hours I’ve put in, maybe I’ve made 5 cents an hour.

Etsy also disagrees with Matchar that running “a domestic enterprise equates with less ambition;” instead, Etsy sees ambition in the fact that the “vast majority,” like Anne, “consider their shop a business, not a hobby — even those who have barely had any sales, yet.”

Even though most sellers do not earn their primary income from the site, they do earn income that helps cover household bills and provides security and flexibility. Furthermore, Gorman argues on behalf of Etsy that “this revitalized economy of small business owners, empowered women (and men) are creating a new, strong, and visible alternative” to an increasing insecure workplace. They feel political power no longer resides only in corporate workplaces—now individuals can make an impact in spreading alternative messages through blogging and social media. This belief in the power of the individual to affect change mixes craft idealism with neoliberalism and sharing economy ideals. Etsy wants individual actions to combat the precariousness of craft work.

The large number of comments on the blog post, “The New Domesticity: Homespun Rebellion or Retreat?,” reveals the wide range of attitudes that Etsy members have towards work in general, their Etsy shops, and choice of lifestyles in particular.

However several common themes ran through the comments on this particular post. Most commonly, Etsy members spoke of how running one’s own business is hard work but that “corporate” jobs are stressful and unpleasant and should not be seen as the ultimate job. Another theme was praise for following one’s dreams and passions, while also celebrating being one’s own boss and not dependent on others. In this case, the legacy of craft idealism combines with sharing economy of ideals of flexible, creative work,
making self-employment desirable. Seller Pearl Whitecrow’s comment touches on these themes, attesting that:

> Because for me it’s all about following my passion and having a truly happy life doing what I love everyday instead of chasing the almighty dollar and being someone elses (sic) disposable grunt.685

Other commenters perceived Matchar as blaming women for their lack of success. Additionally, many picked up on Etsy’s praise for an alternative economy, such as Etsy member Erin (ep2175), who considers demands for “equal pay, mandatory maternity leave, and more flexible hours” important but only modifications of the existing system. She prefers a “more fundamental re-imagining and re-shaping” of the system and the “building and participating in the creation of alternative institutions and alternative economies, which requires a great deal of ambition and even political foresight.”686 Member Tracy Falbe agrees that “participating in institutions that you wish to change is not necessarily a good use of energy” and wants enough people to abandon institutions so that they either change or fail, making room so new ones can arise.687 It is this ethos that makes pursuing craft as a business appear to be a utopian or nostalgic choice to reject contemporary capitalist choices for a more fulfilling lifestyle. Yet sellers often cannot find success and fulfillment because Etsy’s peer-to-peer digital economy cannot support everyone making a living through the site.

**Difficulty of Success**

For very successful sellers, scaling their craft businesses without losing their authenticity is made difficult by the definition of craft, which is tied to the ideal of the “handmade” and notions of the lone craftsperson controlling the whole production
process. The fact that handmade is hard to define, particularly in regards to how much and what kind of technology can be used, makes it hard for sellers to scale their businesses and hard for Etsy to scale its business as a whole as well. Even William Morris, leader of the Arts and Crafts movement, had trouble scaling his business authentically. Morris personally embodied the designer as craftsman ideal, completing all aspects of a project, but his workers had little personal influence over the production process. Additionally, Morris had wanted to create art that would be available to all classes of people, but due to the costly nature of his production methods, his firm produced work mainly for the upper class. Etsy sellers may be more motivated by creativity than income, but in order to be fulfilled by their craft work, they still need to at the minimum make enough money on Etsy to support their craft. More successful sellers need to make enough to support themselves, their families, and possibly employees.

That fact that “handmade” has always been difficult to specify and more idealistic than practical still causes both Etsy sellers and Etsy, Inc. problems. Museum fellow Nicole Burisch pointed out that:

Most of the goods for sale on Etsy were never strictly handmade… that is, unless you are digging your own clay, weaving your own cloth, raising your own sheep.

Craft does not usually remain financially viable or nor are craft businesses able to scale up without moving towards mass production, resulting in countercultural craft becoming co-opted by the mainstream. As an e-commerce site dedicated to handmade, vintage, and craft supplies, Etsy’s policies must define what can be sold on the site and what counts as handmade for them. Their policy changes over the years have affected the businesses of
sellers on the site and their own business. While Etsy has wanted to scale its marketplace from the beginning, promising “to reimagine commerce in ways that build a more fulfilling and lasting world,” it has been accused of selling out and alienating the crafters on its site through policy changes intended to help crafters scale their businesses.689

The main problem that both successful craft businesses face—and which therefore has implications for Etsy as well—is that craft businesses can grow only to a certain stage “beyond which expansion is not possible without a shift to mass production methods.”690 Successful craftspeople need to figure out how to scale their businesses or remain small and exclusive. Craft business manuals, such as Craft Inc.: Turn Your Creative Hobby into a Business, advise crafters to create a “mini-assembly line, [even though] this may take away from the romantic handmade spirit, ultimately you’ll be happier getting your product to the client in a timely manner.”691 Etsy seller Ness Lockyer called the workshop in her house her “sweat shop,” which evokes one of the more negative aspects of mass production.692 Etsy seller Anne Burton also discovered the physical toll the manual labor of crafting can take. When her crocheted dog hats suddenly became successful, she “crocheted so much she got tennis elbow.”693 Seller Ryan McAbery, who sold $96,000 worth of merchandise in 2007, was miserable because she worked 100-hour weeks and was not able to spend the time she wanted to with her 5-year-old son. McAbery ended up selling her business for just $7,000.694 Marketing professor Anna Torres lists other barriers that “restrict craft enterprise growth,” including time management, since craftspeople have to work on the operational, administrative, and creative parts of the business; lack of business skills; unpredictable finances due to seasonal demands which

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can prevent marketing investments; and finally lack of access and exposure to domestic
and international markets. Torres points out that within “crafts there exists a natural
tension between manufacturing products to meet market demand and creating art to
satisfy artistic sensibilities.” Additionally, craftspeople are competing both
domestically and internationally against products that “appear handcrafted even though
they are often mass produced using advanced technological processes.” The resulting
tension in contemporary craft contrasts commercialism with ethical, smaller scale
alternatives to mass production and corporate jobs.

Over the years, the term “handmade” disappeared from Etsy’s mission statements,
replaced first by “craftsmanship” and ultimately “unique,” although “handmade”
reappeared 20 times in Etsy’s 2015 IPO Prospectus. In 2013, CEO Dickerson wrote that:

When Etsy started, we relied on one word to carry all our values out into
the world: handmade. Almost immediately, that was a problem. Many of
us felt we knew handmade when we saw it, but that was hard to put into
enforceable policy.

Considering the difficulty of defining “handmade,” Etsy intentionally kept its definition
broad enough to cover a large range of activities. Scaling the marketplace successfully
has also meant changing and clarifying its policies to also allow sellers to grow their own
businesses while continuing to sell on Etsy. Many of the changes involved the definitions
of handmade, collective shops, and production assistance, which did not change
substantially from 2009 to 2013. The vintage and supply categories appear to be
relatively unproblematic. In 2010, Etsy’s policy (“DOs and DONTs”) explained that “the
term ‘handmade’ can additionally be interpreted as ‘hand-assembled’ or ‘hand-altered’”
and could involve some “production assistance” for intermediary tasks.
shops could be 1) artisans combining their skills to make handmade products, 2) multiple people using a single account to post their own items to a shared shop, or 3) a friend or family member in the household helping with listing or shipping items.

By 2012, the rules document had grown from about 4,000 to 14,000 words, yet still caused confusion. A 2012 blog article acknowledges:

> Our policies have grown organically with the creative, passionate community that makes up this marketplace. We know that the lines we’re walking — to protect what makes Etsy special but allow our members’ businesses to flourish — are tricky.

The main problem with Etsy’s policy change was the clarification of collective shops using collaborative production. Matt Stinchcomb, Etsy’s brand VP, saw collaborative production as the answer to a wholesale order for a 100 sweaters in which Etsy brings “together 100 knitters in the community to produce those.” But journalist Rob Walker wondered “couldn’t that be loosely interpreted to mean ‘hire 100 workers in a factory somewhere to sew garments for you at a wholesale-friendly price’?” Craft is often positively contrasted with the negatively perceived mass production and factory labor.

One of the problems Etsy sellers face in trying to do their best is competition from other sellers and from resellers, who sell mass-produced and faux handmade goods on the site. Many sellers began to worry that by allowing designers, whose products are made by others, in addition to makers that:

> …this wonderful marketplace that is supported on a huge cloud of little people will leave us all behind as it goes to this next level….We cannot compete with mass production when it’s under that same banner.

Around this time, an uproar was also brewing over resellers, a term used to describe people selling mass-produced goods on the site. Since resellers are selling mass-produced
goods, they do not have the production limitations of individual crafters and can generally list larger numbers of products than craft sellers. Since Etsy profited from resellers’ large number of listings and sales, sellers claimed that Etsy did not adequately police the site for mass-produced goods. As a non-juried e-commerce marketplace, Etsy is open to anyone who wants to open a seller account but does use both software detection and member reporting to catch policy violations. Even the *Wall Street Journal* addressed the problems with factory-made goods lurking amid the handmade ones, describing how resellers were “busted by the crafts cops.”\(^{705}\) While resellers’ shops got shut down, sellers who complained about other shops often had their comments deleted from public forums, with the result that a vocal portion of sellers began to publicly distrust the Etsy administration.\(^{706}\) The ideal of handmade that Etsy was supposed to embody was complicated by craft’s apparent incompatibility with capitalist profit-seeking behaviors. The difficulty of scaling authentically resulted in problems of trust between Etsy and its members, and even with investors, based on complaints on the site.

Despite those who worried that Etsy had sold its soul to mass producers, other sellers benefited from Etsy’s broader definition of handmade and allowance for production assistance and were able to responsibly grow their businesses. Seller Terri Johnson was worried about getting kicked off of Etsy for not following their policies and ended up burnt out from making and selling custom-embroidered goods by herself before the holidays. When she realized she would not be breaking the rules, she was able to scale up her Etsy business and hire seven people, listing them all on her “About” page. She did not want to leave Etsy, asking “If you grew it on Etsy, why go someplace
Still, Etsy kept hearing from sellers like Johnson that the policies and their enforcement were confusing, “and that as a result, they felt anxious and worried about their Etsy shops and unable to reach for their goals.” Some sellers overworked themselves to stay a one-person shop; others bent the rules, while still others simply left the site. Successful sellers who stayed often felt unwelcome.

As a result of the lack of clarity, Etsy changed its policies again in October 2013 to define “handmade as authorship, responsibility and transparency,” rather than by method or process. Etsy CEO Dickerson explained the expanded policies, articulating authorship as coming from “the idea that your handmade item begins with you.” “Responsibility” relates to the deep involvement Etsy sellers have “in how their items are made” and their accountability “for their buyers’ experiences.” Transparency refers to the premium placed “on knowing the person and the story behind a handmade item.”

The key changes were to allow sellers to hire and collaborate with people from different locations, use shipping or fulfillment services, and work with outside manufacturers to produce their designs. Under the new policies, sellers who want to use outside manufacturing had to fill out an application, which had to be approved by the Marketplace Integrity team. Then the sellers’ approved manufacturing partners had to be disclosed on their shops’ “About” page (Figure 5). In accordance with these changes, in 2015 Etsy unveiled Etsy Manufacturing, a marketplace to help Etsy sellers find manufacturers and designers to work with, “which some viewed as the ultimate slap in the face to its handmade product roots.” Dickerson claimed that the policies and definition of handmade “capture what sets Etsy apart, and they create a clear framework
for giving more opportunity to sellers.” He expected some backlash since everyone in the community will have “divergent opinions on what handmade means.”

Etsy’s policy changes did draw backlash from sellers, a response that still impacts the company and its financial performance today. The changes drew a lot of press coverage, including the claim that “Etsy faces nothing short of an existential crisis,” due to vocal Etsy members accusing Dickerson, labeled a tool of investors, of “selling out the company’s mission.” Another asked if Etsy will “be able to maintain its original mission as it grows?” This question grew more pressing with Etsy’s Initial Public Offering (IPO), since these policy changes remain controversial for some sellers and was
included as one of the “The Hidden Problems Lurking in Etsy’s ‘Feel Good’ IPO” in an article in the *Financial Times*:

Etsy is losing its religion, as the sense of community erodes…. message boards are full of complaints about how Etsy is degrading this sense of community for artisans by letting in more manufacturers, or mass-produced stuff. This threatens to dampen the good vibes, because it goes against the artisanal appeal.719

An investor analysis of Etsy saw the “constant repetition of ‘it’s not handmade!’” as an illustration of the “poor policy communication Etsy has made over the years.”720 Many sellers became concerned that factory or sweatshop produced goods and larger businesses would out-compete the small-scale craft businesses on the site, such as seller Melissa Scholefield from NailVirtuoso:

It seems like this is just a roundabout way of saying that the whole concept of ‘handmade’ is being completely thrown out the window. Small business (sic) are never going to be able to compete with people who can hire outside help or work with manufacturers.721

She concluded that, “Etsy can no longer really be called a site for small business selling completely handmade items.”722 Seller BeaG also missed the:

…spirit of the HANDMADE MOVEMENT…. You know, Etsy as opposed to those big multimillion-dollar companies that exploit their staff, pollute the environment, and disrespect their own customers, all for the sake of making even more money. Guess what: Etsy became one of those.723

The “handmade movement” BeaG references includes craftivists, who want to use craft as a site of empowerment from which to spread small changes, and indie crafters, who position their creativity and authenticity in opposition to standardized mass culture, consumption, and exploitative labor. Although many crafters in the handmade movement critique capitalist commodity culture, they do not operate outside it, particularly not those
who choose to sell their crafts through Etsy or other venues. Still, in the beginning, Etsy built off of craft ideology so well that former Etsy seller Grace Dobush considered Etsy to have been “a powerful tool for makers, by makers… fighting back against the big-box Goliaths with artisanal slingshots,” but now Etsy is the Goliath that “maintains a hipster façade” but “lost their indie cred years ago.” Dobush argues that Etsy has already alienated crafters and lost its soul. Similarly, seller Rae Padulo feels that Etsy “started out to be a place where you could get something special, something one-of-a-kind, something made by a human being,” and now it will become a “place to buy factory-made.” Padulo’s comment reveals the continuing relevance of the ideal of handmade that celebrates the human aspect of production and consumption.

Despite such concerns, others supported Etsy’s plan to “help change the face of manufacturing and make it more local and sustainable.” As an Inc. article explained:

If Etsy is going to change the world, it’s going to do it by opening a vast market of humanely and sustainably produced goods dreamed up by real people who really care about quality.

The Inc. article claimed that Dickerson’s vision of “person-to-person” commerce was “no less soulful a vision than Rob Kalin’s ideal of individual crafters crafting for a living.” Additionally, archaeologist Elizabeth Barber Wayland asks, “In an age when artisanal items can be sold at a premium, what products should qualify as ‘handmade’?” She concludes that the “truth is that almost none of the objects that we think of as handmade truly are…. Ultimately, it is the human care, effort and ingenuity used to create an object that is important.” Unlike many craft supporters, Wayland concludes that objects that include “manufactured parts” can still reflect:
…the touch of an individual creator’s hand: the subtly uneven knit, the finger-marked clay, and all the other happy unmechanical surprises of human quirkiness.731

From the Arts and Crafts movement on, the mark of the individual has been a highly prized aspect of craft and proof of authentic human production in contrast to mass production. Dickerson argued that Etsy always has and still does serve “as an antidote to mass manufacturing” and:

…are promoting a new, people-centered model in which artisans can preserve the spirit of craftsmanship and grow responsibly by collaborating with people at small-batch manufacturers to make their goods.732

He emphasized again the importance of the community and the interdependence between “Etsy sellers, Etsy buyers, responsible manufacturers and our employees” as their strength and reason for business success.733 Etsy’s policy changes to the definition of handmade to allow responsible manufacturing remain controversial enough for some members of the community that Etsy listed the maintenance of the “authenticity of [its] marketplace” as a risk in the documents for its 2015 Initial Public Offering (IPO).734

Much of the press coverage of the IPO discussed the problems community members have with policies that allow both Etsy and sellers to scale their businesses.

Despite the contingent of unhappy and vocal sellers, Etsy did not measurably lose sellers as a result of policy changes. In fact, between 2013 and 2016, Etsy gained over 700,000 new sellers. Additionally, at the end of 2015, 13% of Etsy sellers had been using the platform for more than 4 years.735 In many cases, those who were unhappy with the changes were not able to leave due to the money they made through the site that they could not make elsewhere. Others were happy about Etsy’s changes. Alecia Wesner, an
independent jewelry designer, did not believe the policy change would make “one bit of a difference,” since “you’d be hard pressed to find any item that is truly ‘handmade.’”

Wesner explains why she does not mind Etsy’s new definition of handmade:

I don’t mine the silver myself — there’s no silver mine in my Manhattan apartment basement. If I make multiples of a part, I don’t pour the molds myself — there’s no foundry in my apartment basement, either. I ship my designs in cardboard boxes that I buy online from a jewelry box supplier, and I am almost positive they are not handmade, and that the cardboard isn’t hand pressed. ‘Handmade’ is such a loosely defined term.

Similarly, seller Alexandra Ferguson was happy that Etsy was encouraging business growth. Her Etsy business selling decorative pillows and pouches had tripled in the previous two years so that she was working out “of a small factory in Brooklyn with 11 employees” and was “proud to be creating manufacturing jobs in New York City.”

Etsy seller Kyoko Bowskill agreed with Etsy in 2015 that “distinction between handmade and mass-manufactured is not as sharp as it may seem.” She feels that “Etsy shouldn’t be about one person crafting goods all by herself with no sleep…. We’re building a viable business, but that doesn’t mean we’re mass-manufacturing.”

Although they may wish to keep their business small and personal, very successful sellers may often not able to physically complete all their own orders and may need to hire assistants. The sellers quoted here believe in expanding their businesses with responsible manufacturing. The alternative to expanding their business is to keep it more exclusive. Sellers who grow their businesses by hiring employees or outside manufacturing help must navigate the vague disapproval of “mass production” and idealization of craft as desirable, good, individual work, often related to anti-capitalist values.
Conclusion
The contemporary interest in craft and sharing economy sites reveals widespread dissatisfaction, particularly with concerns over job security and meaningful work. In contrast to corporate jobs, the “handmade” celebrates the human aspect of production. Therefore, the ideal of craft as both desirable and good work in conjunction with the sharing economy’s neoliberal emphasis on entrepreneurship makes Etsy an appealing flexible source of income. The sharing economy lowered barriers to self-employment, making flexible jobs more accessible to a greater number of people. The new and easily accessible selling opportunities through platforms like Etsy attracted a wide variety of sellers, many of whom start a shop overly optimistic and underprepared for the reality of starting a business. A minority of sellers can probably find genuine fulfillment and be successful. For others are only looking for some additional income necessary to maintain their lifestyle or support their hobby, fulfillment may result from a singular transaction when a stranger purchases one of their objects. Others may remain unsuccessful, so that selling on Etsy may never be profitable and may actually end up costing them money. The online competition is often more positive for buyers, who gain the power to pick the cheapest goods, than sellers who are pitted against each other. Additionally, all sellers face the problem that consumers, too used to the cheap prices of mass-produced goods, may be unwilling to pay a high enough price to support the crafters’ living.

538 Ibid.
In the decade it has been in business, Etsy has only increased its fees once. Initially, Etsy only charged $0.10 to list an item for 6 months with a 3.5% transaction fee upon sales, now $0.20 for 4 months. Etsy also reduced its fees in May 2012 by changing how listings with multiple copies were charged. Previously, sellers had to pay upfront per quantity of the same item listed (i.e., 4 identical necklaces cost $0.80 to list). Since so many sellers were unsure that they would sell 4 copies, they often listed only 1 available, which could result in lost revenue, because buyers who might want multiple copies would be confused and in the time between when the item and when they were able to relist it. Etsy changed its listing fees so sellers could list their full stock that was available for a single fee ($0.20). When items sell, the listing auto-renews for the $0.20 fee.

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Etsy sellers also do not need to invest in payment processing systems or creating and hosting their own retail website. Sellers must also understand and be able to write in English, although there are British, Dutch, French, German, Japanese, Italian, Portuguese, Russian, and Spanish versions of the site but the description text in listings changes only a few of these languages. They also need a space to make and store their products, which is most often their own home or an external studio.


Ibid., 3.

Ibid.


Etsy does not publish income statistics. The website CraftCount.com does list the top shops by number of sales, but not by profits. According to this site, the current top handmade shop, prettygrafikdesign, specializes in digital clipart and has over 270,880 sales. With over 31,100 sales, inkpainter, the top vintage shop focuses on vintage labels. Finally, with over 884,140 sales of jewelry charms and beads, BohemianFindings is the top supply shop.


The Quit Your Day Job series profiled 262 from 2008 to 2015 out of 1.6 million active sellers. In addition to this site, the current top handmade shop, prettygrafikdesign, specializes in digital clipart and has over 270,880 sales. With over 31,100 sales, inkpainter, the top vintage shop focuses on vintage labels. Finally, with over 884,140 sales of jewelry charms and beads, BohemianFindings is the top supply shop.


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Crafting-plus Some Inspiration to Get Your Own Creative Wheels Spinning,” *Dayton Daily News (Ohio)*, October 20, 2013, sec. PARADE.


561 Ibid.


569 Ibid.


571 Ibid.


578 Although Sennett does not want to romanticize the term craftsmanship, he does want to view craftsmanship as more than just manual labor. He focuses instead on self-discipline and self-criticism and “the pursuit of quality” as “an end in itself,” a type of craftsmanship not currently valued (104). Crawford agrees with Sennett that currently the ability “to learn new things, celebrating potential rather than achievement” is more valued that craftsmanship’s “learning to do one thing really well.” Crawford wants work to be meaningful since it is genuinely useful. He discusses the kind of knowledge and education currently valued: “knowing that,” universal, book learning, rather than “knowing how,” individual, practical and experiential. Know-how involves tacit knowledge, “that we know more than we can say, and certainly more than we can specify in a formulaic way.” In contrast, knowledge work can be codified and outsourced but practical hands-on work, such as craftsmanship, plumbing, and so on, cannot be outsourced.


Google searches on April 1, 2016 (with all search terms in quotation marks) had about 2,555,000 results for “sharing economy,” 538,000 for “crowdsourcing economy,” 374,000 for “on-demand economy,” 352,000 for “gig economy,” 246,000 for “collaborative economy,” and 21,500 for “1099 economy” (after the IRS tax form 1099-MISC for independent contractors).

Furthermore, “labor and capital platforms are distinct marketplaces that have different characteristics. While they both draw from a substantially younger population than the general population, labor platforms tend to attract slightly lower-income individuals, more men, and more individuals from western states than capital platforms do.”


A 2016 JP Morgan Chase Institute report estimates that 10.3 million people earned income through 30 distinct sites. A 2015 PricewaterhouseCoopers report states that 19% (61 million) “of the total US adult population has engaged in a sharing economy transaction” and 7% (22 million) are providers. Owyang and Samuel’s 2015 report claims there are 105 million “sharers” in the United States. Rinehart and Gitis find that the number of workers in the gig economy grew between 8.8 and 14.4 percent from 2002 to 2014. For comparison, overall employment increased by 7.2 percent over the same period.” This estimate is based on 18.9-26 million gig workers in 2002 to 20.5-29.7 million in 2014.


http://www.sec.gov/Archives/edgar/data/1370637/000119312515114143/d806992d1a.htm


Percent of women: 86% of Etsy sellers versus 36% of US small business owners.

Percent under 35 years old: 37% of Etsy sellers versus 15.6% of US small business owners.

Percent working from home: 95% of Etsy sellers versus 52% of US small business owners.

Percent of business as primary source of income: 30% Etsy sellers versus 50.5% of US small business owners.
See also: Mark Banks, and David Hesmondhalgh, “Looking for Work in Creative Industries Policy,” 

Joyce Thomas, Deana McDonagh, and Lisa Canning, “Developing the Arts Entrepreneur: The ‘Learning 
Cloud,’” *The Design Journal* 17, no. 3 (September 1, 2014): 426.


Etsy, “Redefining Entrepreneurship: Etsy Sellers’ Economic Impact,” (New York: Etsy, November 
2013).

Tomio Geron, “Sharing Economy Provides Extra Cash And Creative Expression – SXSW,” 


http://www.washingtonpost.com/blogs/on-leadership/wp/2014/11/20/how-to-craft-a-successful-career-an- 
interview-with-etsy-ceo-chad-dickerson/.


Nancy Scola, “Etsy CEO: Congress Still Doesn’t Get the Internet,” *The Washington Post*, November 4, 
get-the-internet/.

congress-help/2015/07/31/d1f20e8a-3469-11e5-8e66-07b4603e92a_story.html.

Etsy, “Redefining Entrepreneurship: Etsy Sellers’ Economic Impact,” (New York: Etsy, November 
2013), 6.


Etsy had started such a training program in conjunction with the city of Rockford, IL in 2013. The 
collaboration between Rockford and Etsy began when Mayor Larry Morrisey contacted CEO Chad 
Dickerson on Twitter, asking “Since we need an “Etsy Economy” has Etsy begun any partnerships with 
high schools or job training? We’d love to explore.” (Mauriello) In 2014, Citibank, one’s of the world’s 
largest global financial institutions, partnered with Etsy to offer this Craft Entrepreneurship Program in 
New York City through the Department of Small Business Services (SBS). The series, taught by successful 
Etsy sellers, had “five classes in entrepreneurship, branding and marketing, product photography, business 
strategy, and growth.” (Canlas) Etsy’s Craft Entrepreneurship Program mission is “is to empower creative 
people in underserved communities to create pathways to entrepreneurship with Etsy. We provide hands-on 
education to help them use existing craft skills to create opportunities for earning supplemental income. We 
believe that through this program, we can help cities realize the vision of an inclusive, thriving Etsy 
Economy.” As long as the craft object could be sold on Etsy and the applicants did not have any sales on 
Etsy, they could take part in the courses in New York City. When Etsy participated in the White House’s 
National Week of Making in June 2015, they committed to expanding the Craft Entrepreneurship program 
to 30 cities by July 2016. Other cities in which Etsy has or will run the Craft Entrepreneurship Program 
include Santa Cruz, CA, Newark, NJ, Dallas, TX, Austin, TX, Detroit, MI, Madison, WI, Sante Fe, NM,
Cookeville, TN, Hazard, KY, Atlantic City, NJ, Cleveland, OH, Ft. Lauderdale, FL and Oldham and Poole in the United Kingdom.


608 Ibid.

609 Self-employment was “as high as 7.7% in 2005 and as high as 8.5% in the mid-1990s, according to Labor Department figures.”


617 Ibid., 263.


619 Jackson explains that DIY has a range of meanings, covering prosaic home improvement activity to home-grown political protest. He also argues that amateurs enjoy the flow of the work, while escaping the alienating effects of constrained labor. He uses Mihaly Csikszentmihalyi’s concept of flow, as a ‘form of pleasure resulting from a merging of action and experience; a loss of ego in which the participant can neither reflect on an activity nor consider the results – but nevertheless remains in control of his or her
actions and environment.” Similarly, anthropologist Buck Clifford Rosenberg argues that sociologist Robert Stebbin’s theory of serious leisure “mirrors the enterprising work ethic found in neoliberal systems of governance.” Stebbin defines serious leisure as “the systematic pursuit of an amateur, hobbyist, or volunteer activity that participants find so substantial and interesting that, in the typical case, they launch themselves on a career centered on acquiring and expressing its special skills, knowledge, and experience.” Additionally, sociologist Juliet Schor discusses two approaches to leisure. The subjective approach views work as unpleasant and mandatory and leisure as something enjoyable and discretionary. The problem is that work can also be pleasure and leisure may or may not be. The second approach is object and starts by defining work, either as paid employment or household labor, with the residual defined as leisure. She feels that often people overstate the role of the rise of capitalism in the creation of the sharp distinction between work and leisure; labor could be seen as a chore in medieval times.


624 Miya Tokumitsu, “In the Name of Love,” Jacobin, no. 13 (Winter 2014).


625 Ibid.

626 Ibid.


629 Ibid., 79.


631 Ibid., 56.


633 Ibid.


635 Ibid., 273.


Full value: "We believe fun should be part of everything we do. Our mission includes fostering a world in which personal fulfillment is a key element of success. We believe that this way of working is connected and joyful. We strive to do excellent work and bring a sense of humor and playfulness to it."

Etsy, Inc. “Amendment No.1 to Form S-1 Registration Statement under the Securities Act of 1933,” March 31, 2015, 3.


Ibid.

Emphasis added

**We are a mindful, transparent and humane business....**

**We plan and build for the long term....**

**We value craftsmanship in all we make....**

**We believe fun should be part of everything we do.** Our mission includes fostering a world in which personal fulfillment is a key element of success. We believe that this way of working is connected and joyful. We strive to do excellent work and bring a sense of humor and playfulness to it.  

*We keep it real, always....*  

Etsy, Inc. “Amendment No.1 to Form S-1 Registration Statement under the Securities Act of 1933,” March 31, 2015, 2-3.


644 Etsy’s Values are

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*We keep it real, always....*

Etsy, Inc. “Amendment No.1 to Form S-1 Registration Statement under the Securities Act of 1933,” March 31, 2015, 2-3.


651 Ibid.


653 Etsy has tried to actively help its sellers succeed. In 2007, Etsy’s blog started a series of Etsy Success articles, previously totaling over 850 articles, and has offered “Etsy Success” emails, pointing to blog articles, since at least 2010. In 2015, Etsy streamlined a section of their blog now entitled “Seller Handbook.” The Seller Handbook is divided into the following categories, which reveals the issues sellers face (listed in order of quantity of articles): Community, Branding and Marketing, Growth Strategies, Productivity, Seasonal Tips, Photography, Getting Found, Legal, Pricing and Finance, and Shipping. Some higher education institutions offer entrepreneurship and small business management. These certificates are quicker and less expensive than M.B.A.s. Some even offer classes on Etsy. Additionally, interested sellers can get advice from over 20 how-to books give advice on craft as a business, including Meg Mateo Ilasco’s 2006 *Craft Inc.: Turn Your Creative Hobby into a Business* and Tim Adam’s 2011 *How to Make Money Using Etsy: a Guide to the Online Marketplace for Crafts and Handmade Products.*


Ibid.


Ibid.


Ibid., 180.

Ibid., 93.


The Artisan Economy Initiative contrasted the integration of work, living and socializing spaces with their previous segregation.


Ibid.

Women-owned firms account for 30 percent of all privately held U.S. businesses, over $626 billion in income, and have grown at one and a half times the rate of other small enterprises in the past 15 years, according to the Center for Women’s Business Research.

From Etsy’s IPO Prospectus: “Women are also contributing to the trend towards self-employment. According to an October 2012 analysis by Booz and Company, by 2020, 865 million women worldwide who have not previously been part of the economic mainstream will join as producers, consumers, employees and entrepreneurs. World Bank research shows that, in certain developing nations, over half of the women in the labor force are self-employed.”


Most blog posts around that time drew about 100-150 comments, more along the lines of “Amazing!” or “I love up-cycled things!” At least three commenters remarked on how defensive Etsy’s response, while also pointing out that Matchar’s book both praises and critiques Etsy.

Etsy is not the only one who questions the scope of the trend towards domesticity that Matchar writes about. Journalist Amanda Fortini’s book review calls it “a subtle cultural recalibration is a far cry from a legitimate sociological shift, one in which women were quitting their jobs and retreating to the domestic sphere in extraordinary numbers.” Fortini concludes that the next generation will revolt against its mothers and make friends with its grandmothers, returning to a more synthetic lifestyle.


Ibid.


Ibid.

Another common theme was the importance of family and thankfulness that Etsy existed. Finally, a couple commenters had actually read Matchar’s book, such as Stefanie from BookishBright who summarizes that debate over opting out of the workplace: “There are many ways in which opting out serves to re-inforce and maintain inequality on the basis of class/race/gender/disability/etc, and many ways in which opting out provides freedom from the constraints and inequalities present in the mainstream economy.” Whether or not sellers opt out of more mainstream jobs, Matchar points out that selling handmade goods is an incredibly difficult way to make money.


Tailoring, restoring, or repairing items was not considered handmade, but upcycling or substantially altering vintage items is handmade. (Upcycling involves transforming something disposable into something of greater use. In contrast to upcycling, recycling is “downcycling,” since the process produces unusable by-products, uses as much energy as producing something new and the final recycled product often ends up in a landfill anyways.) Additionally, sellers must substantially alter “ready to assemble” kit items. For handmade goods, “production assistance” for some intermediary tasks was acceptable. For example, assistants under direct supervisions could assist with some of the creation process or perform administrative tasks, such as shipping or accounting. Third-party vendors could also be used for intermediary tasks, such as printing original artwork, but third-party vendors could not be used for order fulfillment, such as dropshipping. The 2010 policies conclude that the “assistant or third-party vendor’s involvement may not comprise a majority share of a handmade item’s creation.”

A 2012 blog post, “Defining Handmade on Etsy,” goes into more detail on their rules, since most artisans are not able to have complete creative control over the entire process, such as the artisan who raises sheep and eventually knits sweaters with their own wool. They explain the difference between hand-assembled, such as making jewelry from commercial parts, and putting together an Ikea kit. They also discuss hand-altering, mainly embellishing a surface but could also mean changing the physical shape. A follow-up blog post a month later focuses on the “who” rather than the “how” of handmade, discussing in more detail rules on collaboration and production assistance.


The biggest change Etsy in 2012 was the creation of the Etsy Wholesale program to connect with retail partners, such as West Elm and Nordstrom, as well as independent boutiques. Etsy blogger Beth Ferreira explains wholesaling as “when a boutique or another reseller approaches you to purchase your items in bulk, usually expecting a discount for the large order.” Etsy Wholesale, “Etsy’s private, juried marketplace to discover items you can’t find anywhere else,” did not open for applications until April 2013 and officially launched in August 2014. After sellers are accepted to the Wholesale program, they pay a one-time $100 joining fee and the standard 3.5% transaction fee for each order. Buyers can use Etsy Wholesale at no cost. According to Etsy’s IPO Prospectus, “As of December 31, 2014, more than 6,500 local boutiques and two U.S. national retail chains had been invited to join our Wholesale offering.” In 2013, about A year after of beta testing, Dickerson reported that wholesale sellers were doing “the right thing” and a lot of them were “working with local, small shops in their community and sustainable operations,” not large factories or shore productions.


The biggest problem came when featured Quit Your Day Job shop Ecologica Malibu turned out not to be a one-woman operation, selling furniture from reclaimed wood, but, what critics claimed was just a distributor of products manufactured in Indonesia. Members were unhappy that all of their responses to the article were deleted, unhappy with the definition of a collective shop that was “an importer with 8 employees,” and demanded that Ecologica Malibu’s shop be shut down. Etsy responded to the critiques of Ecologica Malibu’s shop with an investigation, concluding that she had failed to properly follow Etsy’s rules and acknowledge that Ecologica Malibu is a collective shop, run with help from local staff, but that her shop otherwise followed Etsy’s guidelines. Nonetheless, Ecologica Malibu’s shop shut down a couple of months later, most likely in response to all the negative coverage. In a separate blog post, Dickerson addressed the controversy, listing the larger issue as “transparency,” something Etsy has been actively working to promote. He further wrote about “expectations for behavior in the Etsy community” and condemned “excuses personal attacks on other members, or Etsy staff.”


The Integrity team often requests more information on the seller’s role in design and relationship with prospective manufacturers but Etsy does not claim responsibility for vetting manufacturers.


In 2013, journalist Alastair Barr spoke of Etsy as “no longer... so folksy,” while others wrote not of manufacturers but factories. Furthermore, at least in the case of jewelry, American sellers could also get in trouble with the Federal Trade Commission’s guidelines by deceptively representing, directly or by implication, that their products were hand-made if they did not use hand labor and/or manually-controlled methods.


Ibid.


• complaints or negative publicity about us or our platform, even if factually incorrect or based on isolated incidents;
• changes to our policies that our members perceive as inconsistent with our values or that are not clearly articulated;
• our failure to enforce our policies fairly and transparently, such as by failing to prevent the widespread listing of items in our marketplace that do not comply with our policies;
• our failure to respond to feedback from our community; or
• our failure to operate our business in a way that is consistent with our values.”

Etsy, Inc. “Amendment No.1 to Form S-1 Registration Statement under the Securities Act of 1933,” (March 31, 2015), 16-17.
735 Ina Steiner, “Amazon vs Etsy by Category,” EcommerceBytes, August 9, 2016.
http://www.ecommercebytes.com/cab/abn/y16/m08/i09/s03.
737 Ibid.
740 Ibid.
CHAPTER FOUR: “HANDMADE” ETHICS

“Handmade is hot again,” a 2007 article proclaimed; “The new handmade is flip, funky, functional, fun.”⁷⁴¹ Etsy, founded in 2005, is credited with (re)popularizing craft. Now interest “in high-quality handmade goods” is a “full-blown shopping phenomenon,” that is no longer limited to indie craft fairs and maker markets, as evidenced by handmade products available for purchase on Amazon and in stores, such as West Elm and Anthropologie.⁷⁴² In 2015, craft was a $29 billion market, consumed mainly by mainly of millennials (generally accepted as those born between 1980 to 1995).⁷⁴³ Craft consumers are generally technologically savvy, environmentally aware, and relatively affluent. In their IPO Prospectus, Etsy argues that Etsy buyers “value craftsmanship, artistry, uniqueness, authenticity and sustainability.”⁷⁴⁴ Etsy was so successful with consumers since it was “at the forefront of almost every emerging consumer trend: buy local; do it yourself; reuse and upcycle.”⁷⁴⁵ By 2013, the handcrafted look was so trendy, big-box stores such as Target and Walmart were co-opting it and selling “faux hand-knitted hats… and ‘vintage’ quilts… stuff indistinguishable (at a distance, at least) from what you might find on Etsy.”⁷⁴⁶ In 2015, Etsy was credited with helping to “popularize a DIY aesthetic that is as popular at craft sales as it is at Crate and Barrel.”⁷⁴⁷ Etsy, however, can polarize buyers interested in craft: some are huge fans of the creativity, some find it difficult to search and a “hot mess” of junk, and others feel that Etsy
diminishes the word “craft.” Yet, for Etsy members like WildRose313, “Handmade is more than just an item and more than just a buy local, buy small, buy ecofriendly, buy handmade fad…. When someone buys handmade they are not just buying a thing - they are buying an emotion.” With a craft purchase, consumers buy a connection to the maker and the perception of love, personality, or soul imbued in the object. They are buying a craft object that is authentic and not mass produced and are supporting a community of individuals, not large corporations.

Yet, craft “inhabits an ironic position: that of a commodity that rebels against the market-place,” according craft writer Gloria Hickey. Craft has frequently been seen to oppose or subvert commercialism and the capitalist marketplace, therefore a craft lifestyle that focuses on making, rather than buying, rejects the dominant ideology of consumerism. Craft is an appealing commodity due to the idealism of its “handmade” nature with its connotations of authenticity and anti-capitalism. Craft’s uniqueness focuses attention on the individuality of the consumer or recipient, marking their good taste in contrast to impersonal, standardized mass-produced commodities. Building on craft’s legacy of idealism combined with the techno-utopian claims of the sharing economy, Etsy wants to reimagine commerce through the interpersonal connections that new technologies facilitate. Etsy’s goal to change the world through this reimagined commerce therefore relates to larger socio-economic changes, in which consumption has become the ‘new’ activism. Craft fits within such socially and environmentally responsible ethical consumption movements, due to its small-scale method of production.
and anti-capitalist overtones. Therefore, this chapter considers the impact of peer-to-peer craft purchases.

**Etsy Buyer Overview**

With over 26 million active buyers interested in purchasing from more than 40 million listings sold by Etsy’s 1.7 million active sellers, Etsy has certainly found a successful niche. Seventy percent of Etsy’s sales take place in the US and ninety percent of buyers are women. Etsy has established itself so successfully that its brand is synonymous with the handmade marketplace sector “like how all tissues are Kleenex or all soda is Coke…. and it’s not looking like anyone is going to unseat the craft king anytime soon.” Etsy also fits several “key marketing buzzwords that score big points with buyers these days,” such as “uniqueness,” “artisanal,” “eco,” “handmade” and “one-of-kind.” The perception of Etsy’s brand is “as personal, independent, and anti-corporate” and “highly ethical, honest and trustworthy.” Etsy’s carefully honed brand aesthetic has become associated with a specific artisanal aesthetic that is often ironic, cute and self-consciously “modern” craft (Figure 6). In fact, the weirder or geekier things for sale on Etsy get regularly published in media and blog articles. Etsy’s brand has become so recognizable that journalists use “Etsy” as an adjective in phrases like “Etsy-chic,” “Etsy-ish,” the “Etsy-est,” and “Etsy-like” to describe a certain style or type of item. Etsy’s company and brand are composed of millions of individual shops, each with their own brand or focus. Like other sharing economy companies, Etsy is the platform to bring the individual brands together, sharing the same content as their sellers.
One of Etsy’s strengths is its emphasis on the buyer-seller connection that “can also make consumption itself feel like a creative act,” according to journalist Rob Walker. Similarly, designer Karen Brown praises Etsy’s active promotion of the human element of shopping that differentiates it “from plain old mass consumption.” Etsy grew out of the existing craft community with its anti-corporate, anti-consumerist influences, and the feeling of community is a highly important aspect of the site. Since the stories behind the products are an important selling point, emphasizing the personal, individualized nature of each item/seller, Etsy sellers are encouraged to include narratives, including videos, about themselves, their processes, materials, and more (Figure 7). Such personal details provide contextual information about the handmade object, possibly even more than may be available from an in-person transaction, which are often brief and impersonal. As evidence of the lifestyles of Etsy sellers and the
aspirations of buyers, the Etsy blog can serve as a good way for buyers to start searching for Etsy items, since the site is full of such diverse items that it can be “really difficult to wade through the ok/kinda junky/cheesy stuff and find things that are clever or beautiful.” Although the Etsy Blog’s content has been rearranged and subdivided multiple times over the years, the current categories are Home and Living, Style, DIY, Occasions, and Weddings, all sortable by Featured Shops and almost all by Shopping Guides. While the use of other social media tools, such as Instagram and Pinterest, increased, the content of the Etsy Blog decreased over the years, peaking at 1,488 posts in 2008 and dropping to only 254 posts in 2015. This decrease in blog content can be attributed to the professionalization of Etsy, meaning the majority of the current content is promotional. Previously the blog had more politically focused topics, such as consumerism, craftivism, collaborative consumption, local production, and art and craft history. In addition to its blog, Etsy teamed up in 2013 with other well-known brands to “create curated pages of items from Etsy” on the site itself, called “Pages.” These collaborations have also allowed them to build partnerships with high art and craft institutions, such as the American Craft Council, Rhode Island School of Design, Walker Art Center, American Museum of Natural History, and Amsterdam’s Rijksmuseum. These partnerships helped Etsy to gain credibility as a source of quality craft, reach new audiences and raise its profile as the largest and most well-known peer-to-peer e-commerce site.
“Handmade” Authenticity

Craft is an appealing commodity due to the idealism associated with its “handmade” nature and the accompanying connotations of authenticity and anti-
capitalism. Etsy draws on the tradition of craft as desirable, good work that produces quality, personal goods in opposition to alienating and impersonal work or mass produced goods. Etsy’s relationship to craft idealism is revealed through its mission to build a “human, authentic and community-centric global and local marketplace,” valuing “craftsmanship in all we make.” Some consider Etsy to be an “antidote to global mass production and consumption” and a “vote for authenticity and good old craftsmanship.”

Etsy has been called a “cultural phenomenon” that has strongly helped to define “what ‘handcrafted’ means today.” Craft has frequently been seen to oppose or subvert commercialism and the capitalist marketplace. A craft lifestyle that focuses on making, rather than buying, thereby rejects consumerism, a dominant ideology dedicated to the possession and use of consumer goods. Etsy member MetalRocks exemplifies this viewpoint, when she writes that “Handmade is a life-style choice similar to organic etc” and that handmade is “conscious living,” opposed to “our capitalistic world” that devalues “handmade items… human beings and our planet’s many wonders.”

“Lifestyle” denotes personal taste and identity at the individual level as well as shared preferences and tastes at the group level. People communicate through their goods, and their choices “make physical, visible statements about the hierarchy of values to which their chooser subscribes,” according to anthropologists Mary Douglas and Baron Isherwood. Moreover, lifestyles are “inherently interwoven with the products and ideology of capitalism,” according to Joanne Turney, since “people mark who they are by what they buy, but also what has been assimilated from their class backgrounds.” In
Etsy’s case, a *Forbes* magazine article claims that Etsy “marks one’s lifestyle rather than labels one as an average consumer or businessperson,” since it offers buyers and sellers an opportunity to be creative and artistic in an “environment shaped to focus on the finer things in life.”

Etsy founder Rob Kalin drew on this association between handmade and lifestyle when he argued that “you are what you wear and what you sit and sleep on and what you buy.”

Buying handmade is appealing for the following top ten reasons:

1) Uniqueness, originality
2) Connection to the maker/crafter
3) Personality, heart, soul, or love imbued in object (aura)
4) Support of individuals and small businesses, not large corporations
5) High quality and durability
6) Better for the environment
7) Customizable
8) Fair labor/better economically
9) Meaningful gifts
10) Maintenance of traditional craft techniques

The first two themes – uniqueness and connection – are particularly relevant to Etsy, which describes itself as “a marketplace where people around the world connect, both online and offline, to make, sell and buy unique goods.” Additionally, craft’s uniqueness focuses attention on the individuality of the consumer or recipient, marking their good taste and lifestyle choices. Craft buyers must often also be willing to pay more for the privilege of having a unique or custom craft product, therefore also a marker of class distinction. Etsy’s global reach and wide price ranges allow members to satisfy their taste for craft.

Craft is often contrasted with standardized mass production, which is often ascribed vaguely negative connotations. In craft discourses, “mass-produced”
unfavorably signifies a range of problems, including social, environmental, standardized, and cheaply made. For example, Etsy spokesman Adam Brown claimed in 2010 that Etsy’s popularity “has to do with more and more people becoming aware of some of the problems that exist with mass production and looking for an alternative to that.”

Furniture maker Daniel Michalik argues that people are crafting now, because:

…mass production needs to be rethought, and craft is the springboard that will put this into motion…. Because the objects and production systems around us now need to be better. New and better ways of making things are waiting to emerge.

One reason why craft is so often contrasted with mass production is that “Handmade objects exist now always in dialogue with machine-made things…. They respond to the world of factories, comment upon the modern condition,” writer Margaret Visser argues. Although mass production has advantages, Visser contends that modern people’s desire to be unique, creative individuals ends up leading to destructive and demeaning material excess. Since the number one reason for buying handmade and from Etsy is the originality and uniqueness of craft goods in contrast to mass-produced ones, craft is in danger of becoming too trendy. As Etsy seller Trudy Shaw from secondarycreations admits, for most of her buyers, she doubts “an item being handmade per se is that important. What’s important to them is that the item is something different from what’s normally seen in stores.” Similarly, Deborah from TinTeddy sees “the specialness of handmade” as wanting “to have things that they know their friends don’t have…. In this world of mass produced and big brands, having something unique or very unusual is exciting and worth paying more for.” In contrast to material excess resulting from the desire for uniqueness, Visser feels that “making things by hand” allows people
to practice their individualism “in a manner that will actually add to the richness and beauty in the world without harming anybody else in the process.” Yet, often craft discussions of factories and mass production treat such goods as if they were totally machine-made and ignore the human workers and designers involved in their production.

In contrast to anonymous mass-produced commodities, craft makes visible certain forms of production and their social relations. Craft commodities, argues anthropologist Susan Terrio, are therefore “the bearers of the social identities of their makers and for this reason retain certain inalienable properties.” The appeal of craft commodities results from the explicit focus on the individual labor involved in creation, which ties into the 1960s and 1970s ideal of craft as part of a countercultural lifestyle that is authentic, natural, and self-sufficient. In fact, the connection with the maker results in the feeling that the buyer “knows” the person who made the product, which is one of the most commonly mentioned reasons for purchasing a craft object. For this reason, Etsy encourages sellers to emphasize their personal stories and processes.

Purchasing a craft object directly from the crafter is therefore perceived as a personal experience, unlike purchasing mass-produced objects in chain stores. Crafters create an aura of “individualized creativity manifested in the design, feel and image of the object,” according to Ian Fillis. Aura is “related to the feeling-experiences of beauty, exclusiveness, unique and authenticity that a product, service or a brand creates.” The history and making of the craft object is part of “the aura of identifiable authored production” that consumers acquire when purchasing craft, meaning they know who created the craft and possibly the details of the production process.
generally acknowledged by craft theorists, aura is a socially construction of a type of authenticity.

Several Etsy sellers speak of the “aura” or “soul” of their products, and even Etsy as a company was credited with having an “artisanal soul.” Referring to characteristics of her pieces, Etsy seller Chentell Stiritz of Convivial Production, wants her “pieces to embody: hospitality, truth, beauty, connectedness and structure.” Etsy member 5orangepotatoes prefers to buy things “with the heart and soul of the artist in the work,” which is something she can feel when she sees “handmade.” Etsy seller Karla Anderson also agrees that “Etsy items have little souls” thanks to the person who made the object “because they wanted to make it, not because they’re being paid 50 cents, or less than that, to make it in a sweatshop.” Anderson explicitly contrasts the labor of crafters, who are fortunate enough to be able to craft as desirable and authentic work, against the alienating and impersonal work of sweatshop mass production.

The dichotomy between authentic and mechanical labor grants craft a moral authenticity, according to Michael Beverland et al, which “comes from the sense that a passionate creator is involved in making products, and is motivated primarily by their love of craft, rather than the possibility of financial reward.” In contrast to mass production and consumerism, craft has, since the late nineteenth century, positioned itself as authentic and human scale. Craft retains an aural character and provenance of production. Craft has therefore become intimately connected with the concept of authenticity. Authenticity can refer to the quality of being real, original, truthful, genuine or outside of consumer culture. Craft’s moral authenticity can result from the aesthetic
cues that indicate that it was “handmade” and hard to reproduce. Such stylized cues “seem to indicate passionate creative people involved in production, solitary enjoyment of the product, or the use of traditional equipment” and give “impression of the love of craft as opposed to an impersonal mass-produced product.”

Part of both the visual and tactile aesthetics of craft is the oft-mentioned “mark of the hand” or signs that the object was not mass-produced with a machine. Curator Louise Mazanti argues that “the ‘handmade’ and the ‘human imprint’” are “central characteristics in a search for authenticity that meets the needs of the alienated consumer in our industrial age.” As such, the aesthetics of craft marketing most often relies on images of craftspeople, usually focusing on their hands, to impart a sense of authenticity, personalization, and individualization. Because of the emphasis on the human element of crafts, the most common marketing strategy for crafts are images of crafters working, highlighting their hands. The idealization of craft workshops and attendant images of production started in the early twentieth century, after Americans were increasingly dissociated from the production of goods.

Drawing on the tradition that values images of craft production, Etsy often uses images of hands and details of making as part of their marketing. For example, the articles on featured shops include interviews with the sellers and beautiful photographs of their workspaces, their products and, most importantly, of them making their crafts. These articles usually include close-ups of their hands as evidence of the “handmade” labor of production. Sellers can now also upload videos to their “About” pages of their shops that show them making their products. The focus on the “handmade” supports
craft’s authenticity against more impersonal mass production but also causes problems for crafters – and for Etsy – when they want to scale their businesses beyond the individual level.

Since authenticity is socially constructed, audiences must be convinced of the authenticity of brands and the “biggest challenge of authenticity is that nothing is more inimical to it than claiming it,” according to marketing professors Benjamin J. Hartmann and Jacob Ostberg.\(^{796}\) In order to be authentic, brands must be perceived to be disinterested, original, and publicized by people without an instrumental economic agenda. Etsy’s success as an authentic brand is revealed through Etsy buyer Arianne Beros’ view of Etsy, “the business entity… as more of an overarching community around buyer and seller rather than between them.”\(^{797}\) A Wired journalist agrees that Etsy sells something rare: “authenticity,” since no “matter how big the site gets… Etsy always manages to put the maker front and center… personal stories are paramount.”\(^{798}\) For Etsy, the maintenance of the “authenticity of our marketplace and the connections among our members” is listed as a business risk.\(^{799}\) If Etsy is perceived to be inauthentic, they could lose members, fail to attract new members and harm their business reputation.

A different problem with authenticity can result from too much authenticity or, as journalist Georgea Kovanis asks, “if everything is handmade, is anything really special anymore?”\(^{800}\) Although Etsy promotes itself as a marketplace to “sell and buy unique goods,” trends still get amplified on the platform.\(^{801}\) Yet all the unique craft objects can start to cancel each other out: “When you pile Etsy on top of Etsy, it gets really cacophonous: ‘Everything in here is totally unique!’”\(^{802}\) The result of too much unique
craft can ironically turn into uniformity, rather than individuality. As “THE PLACE for all things ‘Handmade,’” Etsy’s homogenization of handmade will impact “how the world perceives ‘Handmade,’” according to Etsy member urbanwoodswalker. She identifies one impact of Etsy being that “Big box stores are starting to sell cheap imported copies of what I saw on etsy 2 years ago.” Mass-producing what had previously been unique objects is a problem for sellers trying to make a living from their craft. Member excely points out that “Sometimes ‘mainstream’ is thrown around as an evil word just like ‘profit’ is,” but mainstream is where the profit is and Etsy is here to “bring handmade to the masses.” Etsy member tattytiara agrees that a lot of homogenization of craft exists, and people will buy such goods “because it gives them the comfort of conformity while still being able to wave the flag of individuality because the item wasn’t mass produced.” If craft becomes too ubiquitous, Etsy members may not be able to successfully satisfy their taste for craft as unique and personal goods.

A related problem to becoming too popular and trendy results from scaling the marketplace. With too many choices and difficulty searching the marketplace, members may have difficulty finding the type and quality of goods they want. Adding more and more products can dilute the standards. Additionally, resellers, who sell mass produced products, may become more prevalent, which was a particular concern after Etsy’s 2013 changes to the definition of “handmade” to allow certain kinds of manufacturing. Etsy’s policy changes upset a vocal portion of their membership and continue to cause concern for investors. While it is sometimes difficult to draw the line between handmade and manufactured, design editor Regina Connell argues that Etsy “now has a brand that’s
mired in controversy and that’s basically devalued what it stood for” and by extension, devalued the brands of “the legitimate indie maker.” At stake is the authenticity of Etsy’s brand, particularly now that Etsy is a publicly traded company. On one hand, Etsy is credited with defying the “odds by scaling while remaining largely true to its brand.” On the other hand, Etsy is perceived to have lost its soul. Maintaining Etsy’s brand is one of the “Hidden Problems Lurking in Etsy’s ‘Feel Good’ IPO,” since the IPO threatens the “marketing value in providing a sense of community, authenticity and ‘connectedness’ that comes from buying hand-crafted goods.” Despite concerns over problems with Etsy’s brand and authenticity, Etsy as a publicly traded company continues to expand, attracting new sellers and buyers interested in craft.

Consumption in the Sharing Economy

Etsy’s mission to “reimagine commerce in ways that build a more fulfilling and lasting world” combines the legacy of craft idealism with the sharing economy’s technoutopian claims of the economy-changing impact of digital technology. Although the “sharing economy” is the most popular term applied to Etsy, another relevant term, whose members sell - not rent, borrow or share - products to other members, is the “collaborative economy,” which emphasizes peer-to-peer aspect of economic activity through digital platforms. “Collaborative consumption” advocate Rachel Botsman sees “a fundamental change in the relationship between producers and consumers” fueled by:

…the rise of online social networks, which enable people to communicate and act together for a purpose; a renewed belief in the importance of community; pressing environmental concerns; and a widespread questioning of the health of an economy dependent on buying and selling.
These factors are changing consumerism from a top-heavy version towards a decentralized and peer-to-peer version. Botsman wants millions of small transactions to “create a new kind of wealth, where commerce and community meet.” The community aspect that may result from the peer-to-peer, consumer/producer connection is often marketed by sharing economy companies as novel way to reconfigure the economy. For example, self-described “Sharing Economy Global Expert” Benita Matofška claims that “in its entirety and potential [the sharing economy] is a new and alternative socio-economic system which embeds sharing and collaboration at its heart.” In Matofška’s version, not only can sharing economy companies affect economic change but social change as well. In Etsy’s case, CEO Chad Dickerson writes of “Etsy’s superpower” of “connecting disaggregated networks of people… to drive human-scale commerce.” Building networks based on people means building community, Dickerson continues, and “when you combine the power of the internet with a real community, truly magical things happen...” The sharing economy, according to Wired journalist Jason Tanz, even “suggests a return to pre-industrial society,” when relationships mattered as much as spending money, since the human connection is primary and commerce secondary. The techno-utopian basis for socio-economic change results, therefore, from the interpersonal connections that new technologies facilitate.

The peer-to-peer connection is one of the benefits of the sharing economy for buyers. In Etsy’s case, the sharing economy rhetoric combines with craft idealism, so that Etsy’s community involves “the kind of intimate one-to-one relationship between artisan and patron” that “giant… anonymous workforces can’t compete with,” according to
Jeremy Rifkin. ^817^ Rifkin’s statement references the history of craft production and specifically contrasts it against mass production. Similarly, marketing professional Janet Kalandranis credits Etsy’s brand popularity with its creation of a community, so that buying on Etsy is like “purchasing from a neighbor instead of the big-name retailers.” ^818^ Etsy has been particularly successful at creating a brand community, which is “a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand,” according to Albert Muñiz and Thomas O’Guinn. ^819^ Brand communities, like other communities, share “rituals and traditions, and a sense of moral responsibility.” ^820^ The emotional responses of consumers benefit sharing economy platforms like Etsy by creating loyalty to the company as a whole rather than to the individual sellers on the platform. Cultivating a loyal and emotionally invested community means increasing the amount of time consumers are engaged with a site and discouraging them from shifting technologies or brands. Consumers are supposedly empowered – either as individuals or as communities – through online interactivity because they can talk back to companies and engage with content. ^821^ On Etsy, members can communicate directly with Etsy administrators through the Forums and Customer Support and indirectly by commenting on blog posts. Online consumption, when conceived as a social act, becomes more about social identity and its expression than material gain. For example, Wired journalist Kyle VanHemert claims that technology has shifted power from brands to buyers since “the winds of social media can galvanize the public for or against a brand with astonishing speed, and people now vote with their dollars by supporting companies they believe in.” ^822^ Consumers can be loyal to a brand.
and spread advertising, particularly via viral marketing, for companies. Equally, communities can also quickly organize to challenge inappropriate practices and use social networks to “quickly disseminate negative and potentially damaging information.”

Etsy, like other e-commerce sites, gains value as it gains members, which has driven Etsy to scale its business larger.

A sense of community also helps to create trust between members. Jeweler Elizabeth Smith found that:

Etsy is a great place because the products you buy have a name and a face behind them…. They aren’t just something you bought from an anonymous designer, which really makes this whole thing comforting and very exciting to me.

Trust is an important issue in online markets since transactions are riskier than face-to-face exchanges. Buyers have to rely on photographs, not personal inspection, before committing to payment and have to trust the items will be the quality described and that the item will be shipped to them. Particularly tricky for craft shopping is that the tactility of craft, one of its most highly praised aspects, is lost online. One way to gain trust online is by providing ways for buyers to rate and review products. Sellers with good products, accurate descriptions, and good shipping policies will be rated highly. Additionally, sharing economy sites “fill the certainty gap with accurate, explicit information, which they actively push at customers.” The personal information provided by sellers helps to offset the fact that buyers have only the online images and descriptions to judge the objects by. Emily Dreyfuss of Wired credits the aesthetics of “established peer-to-peer marketplaces like Etsy and Airbnb,” who “make a point of using their design chops to celebrate information that others sweep under the rug,” resulting in the incredible
accomplishment of convincing “millions of ordinary customers that it’s safe to transact and share goods with total strangers.”\textsuperscript{826} On the other hand, “Act badly and you’ll be barred from participating.... sharing-economy participants know that every transaction contributes to a reputation that will follow them, potentially for the rest of their lives.”\textsuperscript{827} The peer-to-peer connection through sharing economy not only makes transactions more personal, but also helps buyers and sellers know who to trust.

The peer-to-peer connections also create value for sharing economy platforms and attract venture capital. For sharing economy sites, all of the data collected on consumer purchases and through web analytics helps platforms make themselves more valuable. Companies can use data to predict consumption patterns and make recommendations to buyers. Etsy, in particular, has been praised for its effective use of analytics and big data, as its “artisanal spirit extends to crafting cutting-edge data analytics to help shoppers navigate… to find that special something.”\textsuperscript{828} As a marketplace full of millions of unique items, tagged and described by sellers themselves, Etsy has had to constantly refine and improve its search functions over the years.\textsuperscript{829} Moreover, information on consumer purchases increases a brand’s ability to intervene in consumer communication and appropriate the information, increasing their value, according to Celia Lury.\textsuperscript{830} The result is that corporations have an information archive to draw on. The sharing economy rhetoric of community and peer-to-peer connections can have more benefits for the platform owners than for the members.

Etsy has also benefited from the marketing efforts of its community of members. Etsy’s lack of spending on marketing has continually upset some sellers. In 2010,
member blackcatcraft complained that “we, the artists, are constantly struggling to get the message out. IMO [in my opinion], Etsy needs to step up and do a better job.”\(^{831}\) Again in 2015 an Etsy seller complained that: “Without Etsy having a strong marketing campaign, I can't tell you how difficult it is for small shop owners such as myself to ‘get found.’”\(^{832}\) In 2016, Etsy did start their first global marketing campaign, Difference Makes Us, of videos on social media sites like Instagram and Facebook. Sellers were encouraged to use the hashtag \#differencemakesus\ to feature their own products and could also submit videos to be featured in future marketing videos. Although Etsy is starting a global campaign, they are still relying on sellers to provide some of the labor and content. Finally, Etsy’s brand is more recognizable than that of individual sellers, so that people associate their purchase as from Etsy, rather than from the individual seller. Etsy gains more recognition and sales, but the individual shops are forgotten and may not get further sales.

Another benefit of Etsy as a sharing economy company results from the long-tail effect made possible by the internet, which means crafters making niche, specialized products can find consumers with equally specific interests. Journalist Bernard Lunn finds that the “growing consumer demand” for something “extra special” arises “from decades of mass affluence and the fact that the Internet makes these types of products visible.”\(^{833}\) Modern “capitalism rests on the premise that supply creates demand,” which entails an aesthetic promise that products are interesting, according to Peter Murphy and Eduardo de la Fuente, and capitalism’s genius is to supply large quantities of cheap goods that appeal to large numbers of people.\(^{834}\) Yet, customization is difficult for larger
companies to achieve, particularly those using mass production techniques. In contrast, crafters are able to achieve “customization intuitively,” which was seventh on the list of top ten reasons to buy handmade. Wired magazine writer Clive Thompson looks forward to an “Age of Bespoke Everything,” in which the “physical world is going to be increasingly customized—built to your specs by craftspeople.” Thompson credits Etsy as part of this coming age. Buyers can satisfy their taste for craft for niche and customized goods, like craft. The online competition is often more positive for buyers, who gain the power to pick the cheapest goods, than sellers who are pitted against each other.

**Craft as Ethical Consumption**

Etsy’s goal to change the world through commerce relates to larger socio-economic changes in which consumption has become a ‘new’ form of activism. From the beginning, Etsy’s goals included “supporting a community, trying to change the way world commerce works” and staying human. Founder Rob Kalin wanted Etsy to “‘disturb’ the way people see the world, rethinking what makes their possessions important or trivial, leading us to re-evaluate the way we consume.” Curator Katie Lee argues that makers and buyers of craft products “tend to be conscientious consumers, being aware of what and how they consume things, wanting to have a deeper appreciation of meaning with the things that they choose to engage with.” Now Etsy’s mission is to “reimagine commerce in ways that build a more fulfilling and lasting world.” Activism through consumption includes socially and environmentally responsible ethical consumption. Socially responsible ethical consumption often focuses on labor issues to
ensure fair wages and safe working conditions, including fair trade certifications and anti-sweatshop protests. The goal of environmentally responsible ethical consumption is the prevention of environmental degradation and climate change through the depletion of natural resources and pollution. This includes voluntary simplicity and the purchase of goods that are “green,” organic, recycled/upcycled, or not-animal-tested. Anti-globalization and Shop Local movements are concerned with the outsourcing of jobs, notably manufacturing and information technology, the spread of unsustainable consumerism, and the destruction of local cultures and traditions to be replaced by a global monoculture. Consumers have not only focused on changing the type of goods purchased but have also used protests, brand backlashes, boycotts, and more to critique unethical consumer cultures.

Craft fits within such ethical consumption movements for multiple reasons. First, craft’s anti/alternatively capitalist history, starting with the Arts and Crafts movement, resulted in attempts – that failed – to create effective alternatives to consumerism.\textsuperscript{841} Consumerism is an ideology dedicated to the possession and use of consumer goods and contains a focus on individualist desires that leads people to work longer and unhappily at jobs in order to afford more possessions, undermining their willingness to pay for public goods. In the consumerist “ideology of choice and freedom and autonomy,” Matthew Crawford points out that “self-realization and freedom always entail buying something new, never conserving something old.”\textsuperscript{842} The current craft movement also relates to a long history of “back-to-basics” utopian politics, relying on nostalgic, pastoral discourses that promote “an ethics of individual production over consumption,” according to Kristen
Second, craft fits within ethical consumption movements, because it is not produced in sweatshops or through unethical labor conditions. The provenance of the makers, and therefore the type of labor, is generally known for craft products. Third, craft production is possibly more environmentally friendly, through its small scale practices. Craft also potentially uses organic or recycled/upcycled materials. Fourth, craft purchases may reduce the quantity of products consumed, since craft products are often high quality or customized. Overconsumption in affluent societies is a contributing cause to many global problems, including environmental degradation and poverty. Craft may not be as disposable or quickly obsolete as some mass-produced products. Finally, crafters are often local, small businesses; therefore purchases directly support the makers and do not get disbursed through large national or international corporations.

In contrast to consumerism, anti-consumerism can mean both consuming less and consuming differently, in order to find value outside of mass-produced goods and services. Many of the ethical consumption movements discussed here are anti-consumerist. Ethical consumer movements often actively address people as agents of consumer choice. Such campaigns tell people that, as consumers, they have a new range of moral responsibilities and are empowered to act in new, innovative ways. Contemporary consumers, economist Jon Bertilsson argues, “have internalized the notion that their consumption choices not only have implications on/for themselves, but also on the surrounding world and society.” The result is that ethical behavior has shifted from a duty as citizens to the display of consumers’ brand choices. Such consumption choices operate both through broad ethical and political positions and through mundane consumer
choices, Bertilsson continues, “where small decisions serve to anchor subjectivities in constructed and heavily mediated narratives of lifestyle, selfhood, community and identity.” Etsy member feltonthefly exemplifies the idea of individual choice as a way to make an impact. She acknowledges that as “individuals, we probably won’t make much of a difference in the great big huge world,” but we have a choice regarding:

...how our own personal hard-earned money can make a difference... Do I want to help make Mr. Walmart richer? Or...Would I like to support this individual person who is working independently to explore his/her talent and support his/her family?

In contrast to Etsy, Walmart, a large multinational chain of discount retail stores, has been criticized for its low wages, poor working conditions and benefits, foreign product sourcing and negative impact on local small businesses. Likewise, a 2015 Nielsen report, “The Sustainability Imperative,” conflates consumers and citizens, claiming that “Consumers are trying to be responsible citizens of the world, and they expect the same from corporations.” Etsy, as a Certified B Corporation, promises to be an ethical business, yet the sellers on the site are independent businesses not held to the same ethical standards. Ethical consumption’s effectiveness is limited by many factors, including only being an option for the affluent and its emphasis on individualized, rather than collective actions.

**Socially Responsible Ethical Consumption**

Since craft focuses on conditions under which “handmade” objects are manufactured, it fits within contemporary ethical consumption movements that emphasize the origin of products. The contemporary craft movement is “speaking and acting against… questionable labour practices and [for] doing things local instead of
wearing clothes from some place you’ve never heard of,” according to crafter Jenine Bressner. Likewise, craft blogger Leah Kramer argues that “As people become aware of what goes into mass-produced goods, they are more likely to turn toward methods of individualized productions to ensure fair labor and trade practices.” Etsy crafters hope that buyers would consider labor issues when choosing craft. Seller Marleena Barran from Taitaya wants to “support the very people who are the ones who create,” rather than middlemen and corporations. Out of the top ten reasons listed above for buying handmade, the fourth is the support of individuals and small businesses in contrast to large corporations. Yet when crafters praise their own individualized production, they tend to ignore the fact that, as Etsy seller excely points out:

More than half of everything everywhere already IS handmade... by factory workers, often low-paid, often found in third world/emerging countries.

Craft discourses positively contrast craft against mass production, often downplaying the similarity in labor and production processes between individual crafters and factory workers. Therefore, Ingrid Bachmann considers it ironic that the “product of excessive and often highly skilled labour from an individual in the developed world” is valued higher than the similarly intensive work of “an anonymous maker in the developing world.” The problem remains that the labor of some craftspeople gets valued more highly than that of others. She concludes that the fetishization of craft labor for its own sake often hides economic and cultural disparities. As Etsy member ananemone writes, “no one *likes* supporting Chinese sweatshops and cheap factory things, but we are conditioned to not pay attention, to take that side of our consumption for granted.” Yet
the biggest problem with trying to improve socio-economic conditions by “buying handmade” is that ethical consumption remains a form of shopping. In turn, this means creating more goods, potentially still feeding into overconsumption. Therefore, craft tends to serve not as a solution to consumerism and commoditization, but as a physical expression of values of human community that will hopefully inspire thought and consideration in buyers.

Before buying craft could be seen as a form of ethical consumption, American consumers had to “recognize how disturbing the labor practices are in these factories,” activist artist Cat Mazza explains on the Etsy Blog. Since socially responsible businesses have trouble competing with corporate monopolies, Mazza believes crafting as a small act of resistance can be a significant but small step in a campaign against sweatshops and other unethical labor practices. Similarly, Sion Lee, founder of Indiepublic.com, a social network for independent artists and designers, argues that news of sweatshop conditions and loss of American jobs:

...has left a bitter, dehumanizing taste in the mouths of many consumers.... that’s a big reason why handmade is becoming so prevalent; it’s a rallying cry for us to bring the humanity back into shopping.

Awareness of poor labor conditions and job losses resulted in an expanding market for socially responsible products, which in turn has bolstered Etsy’s success. In 2007, Etsy joined with Craftster.org, the American Craft Council and others to form the Handmade Consortium, sponsoring the pledge: “to buy handmade this holiday season, and request that others do the same for me.” The Handmade Consortium at buyhandmade.org claimed that buying handmade was better for the environment, since mass production
was a major cause of global warming and was preferable to buying from a sweatshop. Additionally, their pitch against “chain-store culture” appealed to consumers interested in uniqueness. Uniqueness is one the key appeals of craft, yet the desire for unique items is one of the drivers of overconsumption and consumerism. Buyhandmade.org now redirects straight to Etsy, indicating that Etsy still wants to profit from the connection to indie craft.

The Handmade Pledge and Etsy both grew out of craftivism (craft + activism) that tries to connect politics and craft. According to founder Betsy Greer, craftivism “is the practice of engaged creativity, especially regarding political or social causes,” particularly anti-capitalist, anti-globalization, and environmental advocacy. The “personalized activism” of craftivism encourages individual acts while promoting collaboration, so that crafters can make both personal and collective statements. Greer argues that buying handmade sends “a message about the negative effects of mass-manufactured goods” and allows crafters to earn a living wage, become self-sufficient and circumvent “big business.” Craftivism, consumerism, collaborative consumption and local production, were topics previously discussed on Etsy’s now promotionally-focused blog. Twiststyle, the author of a 2008 blog post on “American Consumerism” is happy that the Indie Craft Movement with its “eye-opening fusion of consumption and craftivism… has been birthed from… the internet.” This blog post gives a history of how America lost the “craftastic (sic) connections that had made communities strong in spirit,” leading the economy to begin “to unravel” after the machine age of industry. She praises the personal connections that result from sharing economy sites like Etsy and
concludes that the craft movement – not trend – is strongly supported by a sense of community, even if it is virtual. She, like Greer, believes that returning to craft roots and relying on each other will make a difference.

In contrast to twiststyle, Etsy member ananemone finds it depressing “how small the handmade movement is in the sea of American consumerism,” and argues that it really is not a movement but rather just a trend that will pass. She is not alone in questioning the efficacy of buying handmade as a solution to mass consumption. Crafter Jean Railla, founder of GetCrafty.com, who had encouraged Rob Kalin to create Etsy, wondered;

Isn’t shopping, no matter how wonderfully crafty and politically correct still, well, shopping? Can you escape the so-called sin of consumerism by buying handmade?

In response to Railla, Vanessa Bertozzi, as a representative of Etsy, reflects on the Etsy Blog on the relationship between craft and consumerism and “on Etsy’s role in the larger capitalist society.” First, she argues that the “world needs people to make things,” and in order for creative people to make a living, they need buyers. This argument is similar to Greer’s argument that buying handmade allows crafters to become self-sufficient by earning a living wage. The problem neither Bertozzi nor Greer addresses is that many crafters do not price their products high enough to earn a living wage from their craft. Amateur crafters, in particular, often just want to make a sale and cover the cost of their materials, but their low prices undercut more serious crafters who want to start businesses. In order for buying handmade to create successful businesses for crafters, sellers have to value their labor appropriately and buyers have to be willing to
pay higher prices for the craft products. Bertozzi then plays devil’s advocate and asks “why taint people’s DIY impulse with money,” instead of aiming for a folk culture where objects are freely passed between users. Her answer is that “in a way, the Etsy community is a platform for people to support learning,” supported by Etsy’s fees and revenue streams, “and the line here between professional and amateur maker is often blurred.” Bertozzi’s next question asks about buying things she does not need from Etsy. Here she is concerned about the effect of consumerism-driven overconsumption. She answers that she is happy to support the sellers and feels the objects she wears or has around her are a meaningful expression of her values, one that “translates a utopian idea into something material.” Crafter Jamie Marie Chan provides a similar perspective to Bertozzi, acknowledging that “Sure, we’re a consumer-driven, materialistic, capitalist society,” but indie craft fairs, similar to Etsy, make the values behind handmade creation and community tangible and shareable. Satisfaction cannot be found in purchased commodities, Hamid von Koten argues, but “in the action of making lies the fulfilment of deeper human needs, such as self-confidence and a sense of being part of a larger collective with shared social values that provides a place in a global community.” Bertozzi concludes that talking about the relationship between consumerism is necessary to prevent the “handmade movement” from being “co-opted by consumerism.” A lasting handmade movement, fueled by the conscientious participation of both buyers and sellers is necessary to make the movement sustainable and make a difference, not just feed into “rampant consumerism.” In the end, the biggest effect of craft purchasing is idealistic and utopian, where the craft objects become the physical representation of the
owners’ values and beliefs. Craft highlights community connection and personal involvement that mass-produced objects cannot.

**Environmentally Responsible Ethical Consumption**

Since the 1960s and the beginning of the modern environmental movement, craft has been seen as environmentally friendly and “a practical form of resistance to the ills of industrialism.” Environmentally responsible ethical consumption wants to prevent environmental degradation and climate change resulting from the depletion of natural resources and pollution. Green or sustainable consumption includes supporting sustainable production methods, reducing consumption, recycling, conservation, and local consumption. Advocates want to demystify the consequences of consumption – both upstream, pre-consumption factors (such as resource extraction, production, and distribution) and downstream factors (such as post-consumption waste and pollution).

Sustainability involves “development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs.” By 2007, Etsy could write in one of their blog articles that “being concerned about the environment is not a new or revolutionary idea” and that the “general public has accepted that we’re standing at the crux of an ecological crossroads,” in which major changes need to take place. Now green consumerism is “a significant, specialized and itself highly variegated niche market.” A 2015 Nielsen study indicated 66% of global respondents were willing to pay more for sustainable goods and that the trend has grown beyond “just wealthy suburbanites in major markets” to include other regions and income levels. The percent of global respondents were willing to pay more for sustainable goods grew to
66% in 2015 from 55% in 2014 and 50% in 2013. Three-fourths of global consumers willing to pay extra for sustainable products were millennials. Craft and DIY fit into environmental narratives, because of the perception that “buying handmade… can greatly reduce your carbon footprint on the world,” according to craft business advice website Handmadeology. Additionally, craft is often conceived of as creating something new out of something old, rather than creating waste and can also use environmentally friendly production methods. Etsy also promotes the vintage products available for purchase on the site as a way to reuse, rather than making and/or buying new. Just as simply buying handmade is not a solution to consumerism, assuming handmade goods are automatically more environmentally friendly than mass-produced ones is also a simplification. Similar to socially responsible consumption, the biggest benefit of craft as environmentally friendly is the promotion of more self-aware ways of living. The utopian potential of a craft lifestyle is more inspirational than practical.

In Etsy’s short-lived “Earth Tones’ blog series, Autumn Wiggins reports that the DIY community has a “general consensus” that what they:

…do has a uniquely positive effect on the world. Our universal philosophy suggests that embracing methods to handmake your own belongings is fulfilling and thought provoking. The local, small-scale methods of craft production have been praised as environmentally friendly. Furthermore, techniques like upcycling can reduce, rather than create, waste. Upcycling “is the practice of taking something that is disposable and transforming it into something of greater use and value.” In contrast to upcycling, recycling is “downcycling,” since the process produces unusable by-products, uses as much energy as
producing something new, and the final recycled product often ends up in a landfill anyways. Additionally, Etsy sellers answered the question of “How Is Your Shop Eco Friendly?” with the following common answers: eco-friendly packaging, recycled materials, and the production of better quality items that encourage owners to treasure, not trash, them. 

Although crafters often have good intentions, in many ways the production of crafts is not environmentally friendly. The modern craft movement ironically relies on mass-produced technology, such as computers. Computers and the internet are responsible for the popularization of the craft community and are the reason sharing economy sites, like Etsy, can exist. Many crafters also use commercially manufactured supplies that may not be produced using environmentally friendly processes and some of the top-selling Etsy shops actually sell commercial supplies. Furthermore, selling through Etsy almost always involves shipping individual packages, which can be inefficient and energy-intensive. Etsy member Morphologica questions the electricity consumption of all the small Etsy sellers, since sellers’:

…processes aren’t as streamlined, driving to the post office to post 10 things, shipping, assembling items using mass-produced components which may not have been produced in an eco-friendly manner…after having bought from overseas then shipping elsewhere after that. 

Morphologica critiques not only the use of shipping and commercial supplies but the inefficiency inherent in individualized production processes. Museum director Glenn Adamson similarly points out that:

The humble roadside pottery… seems to be at one with nature but is actually recklessly inefficient in terms of fuel and materials. Huge
factories produce functional tableware at a fraction of the environmental cost.\textsuperscript{884} While the intentions of crafters are good, craft is not automatically environmentally friendly. Instead, crafters must make deliberate choices to produce and sell crafts in non-environmentally harmful fashion.

In order to combat the problems with global shipping and mass production, the Shop Local movement encourages buyers to support small businesses nearby and local farmers, instead of globalized companies.\textsuperscript{885} The main benefits of shopping locally are keeping money in the local economy, preventing outsourced worker exploitation and environmental waste, and reducing monetary and environmental transportation costs. Shop Local fits with the third most common reason for buying crafts: the support of individuals and small businesses, rather than large corporations. Craft fits well within the shop local movement, since its mode of creation is often individual crafters, working from home or in small workshops or collectives. Sociologist Juliet Schor points out that revaluing artisanal and craft skills could be a solution to tackle “turbo consumption.”\textsuperscript{886} Smaller, artisanal businesses do not employ global sweatshop labor and are therefore more sustainable businesses than multinational corporations. In a blog post on “The Economics of Local Sourcing,” Etsy member KettleConfections comments that:

If the question is whether or not if it’s worth it to make something locally even if labor prices here is higher, the answer is yes, because a healthy marketplace is one where people have not just the freedom to buy what they need, but one where people also have the ability create something that is of value to their fellow neighbors.\textsuperscript{887}

With such localized, small-scale production, consumers and producers would be linked more closely and involved in the design, leading to less waste. Although products
produced this way would be more expensive, the goal would be for people to buy fewer goods that would last longer. In contrast to place-less corporate “monoculture,” entrepreneur Judy Wicks argues that local independent retailers provide unique character, cultural diversity and “authentic and meaningful relationships” that add to the community’s quality of life.888 Wicks continues that unique locally made products “can be traded in an intricate global web of small-to-small, win-win relationships, which celebrate what it is to be human.”889 Additionally, Wicks believes that the business decisions of independent, local businesses are likely to benefit both the neighborhood and environment. Similarly, Reinier Evers, founder of www.trendwatching.com, links the local with “the authentic, the storied, the eco-friendly and the obscure” in contrast to “globalization, mass production and ‘cheapest of the cheapest.’”890 Shopping locally can make healthy economies that spread the benefits among members.

As a global e-commerce site, Etsy would seem to fit oddly within the Shop Local movement, since its sellers may make their products locally in their own homes or small workshops but then ship the products globally. Yet Etsy claims in its 2015 IPO prospectus that “thoughtful consumers are looking to support their local communities and prefer buying goods that they can trace to an individual person or community,” which can be considered more shopping with known provenance than locally.891 As early as December 2007, Etsy introduced the Shop Local search to make it easier for buyers to find crafters and store owners local to them.892 In 2015, Etsy added an additional way for buyers to find local stores stocking products from Etsy sellers, including on their mobile app and through City Guides. Another way Etsy supports shopping local is through retail
and wholesale partnerships, such as West Elm, Nordstrom’s, Whole Foods in 2013, and Macys. Despite the techno-utopian rhetoric of the socio-economic change made possible through the sharing economy, most retail happens offline and thus sharing economy sites like Etsy need to find ways to expand into stores to reach more buyers.

Another problem with the claims of craft’s environmental friendliness results from the fact that much of indie craft can be trendy and fad-driven, not something long-lasting. The focus on the uniqueness of craft items makes them a perfect consumerist commodity. USA Today writer Laura Vanderkam characterizes the interest in craft as “simply a redirected snobbiness in an era when… ‘it’s not cool to be excessive anymore.” Vanderkam categorizes most of the products on Etsy as giftware or clutter for upper-income shoppers. She argues that:

…no one needs anything sold on most craft portals anyway. Instead, they’re a great alternative for recreational upper-income shoppers who… want to “get something they can’t get elsewhere.”

As early as the Arts and Crafts movement, Thorstein Veblen condemned crafts as conspicuous consumption, which he disparages as a method of demonstrating the possession of wealth. Instead of praising the superiority of the visible imperfections of handmade goods, he blamed the “exaltation of the defective” as wasted effort. The wastefulness of conspicuous consumption absorbs “the surplus energy of the population in an invidious struggle” and leaves no room for other expressions of life. Etsy member scenicartisans agrees that “handmade is a luxury for most people” but thinks “a little luxury now and then is great.” He wants to support fellow crafters since he thinks “it encourages a culture of creation over a culture of consumption, even though it
obviously involves consumption.” Yet, the consumer craving for novelty can result in the wasteful consumption of natural resources due to aestheticized commerce that creates new wants and desires. Conspicuous consumption leads to overconsumption that destroys natural resources, degrades the environment and increases inequality and poverty.

A related approach against conspicuous consumption is the voluntary simplicity lifestyle movement, a “diverse social movement made up of people who are resisting high consumption lifestyles and who are seeking, in various ways, a lower consumption but higher quality of life alternative.” Buying less often means buying higher quality items meant to last longer, which fits within the fifth common reason for buying craft – high quality and durability. As Etsy member whimsyleaf argues, handmade is better than “mass-market consumerist culture” because “human scale,” handmade production “will mean buying & owning less, but hopefully we’ll value it more.” However, Etsy member ScarlettandMaria questioned the consequences of voluntary simplicity, wondering whether voluntary simplicity philosophies hurt the economy, if handmade could fit into this lifestyle, and how artisans could make a living selling non-essentials if consumerism was less rampant. As discussed above, in order for buying handmade to become a successful business for crafters, sellers have to value their labor appropriately and buyers have to be willing to pay higher prices for the craft products. Craft production can only exist with consumption. Another problem with craft’s relationship with voluntary simplicity is that not all handmade is quality and may not last long or be treasured. Etsy seller Mary Richmond from CutOutTheFun explains that:
Craft may not only be poorly made, but crafters, as small-scale businesses, may not be aware of current regulations on product safety. Craft products may therefore be unsafe, particularly those meant for children. Etsy member weezieduzzit thinks “vintage and handmade fit in beautifully” with Voluntary Simplicity, since money goes directly to sellers who hopefully keep that money in their community. Vintage products are considered environmentally friendly, since they are still in use, rather than being discarded and replaced by new products.

Environmentally responsible consumerism has multiple paradoxes. The first, according to Jo Littler, is that green products may promote “healthy environmental ecologies” but also “destructive social inequalities,” since they are usually higher priced. Additionally, products can be only partially green, the criteria for “green” are loose so that it lacks credibility, and companies can use token investments to greenwash their image. More specifically, craft is not necessarily environmentally friendly and in fact it is often not, since the small scale processes actually use more energy per item than mass-produced ones. Sales through Etsy also involve commercially manufactured craft supplies and technology, such as computers and smartphones. Etsy sales also involve shipping, which can be wasteful of energy. Yet the popularity of craft “helps create a platform to make a sustainable agenda not just essential but also desirable, fashionable and fun,” according to Emily Howes. Craft emphasizes community and connection, which can make sustainable objects more meaningful and more prized. Nonetheless, the
hope is that craft’s appeal as a meaningful commodity will convince people to consume less, therefore being environmentally friendly. The utopian potential of craft promotes more self-aware and possibly more eco-friendly lifestyles for buyers interesting in cultivating a taste for ethical commodities.

Since the late nineteenth century Arts and Craft movement, craft has been a premier commodity that demonstrates what Roopali Mukherjee and Sarah Banet-Weiser call the “troubling ironies of anticapitalist resistance that is increasingly orchestrated and managed by capitalist media institutions.” Anti-capitalism through consumerism is not new under neoliberalism, since “consumers have consistently – and often contradictorily – embraced consumption as a platform from which to launch progressive political and cultural projects.” Ethical consumption contains many contradictions and craft often fits uneasily within these movements related to social and environmental responsibility.

The first contradiction of ethical consumption results from the difficult in determining which companies or individuals are actually producing goods in an ethical fashion. Etsy as a certified B Corporation is a company intentionally trying to conduct business ethically. Yet not all the sellers on the site may conduct their business to the same ethical standards. Determining which companies are ethical is complicated by the lack of a common definition of “ethics.” Additional complexity results from the fact that the ethicalness of firms may be judged on different levels, including “(1) the product (2) marketing (3) corporation (4) country,” according to Bertilsson. Depending on the ethical category and how a corporation is judged, a single corporate entity may be considered both ethical and unethical at the same time. This causes difficulties for
consumers in judging companies and for companies in deciding how to be ethical, resulting in cynical consumer attitudes. Carys Egan-Wyer et al critique ethical brands even further by pointing out “the fundamental incompatibility of ethics and capitalism,” such that ethics can be superficially used to legitimize “the (possible) structural lack of ethics built into the capitalist order per se.” Ethics and capitalism are incompatible, since capitalist logic makes human existence “a strategic resource to be exploited by the corporation.” Since the reason for ethical behavior is market demand, not an “urgent impulse for ethical behaviour in the world,” then it is unlikely to “support long-term perspectives.” Since not all Etsy sellers are ethical businesses, buying craft from Etsy does not guarantee buyers ethical craft products.

The second contradiction is that ethical consumption becomes a niche market targeted at affluent, well-educated consumers with enough resources and cultural capital to consume in the first place, since the poor are not under-consumers by choice. Etsy member jill2day supports reduced buying, like voluntary simplicity, if it leads to the start of a new, less stressful economy but she sees the:

…real danger is that it is not happening unilaterally... instead there is a gulf happening between the ‘have’s and the ‘have nots’, that can only lead to greater separation in politics, ideals, education, healthcare and so on... In particular, quality craft products tend to be expensive, due to the time-intensive processes of creation and potentially quality materials. As Margaret Visser claims, “Handcrafted objects prove either that you can buy what few can afford or that you have the time (that is, the money) to make things for the pleasure of making them.” The high prices of quality craft goods are not affordable for everyone. Global peer-to-peer
sites like Etsy allow a greater number of buyers to satisfy their taste for craft by choosing craft at a reasonable price point for them. Yet a lot of craft products are not practical. Choosing craft as a form of ethical consumption is therefore limited by what can be made by craft methods, rather than by mass production.

A third contradiction of ethical consumption results from the “neoliberal ‘all change begins with your personal choices’ ideology.”917 This ideology shows up in craftivism and socially responsible consumption promises that small, individual acts of resistance and changes in type of consumption will produce economy-changing results. Some theorists, such as Dhavan V. Shah et al, see it as a positive that consumer-citizens exercise their political values and concerns through their consumption practices, since they view the economic realm as a meaningful sphere to advance their moral and social concerns.918 They conclude that political consumption may be a better way of expressing dissatisfaction than protesting in the streets, since companies are responsive to such efforts as buying fair trade, avoiding sweatshop clothing, and boycotting. Yet, others, such as journalist Emily Matchar, critique the “sweet idea of ‘community building’ through personal connection with artisans,” as part of “‘affiliative consumerism’ — people buying stuff from people they know and find appealing.”919 With affiliative consumerism, “money stays in a circle of like-minded individuals,” the focus on individual change does not create structural change.920 Another part of the problem with the focus on individual action, is that consumers want to use their ethical purchases as a way to construct an “individual identity as ethically aware and responsible persons,” Bertilsson argues.921 He would prefer that acting ethically was a matter of duty and
something people expected rather than as a tool for differentiation. The emphasis on individual political activists results in an ideological and practical retreat from a sense of the public.

In the end, “buying handmade” as ethical consumption to try to improve socio-economic and environmental conditions still remains a form of shopping. This means creating more goods, potentially still feeding into overconsumption. Yet without consumption, crafters would not be able to earn a living through the meaningful work of craft. Therefore, craft tends to serve not as a solution to consumerism, commoditization or overconsumption, but as a physical expression of values of human community that crafters hope will inspire more thoughtful and environmentally friendly lifestyles.

Conclusion

Etsy grew out of the anti-corporate, craftivist community and promised to change the global economy through alternative consumption. Yet crafters and buyers, who want to satisfy their taste for crafts, face limitations. Craft provides a way for buyers to display their lifestyles and values through their purchases. Craft fits with the re-imagination of commerce through socially and environmentally responsible ethical consumption, due to its small-scale method of production and anti-capitalist overtones. The utopian potential of craft promotes more self-aware lifestyles for buyers interesting in cultivating a taste for ethical commodities. Craft emphasizes community and connection, which can make sustainable objects more meaningful and more prized. Yet as craft becomes more ubiquitous, it is in danger of losing its appeal and authenticity.
741 Jolayne Houtz, “Cyber Crafters Help One Another Make, Market Homemade Items,” Monterey County Herald (California), June 9, 2007, sec. Z_HOME_GARDEN.


743 Ibid.

744 “We believe, however, that many consumers want to purchase goods that are unique and that reflect their personality and style, not simply mass-produced, generic goods. Some consumers want their purchases to reflect their values; they want to support retailers and suppliers that have responsible and sustainable policies toward their employees, their communities and the environment.” Etsy, Inc., “Amendment No.1 to Form S-1 Registration Statement under the Securities Act of 1933,” (March 31, 2015), 99. http://www.sec.gov/Archives/edgar/data/1370637/000119312515114143/d806992ds1a.htm.


747 “The Ethics of Etsy,” Thespec.com, March 10, 2015, sec. NEWS.


751 All members must make free accounts. Although some may prefer to have a “guest checkout” option, the requirement for all members to have accounts help to promote the community feeling and allows Etsy to track purchases, tastes, etc.


758 Etsy's brand aesthetic has led journalists to use phrases like “Etsy-friendly details,” the “Etsy vibe,” and the “Etsy effect.”


In addition to being accessed on their site, Etsy Blog articles are linked on Etsy’s Facebook and Twitter and included in some “Etsy Finds” promotional emails. While following Etsy on social media is optionally chosen by people already interested and knowledgeable about Etsy, followers can like, repost, or retweet links, therefore spreading Etsy’s information to other followers who may not already have known about it.

Only DIY does not have a Shopping Guide subsection. The previous subdivision of the Etsy blog was Read, Shop, and Make categories. Most recently, the Read section contained articles on topics ranging from cat photography, the history of home beer brewing, interior design tips, to Halloween suggestions. The Shop section contained posts on “featured shops,” which profile individual Etsy businesses and posts on trend or gift guides, which feature themed collections of Etsy shops. Finally, the Make section contained both crafting and cooking tutorials. Craft tutorials include how to make fiber art wall hangings, how to upcycle objects into salt and pepper shakers and, humorously, how to sharpen pencils. Examples of food recipes include gnocchis, spicy zucchini pickles and monogrammed marshmallows.

Some of the Etsy blog’s more thought-provoking posts include:

763 The Pages include bloggers and editorial brands, such as the Rhode Island School of Design, Walker Art Center, Apartment Therapy, Lucky, West Elm, Martha Stewart Weddings, and Food52. The result of Etsy’s collaborations through guest bloggers and Pages has been reciprocal coverage for Etsy in their target audiences. These “organic partnerships” with design bloggers help promote both brands, without financial payments. Etsy “Pages” are now broken down into several categories: Art & Design, DIY, Family, Fashion, Lifestyle, and Weddings and accessed from the Etsy homepage by clicking “Browse Their Favorites” under the question “What items do your favorite brands and bloggers love?”


In other words, social subjects distinguish themselves by the distinctions they make, according to sociologist Pierre Bourdieu. The values and systems of dispositions, habitus, that generate meaningful practices result from an internalization of social class divisions.


773 The top ten reasons for buying handmade were tallied from ten articles and three Etsy forum threads, totaling 313 responses from 138 people. 1) Uniqueness, originality was mentioned 57 times; 2) Connection to the maker/crafter (47 times); 3) Personality, heart, soul, or love imbued in object (aura) (46 times); 4) Support of individuals and small businesses, not large corporations (45 times); 5) High quality and durability (39 times); 6) Better for the environment (21 times); 7) Customizable (19 times); 8) Fair labor/better economically (18 times); 9) Meaningful gifts (18 times); 10) Maintenance of traditional craft techniques (8 times).


“Online sites let artisans reach around the world.” The Toronto Star, Toronto, Canada, September 20, 2010, sec. Business


Embracing Artisans’ Wares over Those Mass-Produced. Score One for the American Entrepreneur,” TBTWO; GIVING SEASON; Laura Vanderkam, “Handmade Is the New Black; Upscale Shoppers Are

Whole New Way to Shop: Etsy.com Showcases Items Handcrafted in Colorado,” The Weekender

Anneli Knight, “The Future's in Their Hands; My Small Business,” The Daily Democrat (Woodland, California)


In 1936, Walter Benjamin had argued that the “aura” of a work of art had withered “in the age of mechanical reproduction,” since the prerequisite for authenticity is the presence of an original. Furthermore, the “authenticity of a thing is the essence of all that is transmissible from its beginning,” meaning its history.


Fred Marion, “More Crafty than eBay,” Palm Beach Post (Florida), August 8, 2006, sec. ACCENT. Emphasis added.


Carmen Rodriguez, Star-News (Wilmington, NC), August 15, 2010.


Some media articles also reported on the risk of Etsy losing their authenticity:


Ibid.

Ibid.

Ibid.


Google searches on April 1, 2016 (with all search terms in quotation marks) had about 2,555,000 results for “sharing economy,” 538,000 for “crowdsourcing economy,” 374,000 for “on-demand economy,” 352,000 for “gig economy,” 246,000 for “collaborative economy,” and 21,500 for “1099 economy” (after the IRS tax form 1099-MISC for independent contractors).


[https://www.thepeoplewhoshare.com/blog/what-is-the-sharing-economy/](https://www.thepeoplewhoshare.com/blog/what-is-the-sharing-economy/).

Matofska continues: “The Sharing Economy encompasses the following aspects: swapping, exchanging, collective purchasing, collaborative consumption, shared ownership, shared value, co-operatives, co-creation, recycling, upcycling, re-distribution, trading used goods, renting, borrowing, lending, subscription based models, peer-to-peer, collaborative economy, circular economy, pay-as-you-use economy, wikinomics, peer-to-peer lending, micro financing, micro-entrepreneurship, social media, the Mesh, social enterprise, futurology, crowdfunding, crowdsourcing, cradle-to-cradle, open source, open data, user generated content (UGC).”

816 Ibid.


820 Ibid.


826 Ibid.


829 Etsy’s latest attempt to improve their search function was the acquisition of Blackbird Technologies in September 2016. They aim to add artificial intelligence to its search, including natural language processing, image recognition and analytics.


Burdastyle, The Austin Craft Mafia, Design Sponge, and The American Craft Council to encourage buying handmade.


862 Ibid.


866 Ibid.

867 Ibid.

Bertozzi’s question continues “Why not aim towards a folk culture where art and craft function not as commodities to be bought and sold, but rather as objects that have deeper meaning and are passed freely from person to person according to usefulness or significance?” In this situation, there would not be arts professionals, just people who made things that benefited society and were supported in their learning.

868 Ibid.

869 Ibid.


873 Ibid.
875 This definition of sustainability comes from the 1987 Our Common Future, the report of the U.N. World
Commission on the Environment and World Development (the Brundtland Commission).
877 Jo Little, Radical Consumption: Shopping for Change in Contemporary Culture (Berkshire: Open
University, 2009), 96.
879 Emily Matchar, “Sorry, Etsy. That Handmade Scarf Won’t Save the World,” New York Times, May 1,
2015. http://www.nytimes.com/2015/05/03/opinion/sunday/that-handmade-scarf-wont-save-the-
world.html?mc=edit_tnt_20150502&nlid=70262122&tntemail0=y.
See also: Charley Rico, “Crafting a Brave New Era,” MX (Australia), September 8, 2014, sec.
LIFESTYLE; Theresa Winge, and Marybeth Stalp, “Nothing Says Love like a Skull and Crossbones Tea
880 “Earth Tones” (2008-2010) was one of Etsy’s short-lived blog series with 23 blog posts. Autumn Wiggins,
Upcycling is a popular topic on the Etsy Blog, with 227 results, many of them how-to tutorials, such as an
upcycled pallet shelf, a sweater computer cozy and a napkin curtain. They also include upcycled items from
Etsy sellers in trendy/themed/or gift guide blog posts, such a tote made from truck tarps, a table lamp
“crafted from wood and an old tomato can” from Frank and Oak, or a cat bed made from an old computer.
minded-men/; Michelle Traub, “How-Tuesday: Sweater Computer Cozy From Refashioned Bags,” The
refashioned-bags/; Valerie Rains, “The Best Weekend Travel Bags on Etsy,” The Etsy Blog, November 7,
882 This 2009 Etsy forum thread had 89 responses.
https://www.etsy.com/teams/7722/discussions/discuss/6059757/.
https://www.etsy.com/teams/7722/discussions/discuss/6712564/.
885 In the United States, shop local also relates to the support for “made in the USA” manufacturing. In
2008, Julia Brian-Wilson claims the “reinvigorated ‘made in the USA’ movement… stems not from
xenophobia but from localism and sustainability, as consumers become more aware of carbon footprints
and the resources wasted in shipping.” In 2012, 52 percent of respondents to a New York Times poll said
that it was “very important” that products they buy are made in America” and US production was
experiencing a “renaissance.” Journalist Jennifer Wang credits Etsy, Kickstarter and other sites that “have
made it easier to buy and promote local goods and services” for promoting American made products.
at the Port of Los Angeles: Recession Revitalizes Craft Market,” India Retail News, June 9, 2012; Jennifer

889 Ibid.
892 The separate “Shop Local” search no longer exists, but instead in the main search, buyers can “Choose a custom location.” They also started a “Shop Local” blog series, which has a little over 290 articles that promote Etsy sellers from different parts of the world and argues that shopping local and supporting “independent craftspeople” is “a great way to reduce your carbon footprint.”

894 Dickerson explained in 2014 that “Ninety per cent of retail still happens offline,” so expanding Etsy into stores “exposes people to Etsy, and helps our sellers market themselves.”

Ibid.


Veblen condemns waste as the common element of conspicuous leisure and conspicuous consumption, since the leisure class ignores two main human instincts: the parental bent and the instinct of workmanship. Veblen defines the parental bent as concern for the welfare of the race and as approval of efficiency and economy in service of the common good. The instinct of workmanship is an auxiliary instinct to use and manage the available means and resources efficiently for the purposes of life.

According to John Bellamy Foster and Fred Magdoff, conspicuous consumption is particularly a problem in the capitalist economy with its uneven distribution of income. In this situation the working class necessarily spends almost all of their income on consumption, while wealthier people spend a smaller percentage.


Ibid., 6.


920 Ibid.

CONCLUSION

In 2009, Etsy seller tattytiara predicted that a “bust will follow” the boom in the “handcrafted goods trend” as:

Mass marketers… will soon find a way to satisfy the general public’s need to feel like individuals through more automated, cost effective means. The handcrafted movement will then become quiet, sustained and practiced only by the truly dedicated artisans for a couple decades. Then, at some point in the future when the general public becomes cynical with mass production again, they’ll be back.922

Tattytiara’s prediction fits with the cyclical interest in craft that has historically peaked at times of troubling socio-economic changes. In 2016, interest in craft is still booming, yet exemplifies many of the contradictions of advanced capitalism. Eleven-year-old Etsy is still growing and becoming a profitable public corporation, thereby supporting millions of small craft businesses and providing millions of interested consumers with unique products. At the same time, big box stores sell mass-produced items with a craft aesthetic, advancing the overall interest in craft but detracting from crafters’ potential sales. Despite being often trivialized, craft remains a relevant response to widespread dissatisfaction with current socio-economic trends, including: the impacts of financialization, the recession-prone economy, rising inequality, perceptions of job insecurity, and inauthenticity. Because the ideal of handmade celebrates the human aspect of production and consumption, personal and authentic craft goods are contrasted with impersonal and mass-produced ones. Combining this craft idealism with the
neoliberal emphasis on entrepreneurship and individual responsibility, Etsy uses the techno-utopian language of the sharing economy to try to intervene in contemporary capitalism through its focus on human connection and community.

Claiming to be a “fundamentally different approach to commerce” rather than a mere marketplace, Etsy has been described as an alternative (“craft”) form of capitalism and even part of “post-capitalism.” Yet Etsy, of course, is a capitalist company that has faced backlash over its financialization and choice to become a public company, as the community and the commoditized sides of the company conflicted. Still, as a B Corp, Etsy has the ability to do good as a corporation, since B Corps, who refuse the binary of social good versus profit, can make influential choices to protect the environment, fairly compensate employees, and more.

Moreover, as a peer-to-peer platform, Etsy can provide meaningful opportunities for making a living through craftwork. Millions of members have easily opened an Etsy shop to earn extra income or start a business to counteract economic insecurity or job dissatisfaction. Etsy sellers’ shops have benefited millions of buyers looking for unique goods. Yet craft’s history has shown the potential problems with financial viability and the difficulty of authentically scaling up businesses without becoming mainstream or mass-produced. Therefore, only a minority of sellers can probably find genuine fulfillment and success, and for others, trying to sell their crafts may result in frustration and financial loss. Additionally, sellers who grow their businesses by hiring employees or outside manufacturing assistance must navigate the vague disapproval of “mass production” to remain authentic businesses. Even as Etsy creates more global
opportunities for craft, inequalities built into the structure of sharing economy peer-to-peer platforms allows corporations to profit off the transactions, while users often experience work insecurity. The sharing economy system is only sustainable if sellers are able to earn enough money through platforms to continue working, leading Etsy to advocate at the congressional level for changes that would provide more stable benefits for its sellers and other workers with non-traditional employment.

Although the interest in craft will likely fade again, the legacy of craft idealism will continue to celebrate the human aspects of living, working, and buying, and promote the viability of alternative solutions to contemporary problems. Building upon this legacy, Etsy’s “reimagination” of commerce will be judged by its success and longevity as a business. As a public B Corp, Etsy’s success, measured by profitability, share price and investor interest, could counter the attitude that business and ethics are incompatible. Yet Etsy can only continue to exist through the support of its community of sellers and buyers. Therefore, Etsy’s legacy depends on advocating social changes and providing even more meaningful opportunities for making a living through craftwork.

APPENDIX

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees</th>
<th>Members</th>
<th>Shops</th>
<th>Gross Merchandise Sales (GMS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>4</td>
<td>1,400</td>
<td>unknown</td>
<td>$0.17 million</td>
</tr>
<tr>
<td>2006</td>
<td>8</td>
<td>140,000</td>
<td>+10,000</td>
<td>$3.8 million</td>
</tr>
<tr>
<td>2007</td>
<td>50</td>
<td>650,000</td>
<td>120,000</td>
<td>$26 million</td>
</tr>
<tr>
<td>2008</td>
<td>+60</td>
<td>1.3 million</td>
<td>200,000</td>
<td>$87.3 million</td>
</tr>
<tr>
<td>2009</td>
<td>65</td>
<td>+2.3 million</td>
<td>+250,000</td>
<td>$180.6 million</td>
</tr>
<tr>
<td>2010</td>
<td>125</td>
<td>7 million</td>
<td>+400,000</td>
<td>$314.3 million</td>
</tr>
<tr>
<td>2011</td>
<td>170</td>
<td>12 million</td>
<td>800,000</td>
<td>$525.6 million</td>
</tr>
<tr>
<td>2012</td>
<td>+400</td>
<td>22 million</td>
<td>875,000</td>
<td>$895.1 million</td>
</tr>
<tr>
<td>2013</td>
<td>+450</td>
<td>+30 million</td>
<td>+1 million</td>
<td>$1.35 billion</td>
</tr>
<tr>
<td>2014</td>
<td>685</td>
<td>40 million</td>
<td>1.4 million</td>
<td>$1.93 billion</td>
</tr>
<tr>
<td>2015</td>
<td>819</td>
<td>24 million*</td>
<td>1.6 million*</td>
<td>$2.4 billion</td>
</tr>
<tr>
<td>2016**</td>
<td>921</td>
<td>27.1 million*</td>
<td>1.7 million*</td>
<td>$1.98 billion</td>
</tr>
</tbody>
</table>

Table 1: Etsy, Inc. Overview

* For Etsy’s Initial Public Offering (IPO), members were divided into “buyers” and “sellers” and counted by site activity. Active sellers mean they incurred at least one charge in the last 12 months and active buyers made at least one purchase in the last 12 months

** Through September 30, 2016

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Lead Investors</th>
<th>Series</th>
<th>CEO</th>
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<tbody>
<tr>
<td>2005</td>
<td>$50,000</td>
<td>Furniture Customer</td>
<td>Seed</td>
<td>Kalin</td>
</tr>
<tr>
<td>Jun, 2005</td>
<td>$615,000</td>
<td>Caterina Fake, etc</td>
<td>Angel</td>
<td>Kalin</td>
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<tr>
<td>Nov, 2006</td>
<td>$1 million</td>
<td>Union Square Ventures</td>
<td>A</td>
<td>Kalin</td>
</tr>
<tr>
<td>Jan, 2007</td>
<td>Undisclosed</td>
<td>Undisclosed</td>
<td>B</td>
<td>Kalin</td>
</tr>
<tr>
<td>Jul, 2007</td>
<td>$3.25 million</td>
<td>Union Square Ventures</td>
<td>C</td>
<td>Kalin</td>
</tr>
<tr>
<td>Jan, 2008</td>
<td>$27 million</td>
<td>Accel Partners</td>
<td>D</td>
<td>Kalin</td>
</tr>
<tr>
<td>Aug, 2010</td>
<td>$52 million</td>
<td>Index Ventures</td>
<td>E</td>
<td>Kalin</td>
</tr>
<tr>
<td>May, 2012</td>
<td>$40 million</td>
<td>Index Ventures</td>
<td>F</td>
<td>Dickerson</td>
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</table>

Table 2: Etsy Venture Capital Overview
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