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Content Creators, Entrepreneurial Users, and the Impact of Tech Policy

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EXECUTIVE SUMMARY

Public discussion has largely focused on the effects of tech policy on platforms or casual users, while relatively little attention has been paid to entrepreneurial types of users or those who have leveraged these platforms beyond mere entertainment purposes. In this paper I explore the effects that some of the most debated issues—such as proposed policy changes in the areas of antitrust, Section 230 of the Communications Decency Act of 1934 and content moderation, and data privacy—could have on this unique group of users. I focus

only on the effects of changes to government regulation and not policies regarding data or content that might be determined at a firm or individual level. Finally, I examine how entrepreneurial users responded to the proposed Children’s Online Privacy Protection Act (COPPA) policy changes, which they believed could have significant effects on their entrepreneurial opportunities on platforms such as YouTube, to illustrate how these users are uniquely affected and how they have devised novel responses to potential tech policy changes.



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INTRODUCTION

The discussion of technology and entrepreneurship has largely focused on the start-up ecosystem, but how users leverage various online platforms is not often discussed. Similarly, much of the talk of the consequences of various technology policy changes focuses on the effect these changes would have on small companies or the typical user, while little attention has been paid to those who earn a livelihood or create communities thanks to the opportunities available online.

A 2019 joint survey by toy company LEGO and the Harris Poll grabbed headlines when it revealed that nearly 30 percent of 8-to-12-year-olds wanted to grow up to be YouTubers or vloggers.¹ This survey was not alone in finding that becoming a YouTuber or some other form of content creator was a popular career aspiration for members of Generation Alpha and Generation Z.² While some commentators and parents are quick to bemoan the perceived lack of work ethic or the fact that kids see content creation as a viable profession, the reality is that many uses of social media—including content creation—are entrepreneurial. The rise of social media has also made it easier to aspire to other once-popular childhood dreams, such as becoming a fashion designer or a film director, and has provided new opportunities for a wide range of passions.

Entrepreneurial users include far more than just the most popular “influencers” who have garnered large followings. The availability of platforms to lower barriers to sharing information or creating a business has empowered a new wave of entrepreneurs who might never reach household fame but who are contributing both to their own households and the greater economy. For example, self-published authors have found popularity on BookTok and Bookstagram from their own content creation that turned their books into bestsellers and has led to traditional publishing deals. Stay-at-home moms have created and reviewed products for breastfeeding and other issues, and found connection with an audience. Hobbyists, from cosplayers to semiprofessional athletes to arts and crafts aficionados, have been able to share their skills with a broader public, both in ways that can financially support their interests as well as in ways that help them connect with like-minded individuals. Many

individual users have had a moment where a platform’s algorithm has led them to discover a reviewer or other content creator who reflects their unique needs and interests.

All of this has also contributed to the economy, with YouTube alone generating more than \$35 billion in 2022 via creative entrepreneurial opportunities.³ With this in mind, both policymakers and the public should more seriously consider the impact of tech policy changes on the opportunities that these platforms provide for entrepreneurship.

WHAT IS AN ENTREPRENEURIAL USER?

Today’s internet, including social media, is not merely a way to stay connected or entertained. Some users have utilized the tools provided by various platforms to create businesses and communities. These businesses and communities may be their source of full-time income, while for others, the platforms provide a way for them to pursue passions and hobbies or connect with like-minded individuals. These activities might not have been possible prior to the creation of platforms that host user-generated content. Such uses may be obvious—as in the cases of eBay and Etsy, which are used to create and host small businesses—but the less obviously commercial platforms, including Instagram and TikTok, also have entrepreneurial users.

Understanding Entrepreneurship

Entrepreneurship as an economic concept has multiple definitions and understandings. Two of the main definitions of entrepreneurship in economics literature come from Joseph Schumpeter and Israel Kirzner. Both can be seen in the tech sector; however, much of the focus has been on Schumpeterian entrepreneurship.

Schumpeterian entrepreneurship is largely centered around the idea of “creative destruction.” Schumpeter’s view of entrepreneurship focuses on the disruptive change that occurs when an innovator introduces new goods or new methods into the market.⁴ A new product or service disrupts the status quo and provides improvements for

consumers and applications for other businesses, often in ways that were previously unimaginable. This type of entrepreneurship is readily apparent both in start-up culture and in the success stories of many of the leading tech companies. For example, as Philip Schlesinger and Gillian Doyle noted in their 2014 paper on creative destruction in new media, “While advances in digital technology and associated changes in news consumption and advertising patterns have opened up the opportunity for some new players such as the *Huffington Post*, many market incumbents have suffered significant upheaval.”⁵

This is not the only vision of entrepreneurship, nor is it the only one present in technology and innovation. While the Schumpeterian view of entrepreneurship is more likely to focus on the development of these novel technology products, Kirzner’s view of entrepreneurship focuses on the idea of “alertness” and how entrepreneurial individuals find value from previously unnoticed opportunities.⁶ Kirzner’s theory applies to opportunities provided by online services, such as social media. As Panagiotis Mallios and others noted in a 2023 study in the *Journal of Business and Entrepreneurship*, “When individuals in the entrepreneurial world consider specific factors of SM [social media] as important, they see startup entrepreneurship as something feasible and desirable and are inclined to do so [use social media to engage in entrepreneurship].”⁷ Similarly, other economic reports have found that social media can increase the alertness that Kirzner ascribed to the entrepreneur, not only in development of platforms but also by individuals using the platforms in ways that yield opportunity recognition.⁸

Less attention, both by academics and by policymakers, has been paid to the role of social media and online platforms in enabling entrepreneurship and entrepreneurial discovery than to the traditional creative destruction of Schumpeterian entrepreneurship observed in start-up culture. Additionally, not all the entrepreneurial uses of social media and online platforms resemble the typical small-business style that is often associated with entrepreneurship. While typical users of an online platform may enjoy the content, others have been more alert to the previously more costly or unavailable opportunities that the platforms provide for content creation, community building, or business origination.

Identifying the Types of Entrepreneurial Users

Many of the successful entrepreneurial users of social media might not be thought of as entrepreneurs by the general public or policymakers. Commonly, many of these entrepreneurial users are referred to as “influencers” or “content creators,” but such terms truly apply only to a subset of entrepreneurial users of online platforms. Instead, when considering the potential impact of policy on online entrepreneurship and entrepreneurial users, it is important to understand a broader taxonomy of how entrepreneurship is enabled by online platforms and the different types of entrepreneurial uses that can result.

Content Creators

Perhaps the most discussed form of entrepreneurship online is the rise of the “influencer,” a term that is sometimes—wrongly—used synonymously with “content creator.” Influencers and other content creators range from those who have become widely known, including Charli D’Amelio and Mr. Beast, to those who may create content for a niche community, such as those interested in home repair or fitness, who may otherwise be unknown to the general public. In some cases, these entrepreneurial users don’t set out to be entrepreneurs but merely seek to share their ideas or passions with the world.

While content creators may often be demeaned as influencers for the ways in which they partner with brands, such stories do not define the use of the wide variety of content creation. An influencer would be better understood as a particular type of content creator who uses their platform in ways that encourage the use or purchase of products, activities, or trends to their audience, either through direct or indirect actions. Such actions can certainly have economic impact, and both direct and indirect actions can provide companies with a way of reaching new consumers as well as exposing current consumers to products they might not have previously considered. Such a method of advertising has become popular, but it has also faced backlash from consumers, resulting in regulators stepping in to clarify proper disclosures of this new form of marketing.⁹

Influencers, however, are just one type of content creator using online platforms in an entrepreneurial way. Other

content creators may be better understood as having circumvented the traditional barriers to both creative and journalistic outlets. For example, creators who make short documentaries on various elements of society no longer are required to go through the same distribution channels that prior generations did, and they may be able to achieve a greater reach.

Similarly, other content creators can create artwork, music, or films that would have previously required expensive equipment or financial investment. In addition to these creative outlets, content creators may focus on short informational segments that might not have previously had a sufficiently large audience to warrant being launched, yet which have been shown to serve the needs of an audience. Examples of these include the highly popular YouTube channels *Dad How Do I?*, which provides adults with information on everyday skills such as how to change a tire, and *Ms. Rachel*, which provides parents and children with information that enables early developmental learning, such as letter sounds and speech.

While some people may consider their content creation to be entrepreneurial in nature and use it to support themselves, others may engage in such activities for other reasons, including as a creative outlet or to educate others about a specific interest or issue. These users may not be interested in whether their content generates economic or monetary action in any way. Regardless of whether they view themselves as entrepreneurs, however, these content creators' ability to connect and communicate with audiences illustrates that they are alert to the potential opportunities of online platforms beyond the platforms' original purposes.

The Business Creator

The internet has made it easier to start and run a small business by leveraging existing online platforms. Some of these platforms, such as Etsy or eBay, are specifically designed to allow users to generate content in this way, while others, such as Instagram and Facebook, have been leveraged by some users in this way despite those platforms not being designed for commerce.

Many small businesses use social media platforms to promote their physical locations; however, entrepreneurial users have also created online businesses that include

physical stores. Examples of this type of business include Etsy stores that sell homemade goods, as well as various resale platforms, including Facebook buy/sell/trade groups, eBay, and focused platforms such as Poshmark.

Other uses may be less obvious, such as users who create custom cake businesses or artwork and who use online platforms to take commissions or promote their existing work. In some cases, online platforms are used in lieu of traditional business websites, such as a homeowner running a vacation rental through a platform such as Airbnb or a makeup artist who uses social media direct messaging to accept bookings. These options can further reduce the costs of doing business, as well as the knowledge necessary to launch a business, even compared to early eras of the digital age. Additionally, such platforms have lowered the cost of advertising and can allow for a more organic discovery (i.e., content that is not found through paid links but from interactions with algorithms and the content of others based on interest or other factors such as location) for small businesses and also provide a more personal connection to clients, even when the platforms themselves were not designed with a business purpose in mind.

The ability to use the internet this way has been particularly important for women and other groups who have faced higher barriers to entrepreneurship or who have lacked economic opportunities. The United Nations, for example, has promoted digital literacy as part of broader women's empowerment, noting that digital tools and devices give women access to information and economic opportunity that they might otherwise have been denied.¹⁰ While in some ways this behavior may look similar to offline entrepreneurship, the ability to use free and low-cost services through online platforms, typically at low or no additional costs, provides more entrepreneurial opportunities, particularly for those for whom offline entrepreneurship may present social and economic barriers.

The Community Creator

The final category of entrepreneur is one that—like the platforms themselves—serves to create a community. This is seen most in the rise of platforms such as Discord, Telegram, Slack, and Facebook Groups, but it can occur in other ways. Sometimes these groups are clearly an entrepreneurial

venture, requiring a paid membership either directly or indirectly through services such as Patreon or paid Slack or Discord groups in order to take part in the knowledge sharing or content that they contain, or to reach additional content creators. In other cases, the economic element of this creation may not be immediately clear, but such users are still engaging in entrepreneurship by recognizing the ability to create communities within a platform that will provide them with unique opportunities that may lead to various other entrepreneurial activities.

Of course, not every entrepreneurial user fits into these categories. Some may engage in activities that fall into multiple categories, such as a content creator who also creates a Discord community, where individuals further discuss an underlying topic. In other cases, perceptions of entrepreneurial use may be more directly tied to offline activities, such as content creation by a sports celebrity or a short-form video from a business's marketing department, than to a separate entrepreneurial activity due to the opportunities provided by a platform.

Economic Impact of Entrepreneurial Users

While the amount of revenue that any individual entrepreneurial user may generate can vary dramatically, the overall economic revenue produced by user-generated content online—particularly by entrepreneurial users—is growing and becoming more significant.

Some of that activity is more easily measured than others. For example, eBay had 18 million sellers as of 2023 and Etsy and its related platforms had more than 7.5 million active sellers.¹¹ As with many businesses, the time an individual seller puts into selling their products on a platform and the income they will earn from it will vary, but the average sales for eBay and Etsy are in the \$50,000 annual range for sellers.¹² The use of these platforms, and their associated revenue, resembles typical brick-and-mortar small businesses, but with the start-up costs largely removed.

The economic impact of other platforms is not as immediately apparent to an outside observer. A Goldman Sachs analysis found that the United States creator economy across a variety of platforms was worth \$250 billion in 2022 and could be worth nearly \$480 billion by 2027.¹³ Even

those who may dislike the rise of content creators and other entrepreneurial users should be willing to acknowledge that such numbers indicate a growing amount of economic activity, both for creators and for more traditional industries that may leverage their relationships with this kind of organic content.

As with many other entrepreneurs and start-ups, income varies among entrepreneurial users for a variety of reasons. Some users are more interested in building a community around an interest or skill than monetizing such uses, but they are engaged on platforms in a variety of ways beyond that of a casual user. Others may have a smaller but dedicated audience due to niche content, or they may choose not to monetize certain elements of their platform out of concern for how it might impact their community. Some entrepreneurial users may rely on their social media activity as a sole source of income, such as full-time vloggers or small business owners. Even if such users are not receiving much income, it is likely to be more than many would have received during the pre-internet and social media era, when such activity was much more limited, and it comes with significantly lower start-up costs. According to one marketing agency analysis, 48 percent of content creators made \$15,000 or less per year from their activities; however, 13 percent made more than \$100,000.¹⁴

Entrepreneurial users may pursue different types of income that may not always be quickly visible in the data. For example, some may be selling a product or service online, or else they may be using content creation to drive business to an offline product or service they offer. Others may create additional content or offer subscriptions through services such as Patreon.¹⁵ Finally, some may rely on sponsored posts or traditional pay-per-click advertising as the way in which their content generates revenue.

POTENTIAL IMPACT OF FEDERAL POLICY CHANGES ON ENTREPRENEURIAL USERS

Public policy discourse has often failed to consider the effects of policy changes on entrepreneurial users. Typically, the discourse around potential policy changes focuses on the impact on the average user of online platforms or on the impact on large and small platform

businesses themselves. Entrepreneurial users will experience many of the same effects as the average user of online platforms, and sometimes also those of platforms; however, they will experience additional effects based on their entrepreneurial usage that are distinct from the impact on average users and businesses.

Three of the most discussed potential changes to tech policy are changes to antitrust law, Section 230 of the Communications Decency Act of 1934, and data privacy. In this section I will examine how some of the more commonly proposed policy changes in these areas would affect entrepreneurial users. When relevant, I will note which types of entrepreneurial users may be most affected by these changes or differences in impact.

Entrepreneurial users have responded to proposed policy changes and many other tech policy issues, including those seeking to regulate young people's use of online platforms, which can also affect entrepreneurial users. Similarly, actions to mandate disclosures for the use of tools such as artificial intelligence or advertising regulations and licensing interpretations could affect entrepreneurial users as much as, or more significantly than, the broader platforms or casual users.

Changes to Antitrust Law

One common misconception about changes to antitrust law is that will only affect big companies. In fact, proponents of many of the changes paint them as a way of leveling the playing field for small players who are being squashed by giants. However, this dichotomy of big and small is rarely reality. Antitrust changes affect businesses of all sizes, as well as consumers of these businesses. Government intervention in competitive markets can result in inferior products for consumers and fewer opportunities for disfavored players in the market. That is particularly true regarding the way entrepreneurial users have leveraged the tools offered by today's tech giants.

Many of the effects on the average user might have a greater impact on entrepreneurial users. Several antitrust proposals would result in increasing the difficulty a user faces in setting up default preferences and create greater friction even when such mandates often result in the same products being selected due to consumer preferences.¹⁶

Unsurprisingly, given the impact on both consumers and businesses of all sizes, antitrust changes could have distinct effects on entrepreneurial users, especially for those who may have reduced their costs of creating or maintaining a business by using the various tools offered by online platforms. For example, if Amazon was no longer allowed to host both third-party products and its own products, the sellers who have utilized Amazon's site would face higher barriers and have to engage in more steps to launch or distribute a product.

Antitrust changes could eliminate or reduce the functionality of platform tools that are already trusted by entrepreneurial users if competitor tools existed. For example, a requirement to separate Meta's Facebook and Instagram could remove the existing cross-functionality of those platforms, which would make it more difficult for entrepreneurial users that utilize both platforms to have the same reach. Alternatively, such a change would require more work for an entrepreneur to reach their current audience levels.¹⁷ Similarly, antitrust actions could dilute attempts at building communities across platforms and limit users from engaging in cross-posting, thus further centralizing their activities onto one platform.

Additionally, changes to antitrust laws are likely to create greater risk and lessen the trust that entrepreneurial users may rely on when using certain platforms. Changes that would prevent platforms from blocking fraudulent apps or users, or changes that require platforms to allow other payment processors, could heighten users' cybersecurity concerns as some apps would be more likely to select only the lowest-cost provider and thus consumers would lose the overall level of trust with regards to the security of in-app payments. In some cases, users who purchase products through a platform but who do not understand these risks or recognize the potential for the platform to be fraudulent may blame the entrepreneurial user and not the underlying platform.

Finally, entrepreneurial users who frequently use multiple platforms simultaneously are likely to more acutely experience the effect of the additional barriers and points of friction on typical users. For example, the frustration of not being able to locate tools easily or not having default settings will happen more frequently for these types of users, potentially creating further barriers and more frustration.

Antitrust changes would likely affect all entrepreneurial users, both small businesses and the casual user. As noted, what might create difficulties for the typical user could have a more direct economic or financial impact on an entrepreneurial user by increasing costs, decreasing productivity and efficiency, and diminishing the potential to engage in their entrepreneurial activity. This could happen as a result of required remedies in current litigation that deviates from typical consumer welfare theories or through legislation that seeks to change antitrust laws involving app store requirements or claiming to prevent “self-preferencing.”

Changes to Section 230 of the Communications Decency Act

There has been significant discussion regarding how Section 230 of the Communications Decency Act has enabled entrepreneurship for platforms that carry user-generated content. This important law ensures that platforms will not be held liable for the content that their users post or held liable for their content moderation decisions on what content to host or not. Section 230 alleviates the risk that disagreement with users or abuse by users could lead to costly litigation that eliminates the potential viability of the company.¹⁸ Similarly, there has been much discussion of the ways that users have more opportunities for various kinds of speech, from social media posts to food or movie reviews.¹⁹ The content of entrepreneurial users is generated by those users. Hence, any changes to Section 230 will impact them greatly.

Some of the impact on entrepreneurial users would be the same as that on typical users. In general, modifications to Section 230 would make platforms less likely to host user-generated content.²⁰ It would also make many large platforms more likely to be risk averse and less likely to carry important but potentially controversial content, such as information on addiction treatment, sexual health, or viewpoints that might be considered controversial. Some proponents of modifications to Section 230 argue that there are certain types of content that platforms should be discouraged from carrying; however, other than existing exceptions, such as those for federal criminal law, even well-intentioned and generally agreed-upon harms can quickly apply to benign, and even beneficial, content that may be silenced in its wake.

For example, consider FOSTA-SESTA [the Fight Online Sex Trafficking Act and the Stop Enabling Sex Traffickers Act], which was aimed at placing additional liability for content related to sex trafficking. While sex trafficking content is universally regarded as immoral—as well as illegal—such content was already covered by exceptions related to federal criminal law. However, the expansion in FOSTA-SESTA had consequences for users who were not engaged in such nefarious activity, but whose content might be deemed adjacent enough to being immoral or illegal that lead platforms no longer wanted to host it or discussions of certain topics. After the passage of FOSTA-SESTA, platforms removed forums that helped sex workers identify “bad dates” and find needed sexual health information, such as testing for sexually transmitted diseases.²¹ Some platforms went even further out of an abundance of concern for potential liability, such as Craigslist, which removed its personal ads section.²² In many cases, this impact was felt by marginalized users who had found communities online, but there are also examples of the law affecting entrepreneurial users who had leveraged platforms beyond that of the typical user. Some sexual health educators and platforms found it difficult to offer content and maintain the degree of inclusivity they desired for fear of additional liability.²³

If attempts to address something as universally decried as sex trafficking can have unintended consequences for both average users and entrepreneurial users, it does not take much imagination to realize how quickly other additional carveouts to Section 230 could impact the entrepreneurial users who provide critical resources, particularly to struggling and marginalized communities.

For example, to modify Section 230 around issues such as pro-anorexia content or the opioid epidemic would not only catch harmful content, but beneficial content as well. Laws that aim to target pro-anorexia content could impact unrelated beneficial content by entrepreneurial users ranging from health coaching and weight loss advice to general nutrition topics and those seeking to build communities for those in eating disorder recovery.

Such communities could find that platforms are less likely to welcome their content because it could be interpreted as promoting eating disorders. Similarly, attempts to create carveouts for Section 230 for opioid-related content would affect entrepreneurial and average

users discussing or providing support for those recovering from addiction or seeking treatment as well as legitimate pain management content.²⁴

Changes to Section 230 would generally reduce the amount of user-generated content, thus reducing the increased entrepreneurial opportunities that such platforms have provided. In some cases, this could eliminate the communities and advice that other users have come to rely on or make it more difficult to find the resources needed. It would also eliminate entrepreneurial opportunities for many who have leveraged user-generated content on platforms to create businesses out of their content or to create content to support their businesses. The result is that changes to Section 230 would have an impact on the opportunities and venues for speech and could also have an economic impact because of the reduction of opportunities for entrepreneurship. While some of these venues are provided by the social media platforms that are typically at the center of the debate over Section 230, there is a diverse breadth of entrepreneurial users on a variety of platforms who would be impacted by Section 230.²⁵

Data Privacy

There is a growing consensus regarding the need for a federal data privacy framework.²⁶ Such a regulatory framework could provide certainty for both users and platforms. As with many issues, however, while data privacy legislation may be beneficial, it also comes with trade-offs. Some approaches to data privacy legislation could assist entrepreneurial users, while others would create additional barriers or reduce economic opportunities.

Data privacy rules that ban or severely limit the use of user data by platforms could make it more difficult for entrepreneurial users to be connected to audiences or form communities. One clear example is the attack on targeted advertising, or on an algorithmic recommendation instead of a chronological feed for social media platforms.

Data are useful, particularly for entrepreneurs. For example, many platforms provide content creators with details on their audiences and posts. Content creator entrepreneurs may be able to use such information to determine which types of content their audiences desire. They also may be able to identify if their content performs best with certain

demographics or communities and then use that information to make content that is more relevant, or to attempt to reach communities they are not currently reaching. That information is generally provided in the aggregate and not on an individually distinguishable basis.

As with many small businesses, entrepreneurial users have benefited from how online platforms create targeted advertising that can help them reach the audiences they are seeking. In some cases that is done by utilizing the same advertising tools available to traditional small businesses and entrepreneurs, such as running ads for specific content, events, or products for users who may not already be aware of them. In other cases, it may be slightly different in the types of targeting, such as utilizing the opportunity to promote posts or listings on various platforms. Data privacy legislation would prohibit the ability to engage in targeting or diminish the value of such activity by severely limiting when and how it can be used.

Data privacy legislation could also reduce the ability of interested audience users and entrepreneurial users to find each other without prior knowledge. Much of the criticism of online platforms has focused on the use of algorithms; however, data generated by algorithms can help users find the content creators and entrepreneurs who may fit their interests and whom they would not otherwise have found. In fact, this type of algorithmic discovery has been one of the valuable uses of the internet.²⁷ Individuals who prefer a more private experience over this curated discovery can opt out on most—if not all—platforms. Some people have expressed concerns that this type of data use creates “filter bubbles,” but the data remain mixed and this largely undermines the idea that the use of personal data is more problematic in the online context than in the offline context.²⁸

For example, some youth online safety laws would prohibit the collection of any data beyond that of whether a user is under the age of 18. For some young entrepreneurial users this could limit their access to relevant information about their peers.²⁹ In other cases, laws might prohibit targeted advertising to younger users, preventing those who provide content on how to deal with issues that affect young people from reaching that particular audience without also spending resources, whether those resources are time or money.

Separately from legislation specific to data privacy, entrepreneurial users may find their privacy affected by

other tech policies. For example, requirements aimed at combating the sale of stolen and fraudulent goods may require sellers to register or publicly disclose their addresses or other personal information.³⁰ Such requirements are often based on the total amount of dollar sales; this can result from either a few sales of pricey items or the sudden popularity of an inexpensive item.

Entrepreneurs can quickly find themselves subject to such laws. In some cases, even a mom reselling her children's old clothes and toys could face such requirements. The same is true with an artist or small business that relies on "upcycling" in its creative process. As with most users, entrepreneurial users would appreciate having tools that allow them to exert more control over their data and their usage. And, as with many public figures, entrepreneurial users may face abuse—as well as online support—at an increased level compared to the average user.

Future policy changes could have deleterious effects on the entrepreneurial user community and its members and followers. This is in addition to the more frequently discussed impact on start-ups and typical consumers, given the effects that policy changes would have on a variety of values, such as speech, as well as any potential economic impact.

There have been scenarios where entrepreneurial users have discussed the impact that proposed policy changes would have on their use of online services. Some entrepreneurial users who run small businesses have spoken about the importance of access to certain platforms, such as app stores or marketplaces.³¹ Similarly, TikTok creators responded both on the platform and through litigation when proposals sought to ban the app.³² Entrepreneurial users are potentially more likely to respond to direct policy changes that impact their preferred platform, as opposed to responding to the more general policy changes that would affect the overall ecosystem of platforms.

ENTREPRENEURIAL USERS AND POLICY CHANGES CASE STUDY: CHILDREN'S ONLINE PRIVACY PROTECTION ACT UPDATE AND FAMILY VLOGGERS

In this section I will examine the reaction of the entrepreneurial user community to proposed changes to

interpretations of the Children's Online Privacy Protection Act in 2019 following the Federal Trade Commission (FTC) consent decree with Google and the then-anticipated 2023 COPPA review.

This case study illustrates two important points. First, entrepreneurial users can recognize the potential impact that policy changes may have on their ability to engage in entrepreneurial activities. Second, entrepreneurial users may leverage the same tools they use to create content in order to engage their audiences, communities, or customers around such tech policy changes that could impact their ability to continue their activities.

In a complaint against Google, the FTC alleged that the company had violated COPPA by collecting children's information on YouTube without adequate consent and then had used the information for targeted advertising on videos aimed at children.³³ Google and the FTC reached a settlement that included a consent decree that would require changes in how Google categorizes content aimed at children and how it determines the advertising and features of such content.³⁴ Many entrepreneurial users created content they did not think was aimed directly at children, but under the description the content could be interpreted to be so and lead to diminished views and advertising revenue due to the policy changes and restriction in response to the FTC.

Around the same time, the FTC also began soliciting comments for its 2023 review process for COPPA that could yield further changes to the law that governs online data for young audiences. The possibility of additional regulation came at a time when users were already facing greater potential restrictions from Google in response to the consent decree, as the platform was rapidly growing in popularity, particularly with kids and teens. The concerns of entrepreneurial users highlighted the potential impact of COPPA on their actions and on their presence on various platforms, as well as the risk of litigation.

A 2019 review by the Pew Research Center noted that YouTube videos featuring a child or children who appeared to be under the age of 13—regardless of whether the video in question was aimed exclusively at children or not—received nearly three times as many views on average as other types of videos, meaning that many content creators may find a significant portion of their revenue comes from such videos.³⁵

The fact that YouTube has become a favorite platform among younger users may explain some of this popularity,³⁶ but some people have expressed concern about psychological abuse of children due to the nature of such content.³⁷ Similarly, advocates for regulation of family vloggers or others who feature children in social media have expressed concern about the lack of protection for children in user-generated social content, such as amateur YouTube videos compared to professional TV and film performances.³⁸

The answer to when COPPA applied to entrepreneurial users was not always clear, as Pew noted that a majority of the user-created videos that featured children were not intended exclusively for a young audience: Just 21 percent of videos featuring children were directed toward their peers to the direct exclusion of other audiences, while the other 79 percent were directed toward a general audience.³⁹

These platform policy changes may not seem unusual in response to a consent decree, but what was notable was the response of the YouTube creator community, both via their platforms as well as their comments to the FTC. The creators and public expressed concerns that proposed changes could result in two problems for YouTube content creators.

First, there were general concerns that the changes would negatively impact ad revenue for all users, but particularly for some creators, such as family vloggers whose content was more likely to be categorized as being directed at children rather than toward a general audience.⁴⁰ Second, some content creators worried that they could be held personally liable for COPPA violations or otherwise be subject to litigation.⁴¹ In part because of the attention from content creators, there was a significantly larger number of comments than usual during the comment period, from both viewers and entrepreneurial users, about the proposed changes.⁴²

Many content creators used their platform to express their concerns and to urge their audiences to take action. But uncertainty about the potential impact extended beyond those whose channels were child-friendly. Family vloggers, who often feature their children in their vlogs, might have found their content recategorized as being aimed at children and thus it would have been subject to additional restrictions, which might lead some to choose to end their vlogs.⁴³ In other cases, creators of video game content worried that the miscategorization of their content

from appealing to a general audience to appealing to children would limit their financial earnings, as well as their audience reach.⁴⁴ Even the most popular and general content channels at the time, including vlog and video game creator PewDiePie, noted that changes would affect their ability to use a particular platform.⁴⁵

Not all comments by creators were accurate, and some extended well beyond the questions raised by the review. Some creators alleged that they would have to purposely make their content adult-oriented by including profanity or other actions in order to remain able to receive revenue from personalized ads, otherwise they could be held personally liable for COPPA violations.⁴⁶

It is unclear how aware these users were of policy prior to the consent decree and its associated proposed changes; however, the FTC received more than 150,000 comments in response to its 2023 review of COPPA compared to little more than 500 comments it received during the 2013 review.⁴⁷ This increased interest may be related to the increasing popularity of various internet services over the intervening decade as well as users' knowledge about the ways the changes could affect their ability to continue their entrepreneurial use.

The response from the creator community to the proposed COPPA changes and the consent decree was not insignificant, but it is difficult to determine its impact. Claims of some of the largest creators whose channels were not clearly targeting young people may be hyperbolic. The 2023 COPPA review has not yet been released, and broader debate about potential legislation that would further increase the age covered by COPPA could have a greater impact on the content creators who had previously voiced concerns, as YouTube remains immensely popular with Generation Z and older Generation Alpha users.⁴⁸

CONCLUSION

While the media and policymakers may dismiss those who have leveraged or made a career out of social media platforms, these users should instead be lauded for their entrepreneurship, which creates economic and social value in a variety of ways.

Examining the response of entrepreneurial users and their audiences to proposed COPPA changes and the FTC-YouTube consent decree indicates that entrepreneurial

users do engage in policy advocacy and that they recognize how the legal and policy frameworks allow their entrepreneurship to flourish. However, it is unclear whether this is a general awareness, or one only brought about by changes that would directly impact an entrepreneurial user's platform and actions.

There are several ways that some of the most commonly proposed tech policy changes would affect entrepreneurial users' use of various platforms and their opportunities for entrepreneurship via online platforms in general. Many of these changes also impact the audiences of entrepreneurial users or casual users, but the impact would be more keenly

felt by entrepreneurial users due to their economic creation and increased social media use.

Further research could explore, via surveys or qualitative interviews, users' awareness of various tech policies that support the opportunities for user-generated content, as well as the users' awareness of proposed changes and the associated impact the changes would have on individual and collective entrepreneurial users' continued creation and entrepreneurship. Additional research could look more globally at the entrepreneurial user community and explore how different tech policy frameworks encourage or discourage the use of online platforms in an entrepreneurial manner.

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