
Opportunities for Supporting Micro-entrepreneurs in Resource-Constrained Communities

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Abstract

A growing number of online platforms, such as gig work platforms, crowdfunding platforms, and ridesharing platforms, have begun to describe themselves as effective entrepreneurial support tools. However, our research on entrepreneurs in resource-constrained communities suggests otherwise. We find that micro-entrepreneurs often suffer from feeling “required” to use online platforms for their businesses, given the amount of additional time and resources they need to invest in order to participate. We outline opportunities beyond the design of the online interface to better empower micro-entrepreneurs who lack basic human, social, and economic capital.

Author Keywords

Micro-entrepreneurship, resource constrained communities, online platforms, design implications.

ACM Classification Keywords

H.5.m. Information interfaces and presentation (e.g., HCI): Miscellaneous

Introduction

Over the past decade, there has been growth in the number of social technologies created to support micro-entrepreneurs--people who work independently or on a

small team to generate income through their own formal or informal small businesses [6]. Entrepreneurship increasingly requires regular publicity on social media, self-directed learning through “how-to” videos and blogs [9], and managing of customer relationships in online marketplaces [10]. However, as more of the up-front work of performing entrepreneurship moves to the online space, micro-entrepreneurs from resource-constrained communities are being left behind [1,11].

Online tools are not enough to support business development in communities where people lack easy access to transportation, business instruction, and/or basic income [1,14]. In addition, these platforms are often designed in a way that reflect or exacerbate existing offline biases. For example, research has shown that people are less likely to rent Airbnb homes [5] or fund crowdfunding projects by people of color [12]. Others have found that those from low-income neighborhoods face greater barriers to participation in sharing economy platforms, like Uber and TaskRabbit [13]. If we want online tools to benefit micro-entrepreneurs from diverse socio-economic backgrounds, we must identify approaches to supporting technology use that fit the day-to-day practices and needs of starting businesses in resource-constrained communities.

Previous and Current Work

Our suggestions draw from two years of studying micro-entrepreneurs in resource-constrained communities [1,11], over six years of studying micro-entrepreneurs online in general [7–10], and over six years of studying how people in resource-constrained communities use online technologies for employment [2–4,15].

We have interviewed over 30 entrepreneurs from resource-constrained communities in Detroit to better understand how they leverage online technologies, like Facebook, Instagram, and ridesharing apps, to access financial and social resources [11]. We found that, unlike micro-entrepreneurs from middle to upper class areas, those in resource-constrained areas were driven

to perform entrepreneurship to access basic income needs. In turn, leveraging online tools became more of a requirement, rather than a choice, which shaped how they managed their privacy and professional agency online. For instance, micro-entrepreneurs found it necessary to have a Facebook presence to gain customers, but sometimes decided to use a fake name or private account, especially if their business was illegitimate.

We have also followed a participatory action research approach to develop an offline business collective in conjunction with locals and a community non-profit in order to support the early stages of business development [1]. During this process, we solicited regular input and feedback from community members in order to create a community structure that aligned with members’ entrepreneurial motivations and technology abilities. The approach we co-developed helped start three small local tour businesses and continues to support the ongoing efforts of other micro-entrepreneurs who participate voluntarily. From this work, we observed how online technologies often posed barriers to participating as “modern” entrepreneurs. For instance, we worked with one team of two micro-entrepreneurs to set up an Airbnb Experience page. After 3.5 hours of creating their experience description, their submission was automatically denied for unknown reasons. Even multiple follow up emails with the local platform representative did not provide any additional clarifying information.

These collective research experiences shape our implications for how to best support micro-entrepreneurs in resource-constrained environments from an HCI perspective.

Implications for Entrepreneurship Support Platforms

If designers of online platforms want to democratize business development for micro-entrepreneurs in resource constrained environments, we suggest providing

the following additional supports: a) Provide greater algorithm transparency, b) Support opportunities for regular peer engagement, c) Scaffold platform onboarding, and d) Subsidize or cover large upfront costs to getting started.

Provide greater algorithm transparency

Micro-entrepreneurs from resource constrained areas put in a lot of upfront effort, including finding time and available technology, to teach themselves how to use online platforms. When they encounter barriers, such as having their profiles declined automatically, it creates distrust and unfair power dynamics between the platform and the user. In addition to heavily publicizing tools to potential users, platforms should also invest significant effort to make their tools and decision processes more transparent so that users can make more informed decisions for themselves and their businesses.

Scaffold platform onboarding and use

User experience flows that might seem intuitive to the average Internet user are not always easy for those less familiar with online technologies. In working with micro-entrepreneurs from resource-constrained areas, we noticed that basic Internet skills, such as navigating Facebook, prevented people from using these online platforms for their businesses. Platforms could sponsor existing tech literacy services that help people use online tools effectively.

Support regular peer engagement

Micro-entrepreneurs in resource constrained areas are less likely to be embedded in strong professional communities where they can regularly seek information and feedback on their work. From our experiences running a local business collective, we found that having regularly occurring meetings provided a place for micro-

entrepreneurs to convene, share business ideas, and develop personal connections with others who could provide resources. Online platforms could sponsor or host regular offline meetings in trusted community spaces where micro-entrepreneurs can develop social capital and meet mentors and role models.

Subsidize or cover large upfront costs

One of the primary barriers to performing micro-entrepreneurship, and benefiting from entrepreneurship support platforms in general, was lack of capital needed to pay for large upfront business costs. For example, we encountered micro-entrepreneurs who wanted to start local tour businesses, but were unable to invest in the upfront cost of renting a bus; We also encountered micro-entrepreneurs who wanted to run cooking classes, but were unable to pay the upfront rent for a commercial kitchen. In effect, online platforms that support entrepreneurs tended to cultivate more affluent user populations despite being “open to all”. Platforms could invest in community services (e.g. transportation, community spaces) and provide guidance on finding low-barrier loans to ameliorate the barriers to business development.

Conclusion

Overall, platform designers must consider opportunities beyond the web platform design if they want to support micro-entrepreneurs from resource-constrained communities. We suggest supporting regular peer engagement, providing algorithm transparency, subsidizing or covering upfront costs, and scaffolding platform onboarding. These opportunities could address the needs of micro-entrepreneurs who might lack the initial resources or technology familiarity needed to benefit from widely used entrepreneurial support tools.

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