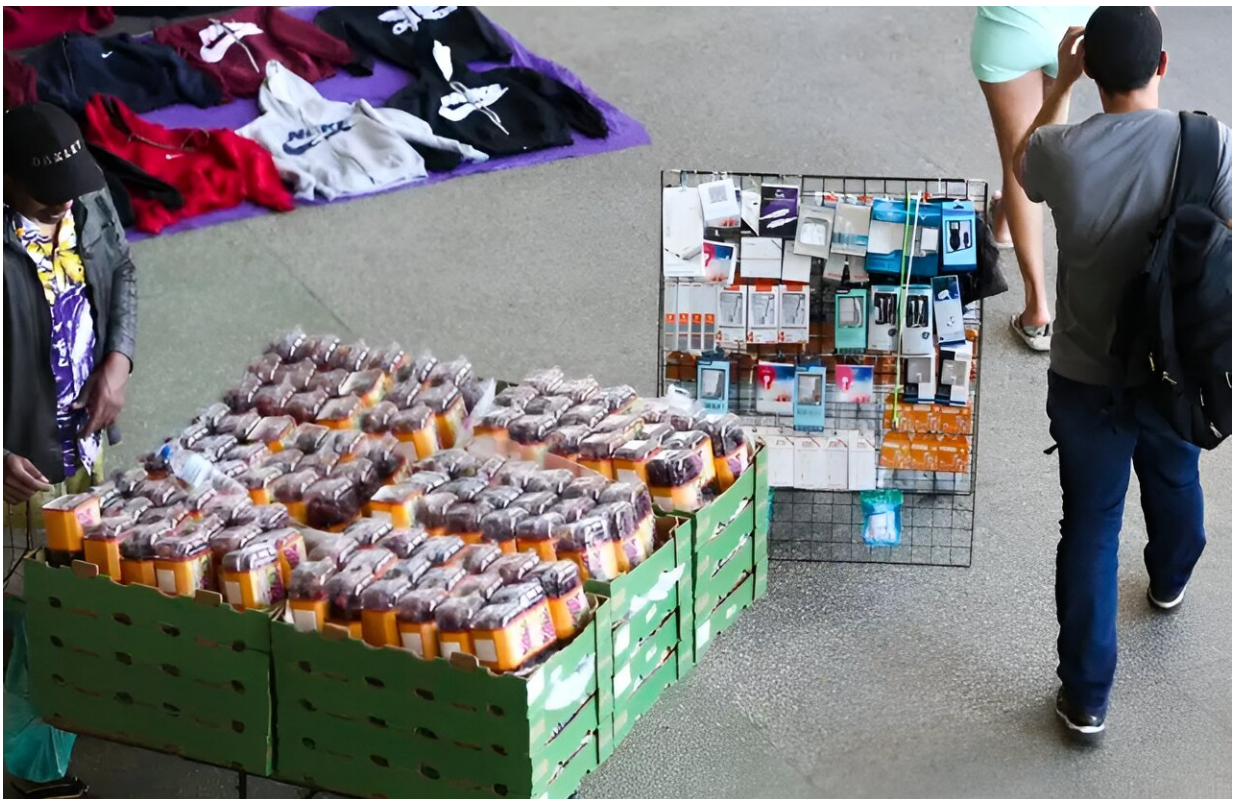


# Entrepreneurship on the periphery: Between precarious work and the search for a meaningful life

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Throughout the study, entrepreneurship emerged as one of the main strategies used by the poor to find an economic role in the context of the crisis. Credit: Valter Campanato/Agência Brasil

Understanding how the poor deal with the effects of the economic crisis into which Brazil plunged in 2014 was the aim of the research project "The crisis seen from the periphery: struggle for social mobility in the frontiers of (i)legality" conducted by Leonardo de Oliveira Fontes. An article [published](#) in the *International Journal of Urban and Regional Research* is one of the results of the investigation.

Fontes is currently a professor in the Department of Sociology at the State University of Campinas (UNICAMP) in São Paulo state and a researcher in Urban Ethnography at CEBRAP, a think tank based in São Paulo City.

"Throughout the study, 'entrepreneurship' appeared as one of the main strategies used by members of poor communities to participate in the economy in the context of the crisis. This finding, which I obtained via a qualitative survey, was corroborated by quantitative data. A survey conducted in 2021 by the Global Entrepreneurship Monitor (GEM) showed that 50 million Brazilians who did not yet own a business would like to start one in the next three years. That number was 75% more than in 2020," Fontes said.

The number was attributed mainly to the economic crisis, aggravated by the COVID-19 pandemic, and at least partly expressed the lack of a better alternative, since the average monthly income of informal workers had fallen from about BRL 2,200 in 2014 to BRL 1,991 in 2022. This compares with an average of BRL 2,472 per month for formal workers in 2022.

The outlying suburbs of big cities in Brazil are inhabited by [low-income families](#) and known as the periferia (periphery).

The entrepreneurs surveyed can be divided into two groups, according to Fontes: those who work entirely in the informal economy, and those who

join the formal economy by registering as "individual micro-entrepreneurs" (microempreendedores individuais, or MEIs), a type of sole proprietorship with a simplified tax regime for self-employed workers earning up to BRL 81,000 (now about USD 16,300) per year.

More than 15 million people are now registered as MEIs nationwide, more than 1 million of them in São Paulo city.

"According to a 'map of inequality' [Mapa da Desigualdade] produced by Rede Nossa São Paulo in 2022, the study area for my research, Jardim Ângela, was the district with the second-largest proportion of MEIs, with 2.47% of the total in the city, behind Grajaú," Fontes said. Jardim Ângela and Grajaú both belong to the periferia as low-income suburbs of São Paulo.

His research, on which the article is based, was qualitative and ethnographic, involving in-depth interviews and participatory observation in strategic locations. "Since 2019, I've been doing what we call participatory observation, in person or virtually, in trade shows and meetings for entrepreneurs," he said.

"For the project, I conducted some 20 interviews and had informal conversations with entrepreneurs from varying socioeconomic backgrounds who ran different types of business. I also interviewed some formalized workers, in order to compare their differing choices in terms of entry to the labor market."

In his analysis of entrepreneurship among workers, he found two main perspectives in the sociological literature. Some authors see entrepreneurship as part of a neoliberal capitalist accumulation strategy, where issues such as the so-called "Uberization of labor" are central, alongside the loss of labor rights.

Uberization, or the gig economy, is a term now used by some sociologists to refer to a system in which freelancers or independent contractors offer on-demand services via online platforms and apps controlled by large corporations.

The second approach Fontes detected was taken by authors who saw the growth of worker entrepreneurship as a mechanism of ideological persuasion whereby isolated poor individuals are held responsible for their own success or failure, their identity as "workers" is weakened, and their capacity for organizing and fighting for demands is undermined as a result.

"This second perspective is based on a book by Michel Foucault [1926-84] entitled *The Birth of Biopolitics* [published in English in 2008], in which 'neoliberal reason' is seen as a way of governing the poor via the idea of 'self-entrepreneurship'. In other words, workers are persuaded to see themselves as small business units. This is a disposition produced in them by the system, so that they strive to maximize their income by investing their 'human capital'," Fontes explained.

He set out to move beyond these perspectives in his qualitative survey by looking for the origin of the entrepreneurial disposition in inhabitants of São Paulo's periphery and analyzing the degree to which neoliberal practices took root in the behaviors and social institutions that existed there.

"My argument was that if the idea of entrepreneurship and even the values of neoliberalism [not necessarily the same thing] did indeed take root there, they had historical and social origins that went beyond mere 'ideological persuasion' or the construction of an entirely novel 'neoliberal subjectivity'," he said.

In the article, Fontes presents the cases of five interviewees belonging to

three different families—two couples with children, and a single woman—with the aim of analyzing how gender roles also significantly influence development of an entrepreneurial disposition. He identified three sets of important moral values among men aged 50 or more: a "worker's ethic", a "getting-by ethic", and a "provider's ethic".

"The worker's ethic was constructed in the Brazilian urban peripheries in opposition to the figures of 'criminals' [bandidos] and 'good-for-nothing scum' [vagabundos]. Working, no matter how, and not being involved in any kind of criminal activity, 'is the right thing to do' for this older generation."

"So Hamilton, 49, told me, 'My first job was as a scrap metal scavenger. I sold the scrap metal, and people said I was a beggar. When I was a child and a teenager, (...) it was that or nothing. I didn't learn to steal, I didn't become a drug dealer. I didn't learn any of that. I learned to collect scrap metal. I worked. That was the right thing to do.'"

Getting by (se virar, which can also be translated as making do or surviving) centers on the idea of earning a livelihood to feed the family. You cannot afford to pick and choose.

You must take whatever work comes along and do any odd jobs you can to supplement your income. As Hamilton told Fontes, "When I was a kid, we lived in a wooden shack. The roof leaked and we had to keep our stuff suspended on hooks so it stayed dry. My dad had taken off. We learned to survive and get by. That made us pretty self-reliant."

The provider's ethic centers on the idea that men are breadwinners (provedores). "There's a certain heroism in this masculinity that values overcoming obstacles to give your children a better life than yours, and possibly to be able to afford 'luxuries' like vacation travel, a private school, medical insurance, or dining out on special occasions," Fontes



said.

Practically all his interviewees espoused the getting-by ethic. The women with children also expressed what he calls a "caregiver's ethic" associated with the mother's duty to be as present as possible for her children as they grow up. Here it is worth noting that 48% of Brazilian households are headed by women, according to research by Grupo Globo and IBGE, the national census bureau. Family structures are ever more rapidly being reconfigured in Brazil, he said.

Whether they are the sole breadwinner or share this responsibility with a man or another woman, mothers often prioritize flexible work schedules so they can devote as much time as possible to their children, and this is where entrepreneurship comes in handy.

"Finally, among younger people aged 30 or thereabouts, another trend is emerging: the desire to pursue some kind of professional fulfillment. Although many people of this generation are motivated by the getting-by ethic, since from an early age they had to start doing paid work to help support the family, they often say they're dissatisfied with their place in the labor market."

"This dissatisfaction may have to do with humiliation or oppression in the workplace, especially moral or sexual harassment in the case of women, but it may also reflect a disconnect between the job and what they would really like to do," Fontes said.

Renata, 35, told him she felt "a certain repugnance" about her work in advertising, linked to an "excessive drive to make sales". She saw her work as an entrepreneur, making and selling notebooks, as a way of life with meaning, "I don't see it as just work or just a source of income."

"I value the emotional attachment, the motivational aspect. I'm

motivated and moved to know my notebooks will go to people who like to write, to draw with charcoal or crayons, to do research and make notes from their reading, you know? All that is really fulfilling."

Stressing the importance of meaningfulness, she also told Fontes that when someone says, "'Look, Renata, I want 20 notebooks like this', it's crazy because 20 notebooks will be delivered by my business to that person and I know the person will give them to someone, maybe as a donation to a project. So I feel inspired by the person. It's the positive feelings and my connection with the people who place orders with me that make the job special."

Not all interviewees thought of themselves as entrepreneurs. Some preferred to call themselves freelancers or self-employed workers. On the other hand, some who accepted the label also complained that it had been debased and was now used to mask loss of rights or high unemployment. Others considered it dignified enough, not least because it highlighted their self-reliance and resourcefulness as "peripheral" workers.

As a result of his research, Fontes concluded that some neoliberal prescriptions had indeed become rooted or embedded in practices and projects that previously existed among urban working-class people. "It's not a matter of winning hearts and minds, or ideological conversion of the working class to neoliberalism. Urban workers aren't just victims, but agents of change and resistance to neoliberal logic," he said.

"It's also necessary to distinguish between the wish to work for oneself or be an entrepreneur and fully buying into 'neoliberal reason'. Some of my interviewees did actually see entrepreneurship as a justification or even a romanticization of their precarious status in the labor market."

"Others considered entrepreneurship as a temporary or permanent

solution to their need for flexible work hours or extra income. Lastly, there were some who wanted to find a new meaning in the idea of entrepreneurship, avoiding precariousness, personal dissatisfaction and degrading conditions in the labor market."

According to Fontes, there are undoubtedly "elective affinities" between the values expressed by entrepreneurs on the periphery and so-called "neoliberal reason", but he also detected elements of resistance and contestation, arguing that this complexity should be valued and sociologically analyzed.

**More information:** Leonardo Fontes, BETWEEN DREAMS AND SURVIVAL: The (Dis)Embeddedness of Neoliberalism among Entrepreneurial Workers from São Paulo's Peripheries, *International Journal of Urban and Regional Research* (2023). [DOI: 10.1111/1468-2427.13218](https://doi.org/10.1111/1468-2427.13218)

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