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The Role Of Micro And Small Enterprises (Mse's) In The Brazilian Economic Scenario: A Theoretical Analysis

[1]JAIR SBARAINI
[2]MANUEL MEIRELES
[1]Doctor in Administration Sciences — Unifaccamp — University Center Field Clean Paulista
[2]Doctor in Science — University Federal University of São Paulo/Paulista School of Medicine

ABSTRACT:
This review article addresses the concept of social capital and analyzes different theoretical approaches, such as the perspectives of Bourdieu, Coleman and Putnam. It explores his contributions to the field of social capital and discusses practical and theoretical implications in diverse social, economic and political contexts. In addition, it is based on three theoretical currents: the importance of Micro and Small Enterprises (MSEs), the New Institutional Economics (NEI) and Bourdieu's macrosociological theories of the New Economic Sociology (NSE). Despite the different approaches, these currents converge towards the common goal of understanding social action. This review provides a comprehensive understanding of social capital and its applications: This article aims to analyze the role of Micro and Small Enterprises (MSE's) in the Brazilian economic context, using a theoretical framework that is divided into three main lines. Initially, the importance of MSE's in the country's economic scenario is addressed, emphasizing the need for a better understanding of this segment. Next, New Institutional Economics (NEI) thinking is discussed, which seeks to understand the role of institutions in determining social and political outcomes. Finally, it explores the perspective of Bourdieu's macrosociological theories, belonging to the New Economic Sociology (NSE) school, which analyze people through their habitus and social arrangements in the economic scenario.

KEYWORDS: *Social capital, Sociological theories, Micro and small enterprises, New institutional economics, Social action*

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I. INTRODUCTION

Micro and Small Enterprises (MSE's) play a crucial role in the Brazilian economy, contributing to economic development, job creation and expansion of the tax base (Dos Santos Souza and Da Silva, 2018). However, understanding the true impact of these companies requires a theoretical foundation that allows an in-depth analysis of their importance and functioning.

The theoretical framework adopted in this study is divided into three lines to support the fundamentals of the research. First, the importance of MSE's in the Brazilian economic scenario is addressed, highlighting the need for a better understanding of this important segment. MSE's are responsible for a significant portion of the country's business landscape, representing 89.77% of all companies and contributing with 29.5% of the national Gross Domestic Product (GDP) (SEBRAE, 2022). Next, the thinking of the New Institutional Economics (NEI) is discussed, which seeks to understand the role of institutions in determining social and political outcomes, converging on the understanding of social action and the impact of institutions on economic interactions (Richter, 2015). The third theoretical line is based on Bourdieu's macrosociological theories, belonging to the New Economic Sociology (NSE) school, analyzing the interactions in institutional environments and the social construction of the economy (Richter, 2015).

Although NEI and NSE have different perspectives, they converge towards a common goal: understanding social action. The plurality of methods in these approaches has explanatory merits, but it is imperative to enrich institutional economic analysis with sociological or historical insights into the role of path dependency, power, culture, and justice (Richter, 2015). Currently, both the NEI and NSE approaches, with their different modeling, can be used as analytical tools to investigate different sets of problems. The perspective of NEI and NSE in relation to MSE's helps to understand the impact of the mortality of these companies in the context of the performance of market forces, strengthening the economy and pushing it forward (Dos Santos Souza and Da Silva, 2018).

ECONOMIC ASPECTS OF MSE'S

Micro and Small Enterprises (MSE's) play a crucial role both in the world economy and in the employment scenario. As highlighted by Jacomete (2018), in 2015, it was estimated that around 600 million jobs would be needed in the next fifteen years worldwide. In developing markets, the majority of formal jobs are generated by MSEs, accounting for almost four out of five available jobs. However, despite their importance in economic development, it is worrying to note that around 50% of these companies face difficulties in gaining access to financing or equity investment. Although they contribute with approximately 33% of national income and 45% of total jobs in developing countries, these numbers can become even more expressive when also considering informal MSEs (Tavares, 2021).

Classification of MSEs is generally based on criteria such as the number of workers employed, sales volume and capital employed. However, these criteria may vary between countries. For example, in Canada, companies with less than 500 employees are considered MSE's, while in Germany the upper limit is 250 employees. In New Zealand, SMEs are those with up to 19 employees, and in the European Union, the limits are 250 employees for medium-sized companies and 50 employees for small companies. This diversity in definitions highlights the need to adapt the classification according to the specific characteristics and realities of each country (Tavares, 2021).

It is noteworthy that in Brazil there are different categories for MSE's. The Individual Microentrepreneur (MEI), regulated by Complementary Law No. 128/2008, refers to a self-employed professional who can have a maximum of one employee and annual revenues of up to R$81,000.00. Microenterprises (ME), regulated by Law No. 9,841/1999, are those with annual revenues of up to R$360,000.00, while Small Businesses (EPP) must have annual revenues between R$360,000.00 and R$3,600,000 .00 (Brazil, Law 128/2008; Brazil, Law 9.841/99).

As previously discussed, MSE's play a crucial role in economic development and job creation, being frequently discussed by governments, researchers and academics. Santos and Lima (2018) highlight that MSEs face common challenges around the world, but what differs in each country is the understanding of the different ways in which these companies contribute to stimulating economic development. Several benefits are attributed to MSE's, as demonstrated by Dos Santos Souza and Da Silva (2018):

Micro and Small Enterprises (MSE's) play a key role in boosting economic growth by creating job opportunities, fostering innovation and expanding the tax base. These companies are also responsible for increasing competition in the market, leading to better business and providing benefits to both suppliers and consumers. In addition, MSE's contribute to increased aggregate productivity and efficiency throughout the economy. Through the presence of new entrepreneurs, MSE's bring with them the ability to drive innovation, introducing new ideas and skills that promote economic development and improve the business landscape (Dos Santos Souza and Da Silva, 2018).

In recent years, Micro and Small Enterprises (MSE's) have experienced faster growth compared to the global industrial sector. One of the main advantages of this sector is its potential to generate jobs with low capital investment. Asian countries such as Korea, Taiwan and Japan are examples of nations where economic growth is directly related to the emergence and activities of MSE's. In the Brazilian context, these companies play a significant role in the rapid industrialization and development of the country (Dos Santos Souza and Da Silva, 2018).

Furthermore, MSE's act as a buffer against the economic downturn, adapting and innovating as per ever-changing circumstances. There is a strong connection between different levels of poverty, hunger and economic well-being in society and the general condition of the various MSEs in the country. These characteristics highlight the remarkable ability of these companies to drive economic growth, create jobs, promote healthy competition and contribute to the development of a country. Thus, MSE's play a crucial role in the economic dynamics and in the improvement of society's socioeconomic conditions (Dos Santos Souza and Da Silva, 2018).

In almost all countries, MSE's have a significant relevance in the economy, representing a large proportion of all businesses. In both developing and developed economies, more than 90% of MSE's contribute to the increase in the employment rate. While large industries may reduce jobs, MSE's continue to develop and create job opportunities. In addition, these companies demonstrate an agile ability to adapt to the dynamic business environment, embracing electronic commerce and online transactions of goods and services. The advancement of technology facilitates not only the buying and selling process, but also helps entrepreneurs to reduce costs with advertising and marketing, with the various e-commerce platforms being a facilitator for the performance of activities by MSEs (Dos Santos Souza and Da Silva, 2018).

Micro and Small Companies (MSE's) play a vital role in the Brazilian economy by acting as service providers, traders in the primary sector and significantly contributing to the development of various sectors, such as manufacturing, agriculture and Information Technology services (Dos Santos Souza and DaSilva, 2018). However, these companies also face challenges and disadvantages such as the temporary nature of the jobs generated, the high bankruptcy rate, fierce competition, lack of adequate capital, dependence on innovation and obstacles related to the political environment, government bureaucracy and tax issues. Furthermore, finding qualified employees can be a challenge for MSEs. In view of this, it is essential that the government adopt business-friendly policies and offer affordable financing options to promote entrepreneurship and the development of MSEs (Dos Santos Souza and Da Silva, 2018).

In the long term, MSE's have the potential to significantly boost the country's income, opportunities and Gross Domestic Product (GDP). With a favorable business environment and adequate support for new ventures, these companies have the ability not only to generate more jobs, but also to offer a variety of products and services to consumers (Anagüsko et al., 2020). Therefore, it is necessary to implement liberal policies and a supportive environment conducive to encourage entrepreneurs to take risks and create value both for themselves and for society in general (Dos Santos Souza and Da Silva, 2018).

Micro and Small Companies (MSE's) have a positive impact on the Brazilian economy, providing job opportunities, boosting productivity and fostering innovation. According to Barros and Pereira (2008), these companies generate more jobs than those with 100 or more employees. The Brazilian Micro and Small Business Support Service (SEBRAE, 2022) reveals that MSE's represent a significant portion of the country's business landscape, corresponding to 89.77% of all companies and contributing with 29.5% of the Gross Domestic Product (GDP) nationally.

Additionally, SEBRAE (2022) points out that MSE's are responsible for 54% of all formal jobs in Brazil, employing more workers with a formal contract compared to medium and large companies, as illustrated in Table 1. fundamental role played by MSE's in the country's economic development, since they actively contribute to job creation, increased productivity and GDP growth (Anagüsko et al., 2020; Barros & Pereira, 2008; SEBRAE, 2022).

Table 1 - Micro and small companies in numbers.

VARIABLE	PARTICIPATION (%)	AGAIN	SOURCE
NUMBER OF ESTABLISHMENTS	89,77%	2022	SEBRAE1
FORMAL JOBS	54%	2022	SEBRAE1
GROSS DOMESTIC PRODUCT (GDP)	29,5%	2022	SEBRAE1
VALUE OF EXPORTS	0,5%	2018	SEBRAE2

SOURCES: SEBRAE (2022), SEBRAE (2018). Date Sebrae.

CURRENT SCENARIO OF MSE'S

According to Sponchiato (2020), the current moment in the country is marked by insecurity, resulting from the actions taken by the Federal Government, States and Municipalities to avoid the collapse of the health system. These measures weaken the economic system, which may have a significant impact in the coming years.

With the closure of trade and the population confined to their homes, money stops circulating, affecting industries and distributors. These, in turn, are forced to resort to government mechanisms to face unemployment, adopting reductions in hours and wages, suspension of employment contracts and even layoffs of employees (MINISTRY OF ECONOMY, 2021). MSE's will certainly quickly feel this impact, which could have devastating consequences for this important economic segment.

IMPORTANCE OF MSE'S IN THE BRAZILIAN ECONOMY

Companies play a fundamental role in society, whether in the economic aspect, by generating income and promoting development, in the social aspect, by offering opportunities for access to food, health, education and teaching, or in the entrepreneurial aspect, providing the chance to undertake, create and innovate (Carvalho et al., 2020). MSE's are also included in this context, being essential in the global economic scenario through their direct contribution or by providing services and products to medium and large companies. This statement is reinforced in the Brazilian economic context, since MSE's are supported by specific legislation that establishes the status of Micro and Small Businesses, granting differentiated treatment to these companies, contributing to their creation and survival.

Micro and Small Enterprises (MSE's) play a significant role in the Brazilian economy. According to SEBRAE (2022), these companies represent about 29.5% of the value added to the Gross Domestic Product (GDP) of the country. In addition, in the period from 2006 to 2019, MSE's were responsible for a positive balance of job creation of 13.5 million (SEBRAE, 2020). Their less complex structure also gives them the ability to mitigate the effects of economic downturns while maintaining their operations and workforce. Studies such as De Camargos et al. (2010) point out that MSE's identify business opportunities left by large corporations, contributing in a creative and innovative way to the generation of ideas, products, services and businesses. However, these companies face challenges, such as geographic market limitations, scarcity of financial and human resources, lack of management mechanisms and limited technological capacity (DE CARVALHO et al., 2020; DA SILVA, 2020). Vulnerability to the power of pressure from large suppliers and customers is also a concern mentioned by Da Silva (2020). Faced with these obstacles, MSE's face internal and external difficulties that impact their survival. Table 2 highlights the importance of these companies, with BNDES using the billing criterion and Sebrae considering the number of employees to define their size, and regardless of the criterion used, their contribution to the national economy is relevant.

Table 2 – Importance of MSE's in the Brazilian economy.

VARIABLE	PARTICIPATION (%)	AGAIN	SOURCE
VALUE ADDED TO GDP	29,5%	2022	SEBRAE1
JOB CREATION	13.5 million	2019	SEBRAE2
MARKET SHARE	-	-	Grans e Stern (2003)
RESOURCE LIMITATION	-	-	DE CARVALHO et al. (2020)
FINANCIAL FRAGILITY	-	-	DA SILVA (2020)

SOURCES: A (2022), SEBRAE (2018). Date Sebrae.

It is essential to overcome the challenges faced by Micro and Small Enterprises (MSE's) in Brazil, in order to allow them to prosper and contribute even more to the country's economy. In this sense, support and incentive measures, both from the government and from other institutions, are necessary to strengthen this business segment and enable its full development. These actions are essential to stimulate job creation, foster innovation and boost economic growth (CARVALHO et al., 2020). The importance of MPE's can be seen in table 2, where it is observed that, regardless of the criterion used, be it the billing by BNDES or the number of employees by Sebrae, these companies represent a significant percentage for the national economy.

Table 3– Comparison of the number of companies by size.

VARIABLE	Nº. OF COMPANIES (BNDES)	%	Nº. OF COMPANIES (SEBRAE)	%
MICRO	386.365	14,1	2.286.962	83,7
SMALL	1.910.867	69,9	373.514	13,7
AVERAGE	201.748	7,4	38.905	1,4
BIG	3.278	0,1	33.593	1,2
OTHERS*	230.716	8,4	-	-
TOTAL	2.732.974	100	2.732.974	100

SOURCE: BNDES (presumed revenue criterion), 2020.

OBSERVATION: "Others*" refers to legal entities for which it was not possible to estimate presumed revenue.

EMPLOYMENT GENERATION IN MICRO AND SMALL ENTERPRISES (MSE'S)

In the context of the Brazilian business sector, micro and small companies (MSE's) play a significant role. According to SEBRAE (2022), approximately 90% of companies in the country are classified as MPE's, accounting for 54% of formal jobs in the private sector. In 2019, these companies contributed to the generation of 13.5 million jobs (SEBRAE, 2020).

Regarding the measures adopted to reduce personnel costs during the pandemic, a SEBRAE survey (2020) revealed that, among entrepreneurs who have employees, 29% suspended employment contracts, 26% reduced working hours with a reduction in wages, 13 % granted collective vacations and 11% adopted the reduction of working hours with unemployment insurance compensation. In addition, 50% of the companies that used Provisional Measure n. º 936/2020 stated that they had reached the limit currently allowed by this measure, which refers to the proportional reduction of hours and wages, as well as the temporary suspension of employment contracts.

The significant increase in self-employed workers without registration with the CNPJ and the growth of informality in the private sector, as pointed out by the IBGE (2020), highlight the relevance of Micro and Small Companies (MSE's) in generating employment in Brazil. The informality rate reached worrying levels, representing around 38.8% of the employed population, highlighting the challenges faced by MSEs, especially during periods of crises such as the pandemic. In this context, it is essential to adopt public policies and effective actions that encourage the growth of MSE's, simplify the processes of opening and regularizing businesses, promote the training of entrepreneurs and facilitate access to financial resources, thus contributing to the formalization of the labor market. and sustainable economic development.

The creation of a favorable environment for the growth of MSE's requires the implementation of comprehensive measures ranging from the simplification of bureaucratic processes to the offer of lines of credit adequate to the needs of these companies. In addition, it is necessary to invest in training programs and technical support, aimed at strengthening entrepreneurs and increasing business competitiveness. The formalization of MPE's not only provides greater security and stability to workers, but also contributes to the transparency of the business environment, stimulating fair competition and sustainable growth in the sector. In this way, the commitment of government institutions, together with civil society, is essential in the implementation of public policies that value and boost the role of MSEs in generating employment and income, thus promoting social inclusion and economic development in the country.

Tables 4 and 5 show the large volume of jobs generated by MSEs, regardless of the criteria.

Table 4 – Distribution of employment by company classification. BNDES (assumed revenue criterion). SEBRAE (number of employees criterion).

VARIABLE	BNDES JOBS	% BNDES	SEBRAE JOBS	% SEBRAE
MICRO	698.337	1,5%	7.434.239	15,9%
SMALL	10.777.581	23,1%	8.085.290	17,3%
AVERAGE	13.606.587	29,2%	3.925.594	8,4%
BIG	7.436.884	15,9%	27.185.992	58,3%
OTHERS*	14.111.726	30,3%	-	-

TOTAL | 46,631,115 | 100% | 46,631,115 | 100% *Legal entities for which it was not possible to estimate presumed revenue. **SOURCE:** BNDES, 2020

Table 5 – Evolution of the distribution of jobs by size of establishment, BRAZIL 2009 to 2018 (IN ABSOLUTE NUMBERS).

VARIABLE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
MEPS	14.968.121	15.728.072	17.095.305	17.746.933	18.304.078	18.705.897	18.437.984	17.846.439	17.739.414	17.786.319
MICRO	6.968.478	7.211.877	7.863.952	8.182.989	8.472.215	8.715.361	8.720.594	8.534.424	8.449.913	8.395.428
SMALL	7.999.643	8.516.195	9.231.353	9.563.944	9.831.863	9.990.536	9.717.390	9.312.015	9.289.501	9.390.891
MGE'S	13.386.435	14.506.995	15.685.696	16.235.150	16.613.597	16.687.475	15.593.306	14.639.312	14.638.153	15.036.698
AVERAGE	4.301.465	4.670.549	4.944.056	5.079.160	5.186.183	5.172.875	4.813.310	4.522.785	4.504.916	4.582.951
BIG	9.084.970	9.836.446	10.741.640	11.155.990	11.427.414	11.514.600	10.779.996	10.116.527	10.133.237	10.453.747
TOTAL	28.354.556	30.235.067	32.781.001	33.982.083	34.917.675	35.393.372	34.031.290	32.485.751	32.377.567	32.823.017

SOURCE: SEBRAE, 2020.

According to BDNES (2020), Micro, Small and Medium Enterprises (MSMEs), in the BNDES classification, represent 53.8% of employment in the country, but according to SEBRAE, they represent 41.7%. Table 5 shows the evolution of numbers between 2009 and 2018.

Table 6 - Evolution of the distribution of jobs by size of establishment – Brazil 2009 to 2018 (in %).

VARIABLE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
MEPS	53	52	52	52	52	53	54	55	55	54
MICRO	25	24	24	24	24	25	26	26	26	26
SMALL	28	28	28	28	28	28	29	29	29	29
MGE'S	47	48	48	48	48	47	46	45	45	46
AVERAGE	15	15	15	15	15	15	14	14	14	14
BIG	32	33	33	33	33	33	32	31	31	32
TOTAL	100	100	100	100	100	100	100	100	100	100
TOTAL IN ABSOLUTE NUMBERS	28.354.556	30.235.067	32.781.001	33.982.083	34.917.675	35.393.372	34.031.290	32.485.751	32.377.567	32.823.017

SOURCE: SEBRAE, 2020.

MORTALITY AND BIRTH RATE OF MSE'S

The study of the birth and survival rates of Micro and Small Enterprises (MSE's) is of great importance for the formulation of public policies and for financial institutions with regard to the granting of loans (VAN PRAAG, 2003). The MSE's mortality rate is calculated by dividing the total number of closed companies by the number of companies incorporated in a given period. In Brazil, SEBRAE is responsible for calculating, disclosing these data and analyzing the main factors that contribute to the closure of these companies.

The MPE's have high birth rates, however, on the other hand, they also have high mortality rates. A study carried out by SEBRAE in 2010 showed that 27% of companies opened between 2007 and 2008 ended their activities in the first year, 37% in the first two years, 46% in the first three years, 50% in the first four years and 58% in the five first years. This study also revealed that the social cost of mortality for 84,000 companies in the state of São Paulo alone was 348,000 jobs, 1.4 billion in invested capital and 18.2 billion in revenues (SEBRAE-SP, 2010).

According to SEBRAE (2016), microenterprises incorporated in 2012 had a mortality rate of up to two years of 45%. Chiavenato (2004) points out that the main causes of mortality in these companies are, in order of importance, inexperience, economic factors, insufficient sales, excessive expenses, among others. Franco and Hase (2010) state that the causes of mortality of MSE's may be related both to endogenous factors (controllable by the company itself and its managers) and to exogenous factors (from the environment where the company operates).

Companies evolve through a recognizable series of stages known as the organization lifecycle. To deal with the different problems that arise in each phase, different management skills, priorities and structural configurations are required (HANKS, 1990).

According to Lester et al. (2003), the study of the life cycle of organizations is an approach used to understand the changes that occur over time in companies, using elements similar to the human life cycle, such as birth, growth, maturity, decline and rejuvenation. Each stage of the life cycle presents distinct characteristics of organizations, which allows managers to understand the dynamics of their companies and apply appropriate management models, as well as adopt appropriate strategies for each stage.

Hanks (1990) points out that the analysis of the particularities of organizations throughout their life cycles enables the promotion of necessary changes for continuous growth and development. This understanding of the phases that companies go through contributes to the implementation of measures aimed at improving their performance and overcoming the specific challenges of each stage.

Micro and small enterprises (MSEs) appear in different contexts, with the establishment of these companies being common as a short-term alternative for obtaining income, after the loss of a paid activity. Other forms of creation include outsourcing activities, individual entrepreneurship and the succession of family businesses. However, many MSEs are conceived without adequate strategic planning, which can contribute to the fragility of these businesses if minimum practices are not adopted during their activities (DIAS et al., 2014).

Although MSEs have certain advantages, such as ease of establishment and market entry, less management and production complexity, in addition to reduced legal and commercial requirements, they also face challenges, such as lack of financial resources, inexperience in management, lack of strategic planning and difficulties in accessing credit (De Camargos et al., 2010). During periods of crisis, smaller companies tend to be particularly affected (BOURLETIDIS, 2013). However, there are perspectives that argue that MSEs are better able to adapt to crises, exploring market niches and adopting better business practices (BOURLETIDIS, 2013; WRIGHT et al., 2015).

In the face of a crisis, specific strategies can be adopted by companies, including cost reduction, maintenance of operations, strategic innovation and, in some cases, the closure of activities (Wenzel et al., 2020). Crises can also provide opportunities for training and improving operations (Kraus et al., 2020). De Carvalho et al. (2020) highlight the importance of financial management, especially for MSEs, which often operate with limited working capital resources for long periods. Proper management of financial resources becomes even more crucial during economic downturns for allowing enable MSEs to face the challenges of scarce resources and financial uncertainties.

The survival of small businesses can be attributed to several reasons (Guerra, 2010). Among them, we highlight the performance in productive segments neglected by large companies, the complementarity and subordination in relation to these companies, the increase in the surplus of these large companies due to the payment of lower wages and the higher production costs of small companies, the existence of a wide supply of entrepreneurs and the absence of barriers to entry in highly competitive sectors, preventing the continuous exploitation of economies of scale and allowing the emergence of new small companies. In addition, the entrepreneurs' personal satisfaction in being business owners, the ability to subcontract, adaptation to small local markets and the possibility of adopting new forms of industrial organization and production methods also contribute to the survival of these businesses.

However, Guerra (2010) also highlights some difficulties faced by small businesses. These difficulties include limited access to credit, lack of access to new technologies, the difficulty of acquiring sophisticated equipment, the scarce budget for advertising expenses, the difficulty of strategic planning due to the multiple demands faced by the managers of these businesses, the power of reduced bargaining for purchases and transport due to the scale of production, low profits due to intense competition and limited budget for the creation of research and development departments, making it difficult to generate innovation.

IMPACT OF THE COVID-19 PANDEMIC ON MSEs

On March 11, 2020, the World Health Organization (WHO) declaration of a global health crisis due to the spread of the new coronavirus (Sars-CoV-2) resulted in the implementation of preventive measures to contain the spread of the disease. People-traffic restrictions and social distancing were adopted as key strategies to deal with the situation.

As of July 8, 2022, the COVID-19 pandemic has accumulated more than 551.23 million confirmed cases and 6.35 million deaths worldwide, according to WHO. The report also reveals that more than 12.04 billion doses of vaccines have been administered globally, representing a significant effort to immunize the population.

In Brazil, until July 7, 2022, 32,759,730 confirmed cases and 673,073 deaths were registered, according to data from the Federal Government's COVID-19 Panel. The South region had the highest incidence per 100,000 inhabitants, with 23,406.2 cases, while the Midwest region had the highest mortality rate, with 393.8 deaths per 100,000 inhabitants. As for vaccination, approximately 453.21 million doses were administered in Brazil up to the same date, with approximately 177.54 million people immunized with at least the first dose, according to Federal Government vaccination panel.

The social isolation measures implemented in March 2020 were aimed at mitigating the spread of the virus and reducing the number of deaths, aiming prevent the collapse of the health system. These actions generated a debate between the need to maintain economic activity and the protection of public health. In addition to the direct implications on the population's quality of life due to the reduction in economic activities, social isolation, distancing and uncertainties, such as job losses and the risk of contagion, also affected people's psychological aspect (Dos Santos et al., 2020).

The drop in demand and the resulting deflation affected corporate profits and business expectations, leading to a decrease in investment. In addition, the reduction in the economy's income affected the consumption capacity of families. These economic impacts were observed from February 2020, with the slowdown of the Chinese economy and later Europe, Brazil's main trading partners, as highlighted by Da Silva and Da Silva (2020) based on Comex Stat data.

Faced with this crisis, França Filho et al. (2019) highlight the importance of public policies directing efforts towards social impact activities, such as art, culture, sports, health, education and social assistance. These activities, although not self-financing, have significant social relevance. It is essential that the government program not only guarantee the immunization of the population and allocate resources for health, but also provide financial support to states and municipalities, expand debt refinancing programs for low-income people, secure resources for health, implement an income program for informal workers during the crisis and establish emergency lines of credit with attractive rates for the working capital of MSEs.

The economic crisis triggered by COVID-19 has different characteristics from previous crises, as observed by Junior and Santa Rita (2020). While previous crises were caused by supply shocks, such as problems in the economy's productive capacity as a result of wars or the bursting of financial bubbles, with asset deflation and the collapse of the credit system, directly affecting supply and demand, the current crisis was triggered by social isolation. This differentiation underscores the need for specific approaches to address the economic challenges generated by the COVID-19 pandemic.

However, the social isolation measures adopted by governments to contain the spread of the virus had a negative impact on economic production and employment. The lack of adequate public policies exacerbated the reduction in economic activity and contributed to the increase in unemployment, as highlighted by Junior and Santa Rita (2020). The economic crisis resulting from the pandemic is an unwanted and temporary process, but its prolonged duration can lead to scarcity of financial resources and the bankruptcy of companies (GLAESSER, 2006).

The restrictions imposed on the market during the COVID-19 pandemic affected several sectors, leading to the partial closure of industries, shops and services. These measures resulted in a decrease in revenues and an increase in the financial difficulties of the companies, which were forced to seek third-party capital to cover their costs and expenses. The federal government predicted a series of economic impacts, including a reduction in exports, a drop in commodity prices, interruption of the production chain, worsening financial conditions and a decrease in the flow of people and goods (Ministry of Economy, 2020). The economic consequences of the pandemic affected both informal workers, who saw their sources of income directly affected, and formal workers, who faced a reduction in workload and wages (De Carvalho, 2020).

Micro and small enterprises (MSEs) were severely affected by the crisis, facing cash management difficulties, especially in the food away from home, tourism and transport sectors, as highlighted by Da Silva and Da Silva (2020). In the agricultural sector, there was concern about the interruption of regional agricultural value chains, which would represent a risk to the food security of the population, due to the restrictions imposed on the links in the production chain. In addition, it was expected that foreign trade would be impacted by the pandemic, due to restrictions on the entry of foreign products, generating planning and logistical problems.

Given these circumstances, state intervention is necessary to stabilize the market economy and preserve the well-being of society. The State plays a key role in implementing economic, fiscal, monetary, exchange rate and income policies, in addition to regulating the financial market, with a view to raising business expectations and avoiding an economic depression caused by insufficient demand. The National Bank for Economic and Social Development (BNDES) also contributed with support measures, such as the provision of up to 40 billion reais to finance two months of payroll for small and medium-sized companies, with a 30-month payment period., as long as the benefited companies did not dismiss employees without just cause (BNDES, 2020). These initiatives aim to mitigate the negative impacts of the crisis and promote economic recovery.

According to Becker (2020), the main income policy adopted by the federal government for workers was Emergency Aid aimed at informal workers, individual micro-entrepreneurs, the self-employed and the unemployed. This aid consisted of a monthly payment of R$600.00 for 3 months, in accordance with established criteria. Federal Law No. 13,982 came into effect on April 2, 2020 and relaxed the per capita family income limit for access to the Continuous Cash Benefit. Subsequently, through Provisional Measures No. 1,000 and No. 1,039, and Decree No. 10,740, Emergency Aid was extended and continued to be paid in 2022.

Facing the economic and social crisis requires implementing government measures aimed at increasing companies' liquidity, preserving purchasing power and combating business closures and layoffs. It is important to emphasize that economic crises are complex events that demand a multidimensional approach to overcome them. In addition to emergency actions, medium and long-term strategic planning is required, with a focus on sustainable economic recovery.

In this context, investment in technology and innovation plays a key role. The acceleration of digital transformation during the pandemic has opened up opportunities for micro and small businesses to adapt and strengthen their market presence. The adoption of technological tools and the migration to the online environment enabled greater access to markets and greater visibility, becoming a relevant factor in considerations of competition policies. In addition, it is crucial that public policies are directed towards activities with a social impact, such as art, culture, sports, health, education and social assistance, which, although not self-financing, have a high social utility.

The economic crisis triggered by the COVID-19 pandemic differs from previous crises, since its trigger was social isolation. While previous crises were caused by supply shocks resulting from problems in the economy's productive capacity, such as wars, or by bursting financial bubbles, with asset deflation and collapse of the credit system, directly affecting economic supply and demand, the crisis The current situation stems from movement restrictions and social distancing. Therefore, it requires specific approaches that consider the particularities of this challenging context.

According to Martins (2019), after the pandemic, it is necessary to think about a development model that is not limited only to the economic aspect, but that also promotes practices of solidarity, democracy and territoriality. In this sense, public policies must include means of cooperation between economic market agents in local production, marketing, service provision, consumption and financial services activities. In addition, it is important to emphasize support for the implementation and maintenance of solidary economy entities, such as cooperatives, associations, foundations and solidary economic enterprises.

A set of measures aims to strengthen the active participation of local actors and promote the appreciation of the local economy, thus seeking a more equitable distribution of the wealth generated. Solidarity economy, based on the principles of cooperation, self-management and economic justice, plays a fundamental role in this context. In this sense, it is crucial to encourage and support solidarity economy initiatives, as these can significantly contribute to post-pandemic economic reconstruction in an inclusive and participatory manner.

In addition to focusing on solidarity economy entities, it is also important to consider the role of private for-profit companies in promoting the distribution of wealth. These companies are able to adopt responsible practices, such as valuing workers and actions of social and environmental responsibility, playing an important role in building a fairer and more sustainable economy. Therefore, public policies must be directed towards promoting these practices and encouraging cooperation between different economic actors, thus strengthening the local economy, guaranteeing the generation of employment and income, and promoting development in a balanced and solidary way.

Figure 1- shows the impact of the COVID-19 Pandemic on MSEs' revenues.

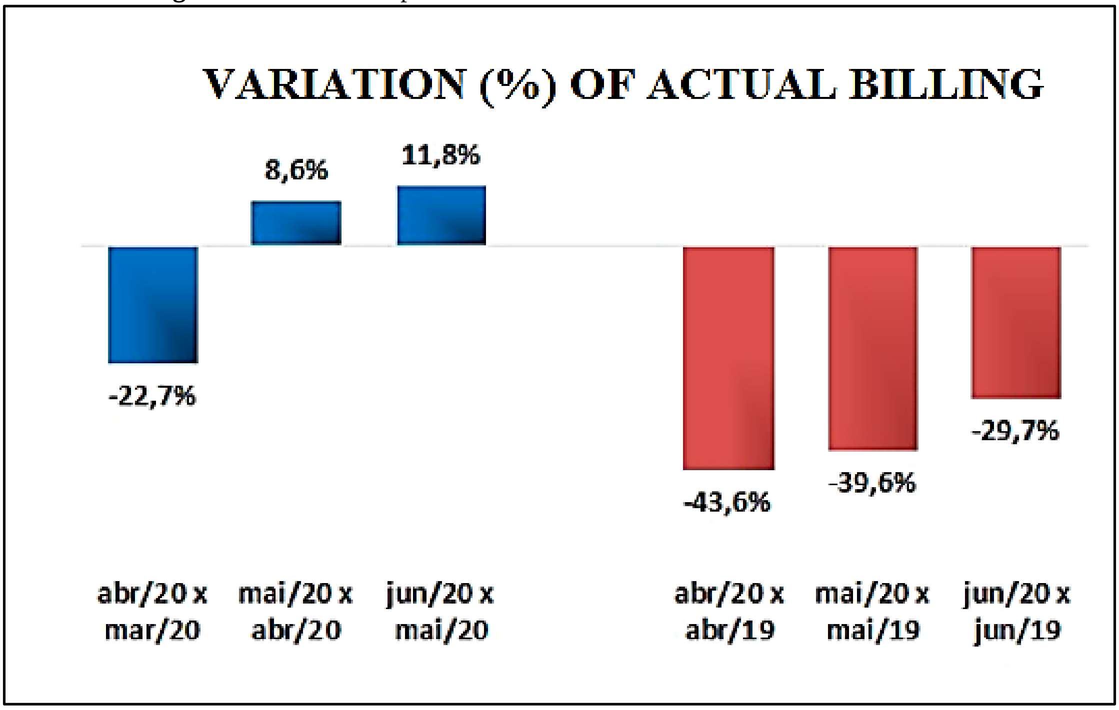

FIGURE 1 – Variation (%) of MSE's billing. **SOURCE:** SEBRAE, 2020.

NEW INSTITUTIONAL ECONOMY (NEI)

New Institutional Economics (NEI) is a broad and relatively new multidisciplinary field that encompasses aspects of economics, history, sociology, political science, business organization, and law. Oliver Williamson coined the phrase "New Institutional Economics" (Coase, 2000), but it is widely known that NEI originated with Coase's 1937 paper entitled "The Nature of Enterprise". That article and his other famous essay, "The Problem of

Social Cost" (1960), initiated what many, including North (2000), considered a revolution in economics. This new direction of economics considers that the transaction cost, determined by institutions and institutional arrangements, is the key to economic performance (GALA, 2020).

North (1990) states that the role of institutions is to guide human activity, whose objective is to reduce the cost of their interactions and thus contribute to economic efficiency. Cost reduction can mean greater gains in business transactions. When transactions have high costs, the role of institutions becomes even more important (COASE, 1988).

The old institutional school defended that institutions were a key factor to explain and influence economic behavior, but with little analytical rigor and outside the framework of neoclassical economics (CAVALCANTE, 2020). On the other hand, neoclassical economics ignored the role of institutions, and economic agents operated almost as if they were in a vacuum (JABBOUR; DANTAS, 2021). NEI recognizes the important role of institutions, but argues that it is possible to analyze institutions within the scope of neoclassical economics (GALA, 2020).

In other words, under NEI, some of the unrealistic assumptions of neoclassical economics, such as perfect information, zero transaction costs, and total rationality, are relaxed, but the assumption of selfish individuals trying to maximize a constrained objective function still holds (GALA, 2020). Furthermore, institutions are incorporated as an additional constraint in the structure of the NEI. As mentioned by Langlois (1986), the problem with many of the early institutionalists is that they wanted an economics with institutions but no theory, while the problem with many neoclassicals is that they want economic theory without institutions. The goal of New Institutional Economics is to provide an economy with theory and institutions.

There is a bidirectional causal relationship between institutions and economic growth. On the one hand, institutions exert a significant influence on economic growth, shaping the conditions for economic efficiency and development. On the other hand, economic growth and development often result in changes in institutions as new demands and challenges arise. This perspective is shared by Cavalcante (2020), who highlights the importance of understanding the dynamic interaction between institutions and economic growth. In addition, the influence of institutions on transaction costs and coordination possibilities also contributes to institutional variation observed in different countries and to different paths of economic development, as discussed by Coase (2000).

New Institutional Economics also emphasizes the importance of property rights as a key element in economic structure. Under this approach, well-defined and protected property rights are critical to ensuring economic efficiency and promoting development. Legal and regulatory institutions play a crucial role in creating an enabling environment for the guarantee of property rights, as pointed out by North (1990). Furthermore, corporate governance is another core concept at NEI, as the institutions that regulate how companies are governed have a significant impact on organizational efficiency and competitiveness. Efficient corporate governance promotes investor confidence and facilitates fundraising, contributing to the smooth functioning of companies (Cavalcante, 2020).

The expansion of economics into other social sciences has resulted in a theoretical integration of the social sciences under a broader paradigm. NEI, as a multidisciplinary field of study, reflects this integration, encompassing a variety of disciplines that contribute to the understanding of institutions and their impact on economic development. While there is still some debate about the limits and scope of the NIS, it is widely recognized that fields such as new economic history, public choice, transaction cost economics, and information economics play important roles in the analysis of institutions at the macro and micro. This multidisciplinary nature of the NEI reflects its relevance to the comprehensive study of institutions and their role in the economy.

The New Institutional Economics (NIE) approach to institutions and development is primarily concerned with overcoming market failures and providing public goods at the macro level. This involves the need for regulation, establishment of clear property rights, investments in education, judicial services and other institutional mechanisms. However, at the micro level, the institutional solution is often attributed to the state, rather than collective and non-state institutions such as business associations. This view is emphasized by Ozelame (2021) as a prominent feature of the NEI, highlighting the importance of institutions in correcting market imperfections and promoting economic development.

A second bias in the NEI, however, presents challenges to overcome, referring to the paradigmatic negative presumption against special interest groups. This presumption, initially explored by Olson (1965) in his work on associations and collective action, is reinforced by North's (1990) perspective that considers institutions only as formal and informal rules, such as constitutions, legal systems and norms, together with their application mechanisms. This approach within the NEI does not recognize organizations as institutions, as these are supposed to embody particular interests, as opposed to broader institutions. This point is emphasized by Queiroz-Stein (2021), highlighting the need to overcome this restricted perspective and consider organizations as relevant institutional entities for economic development.

For De Azevedo (2000), briefly, the theoretical investigation allowed identifying, as the main contributions of the New Institutional Economics, the following aspects:

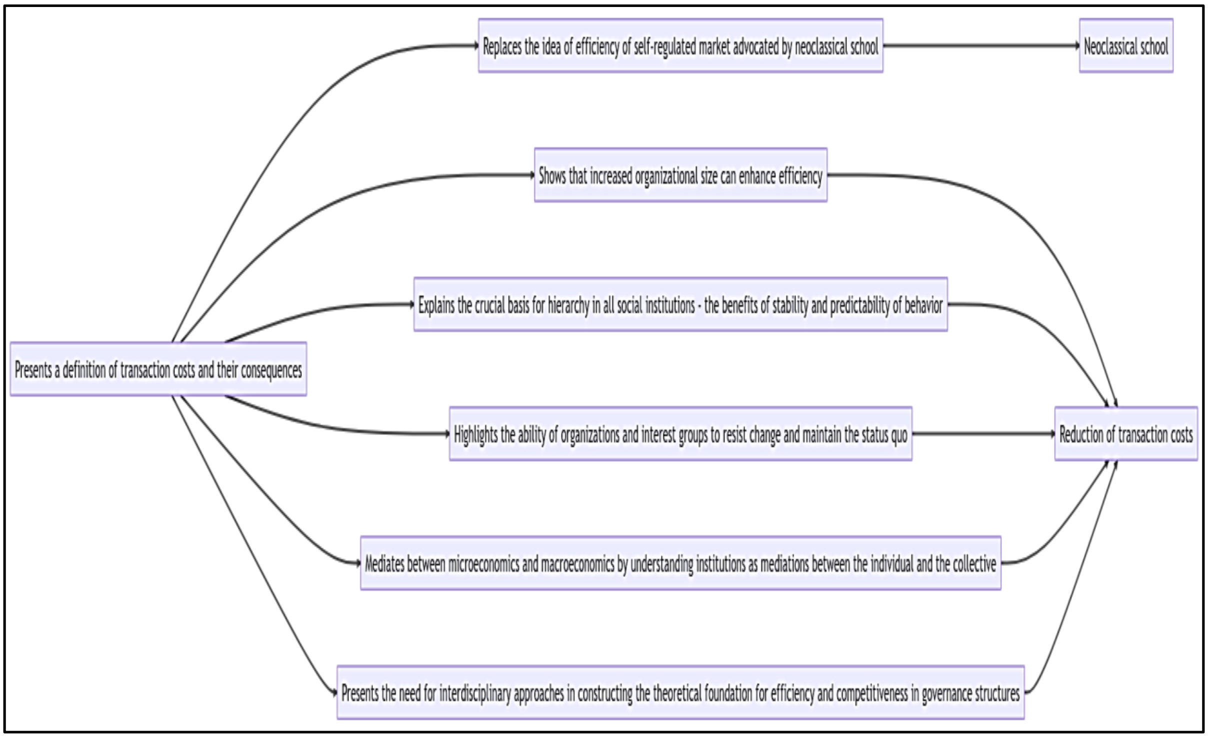

FIGURE 2 -Contributions of the New Institutional Economics; Fitted by the authors. **SOURCE:** De Azevedo (2000).

According to Theret (2003), the New Institutional Economics encompasses different approaches that focus on specific aspects. These approaches include the analysis of forms of organization, such as the company, explored by authors such as Coase and Williamson. In addition, there is a focus on economic history and institutional change, represented by the contributions of North and Matthews. Finally, there is a line of study that focuses on equilibrium situations in strategic interactions, based on the game theory of Schelling, Schotter and Shubik. Although these currents may develop in different ways, they share a common perspective in relation to institutions, adopting an optimizing calculus approach and assuming an instrumental-functionalist and contractual position. This view considers institutions as effective modalities for coordinating actors that complement or compensate for market mechanisms.

The shift from the market to institutions, both in theories and policy recommendations, is seen as a consequence of D. North's contributions to institutional economics, as well as the flaws observed in transition experiments carried out in countries that followed the main prescriptions of international organizations. These failures were the origin of an important change in political orientations, moving from an approach centered on "privatization, liberalization and stabilization" - encouraged in the 1980s and which gave rise to the debates that drove the New Institutional Economics - to an emphasis on "reforms". of governance", as pointed out by Roland (2008). The influence of Douglas North's contributions to the revitalization and dissemination of institutional economics is evident in his assessment of New Institutional Economics, highlighting the importance of his work in Cliometrics and his application of contractual analysis, including considerations of transaction costs and relationships between agents, to the theory of long-term growth (Desquech, 2002).

D. North's approach to economic growth and development is the subject of discussion because of its magnitude and its difference from the dominant conception. Over time, North's views evolved from a conceptualization aligned with neoclassical economics to a less traditional analysis, even showing similarities with heterodox approaches, such as those of American institutionalism. Despite changes in his orientation, North continues to emphasize the central role of institutions in long-term growth and economic development, representing an original and meaningful perspective.

Modern theories of economic growth, particularly "endogenous theories of economic growth", highlight the importance of countries' capabilities in terms of technological innovation, investment in infrastructure and adequate educational standards to drive growth. Within this context, D. North argues that the differences in the paths and paces of growth between countries are mainly explained by differences in their institutional architectures. He conceptualizes institutions as the "software" of the economy, complementing the physical infrastructure that can be considered the "hardware". In addition, North points out that institutions are enduring and path-dependent, contributing to long-term divergences in international growth trajectories.

Regarding economic performance, D. North also emphasizes how institutions affect different aspects. They provide security, reduce uncertainty in transactions, and create incentives for economic actions such as capital accumulation and education efforts. Institutions have the role of enforcing contracts and enforcing legal rules in an ever-evolving economy, where impersonal transactions replace the personal relationships of the past. This approach underscores the importance of institutions as facilitators of economic activity and as key elements in understanding growth and development processes.

In the field of economic development, economists have sought to empirically confirm the importance of institutions in relation to other determinants, such as geographic factors. While some contributions emphasize the primacy of institutions in long-term growth, others recognize the influence of geography, although economic tests point to the predominance of "quality of institutions" in the level of income (Rodrik et al., 2004). These discussions highlight the complex interactions between institutions, geography, and other factors in understanding economic growth and development.

The influence of other factors, such as geography or integration in international trade, seems to be only indirect, through the influence on the quality of institutions. Another argument in favor of institutional factors over natural characteristics is the "reversal of fortune" in economic prosperity. This "reversal of fortune" is illustrated by the case of the richest civilizations of the 1500s, which have become some of the poorest countries today (Acemoglu et al., 2005). By contrast, North America and other territories less developed in the 1500s are now among the richest in the world.

A first consequence is that geographic factors cannot be the main cause of growth. The proposed explanation for the reversal of prosperity lies in the difference between the colonial experiences of these two regions. The richest countries of the 1500s experienced a type of colonization dedicated to the exploitation of resources and population. This form of colonization generated institutions that did not promote economic growth, but only economic exploitation. On the other hand, the colonization of the "new world", less developed, introduced institutions more favorable to the promotion of economic activity. Therefore, from North's point of view, economic institutions are the essential cause of economic growth and differences between countries in economic performance over time. The emphasis on human institutions rather than natural and other more traditional factors is the main feature of this perspective. Furthermore, a first feature of NEI (New Economic Institutionalism) is to bring an empirical assessment and some measures to North's institutional economics. In addition, transition experiences also contributed to the fact that, in economic analysis, "institutions moved to the center of the debate" (Stiglitz, 2001).

If international organizations fail to define efficient economic measures for developing countries, this may stem from the difficulty of reaching agreement on what exactly constitutes an institution. It is observed that some NEI authors increasingly expand the limits of the definition of an economic institution, while other traditional authors and practitioners, in conventional institutional organizations, prefer to maintain a more restricted conception (STIGLITZ, 2001; ROLAND, 2008; KAUFMANN et al., 2009).

Economic institutions are often reduced to property rights and contract law. D. North defines institutions as all kinds of rules that organize individual behavior: these rules are subject to informal restrictions, such as customs, traditions or taboos, and to formal restrictions, such as legal rules, property rights or constitutions, in addition to provisions of application dedicated to the execution of all these previously mentioned restrictions.

North emphasizes formal rules in his initial analysis and relates them to economic performance. Formal economic institutions are not only constraints but also incentives to contribute to wealth, as they "determine the payoffs" for economic actions. His analysis of the long-term development caused by an adequate legal system to encourage investment in education, capital, and more generally individual economic activity is widely known. As a consequence, for developing countries, absolute property rights can reduce expropriation, facilitate gains from trade and act as collateral for credit (DE SOTO, 2005), transforming property into productive capital. As explained by Stiglitz, "the view that institutions (formal, I would add) arise to fill gaps in the market and thereby increase economic efficiency, sometimes called North's early view, became very strongly defended by a short period in North America - which North has now rejected - by many of his early followers, including some in domestic institutions" (STIGLITZ, 2001).

Many authors have developed data sets that offer a comparative view of institutional performance, focusing mainly on the legal system (Djankov et al., 2003), the political system (Kaufmann et al., 2009) or on microeconomic indicators, such as the time required to register a business or resolve a business dispute in court, as reported in the World Bank's "Doing Business" report. The Global Governance Indicators show a significant improvement in "institutional quality" during the second phase of the transition. However, the "highly normative conception" that inspires the reforms recommended by international organizations is currently insufficient. "The question of how institutional reform takes place and how to carry out institutional reforms in the context of transition (and development, I would add) is still poorly understood" (ROLAND, 2008).

There is a growing literature devoted to micro, small and medium-sized enterprises (MSEs), which play a significant role in economic activity, particularly in developing economies. Economists also consider the relationship between political and economic institutions, as well as the nature of power, while exploring the nature of institutional change as an extremely important aspect (KAUFMANN et al., 2009). Pereira (2019), citing North (1990), recognizes that the general norms, both formal and informal, of each country, are an important mechanism that influences entrepreneurial capacity and, consequently, total factor productivity. These rules are fundamental elements for the flourishing of entrepreneurial capacity (PEREIRA, 2019).

Development economics analysis and recommendations, which previously focused on the role of markets and were inspired by mainstream economics embraced by MSEs, are now centered on institutions. Thus, there is a growing literature devoted to the analysis of institutions and their functions in economies, both from a micro and a macro point of view, establishing the role of MSEs within the NEI (DJANKOV et al., 2003).

The behavior of economic agents in micro, small and medium-sized enterprises (MSEs), together with institutional arrangements and the institutional environment, play a significant role in influencing the mortality and survival rates of these companies. Characteristics of companies, owners, strategies, planning, entrepreneurial behavior and institutional environment are some of the factors that affect these rates, as pointed out by Cunha Junior (2009). Faced with the difficulties faced by MSEs to modernize and compete in a highly competitive environment, data on the mortality of these companies show the challenging reality they face (NETO, 2003). In this context, network structures emerge as an alternative for MSEs.

Networks can be understood as a third organizational form, since they are neither hierarchies nor markets (POWELL, 1990). They represent an alternative to market forms and vertical integration, as they involve horizontal and vertical exchange structures, interdependence of resources and reciprocal lines of communication (POWELL, 1990). Although Williamson recognizes the existence of hybrid models located between the pure forms of market and hierarchy, these models are not sufficient to understand complex exchanges (POWELL, 1990). Complex exchanges involve a wide range of variables not yet explored by NIS theorists.

Neto (2003), in his studies of networks as alternatives for MSEs to act like large companies in institutional thinking, highlights:

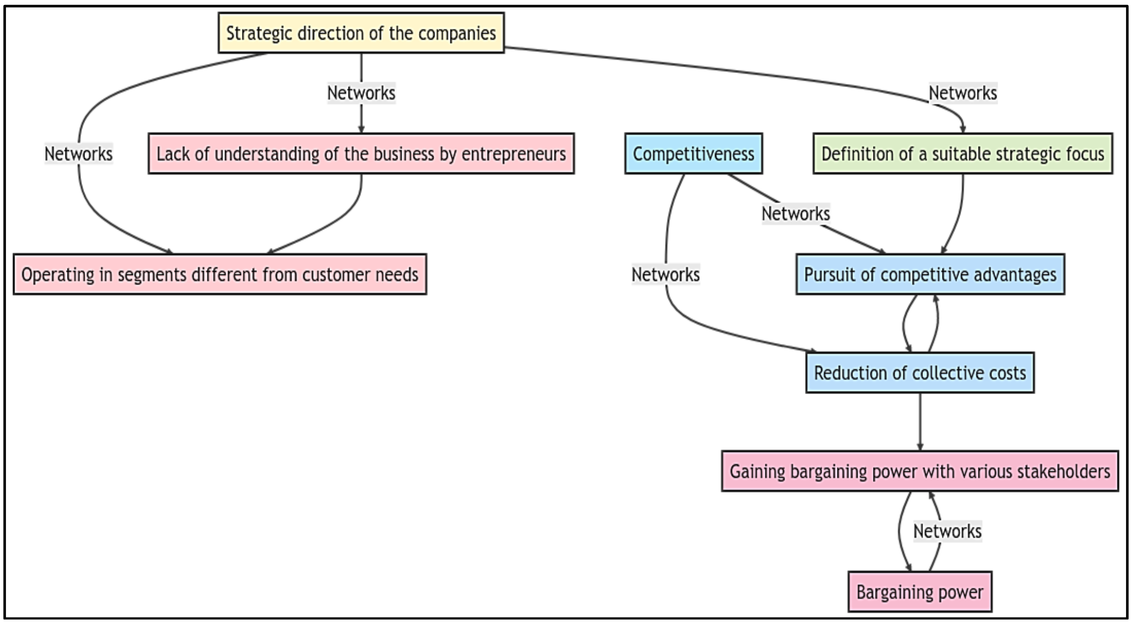

FIGURE 3 -Alternative network for MSEs. Fitted by the authors.
SOURCE: Grandson (2003).

Teixeira (2001) points out that the current highly competitive global environment drives the emergence of more flexible structures, which move away from centrally coordinated and highly hierarchical forms. Given this scenario, organizations have sought to overcome the challenges imposed by competitiveness and the dynamism of the environment through the formation of networks. According to SEBRAE (2014), there are several cooperative strategies that have a formal organizational form, known as "Collective Enterprises". Among the various forms of institutional formalization of these undertakings, the eight alternative forms of governance for

MSE's stand out: consortium of companies, networks of companies, cooperative, associations, local productive arrangements (APL), clusters and virtual companies.

NEW ECONOMIC SOCIOLOGY (NSE)

According to Swedberg (2006), "Economic sociology is a term that was rarely heard a decade ago, but has become quite popular again. Today, sociology departments are classified according to their prominence in this field, and a respectable number of articles and books that label themselves as 'economic sociology' appear every year". Graça (2005), in turn, rightly points out that "in the area of social theory in recent decades, the emergence of the 'new economic sociology', with authors such as Mark Granovetter and Richard Swedberg, is a fundamentally relevant and significant fact".

One of the most important developments in the social sciences in recent decades has been the attempt to fill the gap left by the failure of economics to investigate economic institutions. It is precisely in this context that the emergence of the New Economic Sociology must be understood (Swedberg, 1997).

However, as Graça (2005) mentions once more, the NSE dared to refute, even partially, some of the assumptions and methods of academic economics. At the same time, however, she has been quick to delimit the scope of this rebuttal and, once again, has tended to backtrack and fall back on the traditional self-legitimizing claim that there are a number of analytical perspectives or approaches and that her own view is only one. among several, in juxtaposition with, not in opposition to, economics.

The New Social Economy has its roots in a series of studies from the early 1980s. However, if one had to pick a specific year to mark its true "birth", it would be 1985, the year of publication of the most popular article in the New Social Economy. contemporary economic sociology, "Economic Action and Social Structure: The Problem of Embeddedness", by Granovetter (cf. Swedberg, 1997: 161-162). However, it is important to point out that, unlike modern economics, economic sociology still lacks a central core of ideas and concepts that have gone through a process of shaping, combining and refining over a considerable period of time.

Rather, economic sociology, like the field of sociology, consists of a set of competing perspectives, some more coherent than others (Swedberg, 2006). However, some central concepts gained prominence. Among them is the concept of "Embeddedness" and the related concept of social networks. Swedberg states that "by far the most famous concept in current economic sociology is that of 'Embeddedness'" (2006). Krippner adds: "The notion of 'Embeddedness' enjoys a privileged - and thus far, mostly unchallenged - position as the central tenet of economic sociology. Indeed, the term has gained wide acceptance as representing the central unifying themes of the subfield" (Krippner, 2001). The centrality of "Embeddedness" for the "new economic sociology" (from the mid-1980s until today) is unquestionable (Swedberg, 2006).

Swedberg notes that Granovetter (1985) introduced a concept of "Embeddedness" that not only differs from Polanyi's (2003) concept, but is also more analytically useful. First, he challenged the political dimension of Polanyi's ideas, arguing that pre-capitalist economies were as embedded as the capitalist economy itself, since both are social in the sense of being rooted in the social structure. Second, he gave the concept of "Embeddedness" greater analytical precision, insisting that all economic actions are embedded in networks of social relations. So, in fact, there is no general embedding of the economy; all economic actions have an interpersonal manifestation which, thanks to network theory, can now be precisely defined (Swedberg, 2006).

In general, each form of market is complemented or rooted by various mechanisms based on obligation (not on self-interest) and/or on vertical coordination, alliances, hierarchies, communities, networks and public authorities (Hollingsworth; Boyer, 1997).

Thus, making the concept of "Embeddedness" especially useful, according to many economic sociologists, are its links to network theory. This type of method, which has become very popular in contemporary economic sociology, provides the analyst with a metric for examining social interactions, including economic ones. Because it relies heavily on visual representation, network theory offers the researcher a tool through which complex social relationships can be quickly visualized and interpreted (Swedberg, 2006).

It can be concluded that the emergence of the New Economic Sociology (NSE) is associated with a set of key ideas. According to Swedberg (2004), these ideas include the notion that all economic actions are "embodied", markets can be understood as "social structures" and economic actions encompass both a rational component and a sociocultural component. Economic sociology, as a field of study, has sought to establish its own identity and differentiate itself both from mainstream neoclassical economics and from other economic approaches such as socioeconomics and institutionalist economics (Swedberg, 2006).

Although the New Economic Sociology (NSE) claims to have part of its heritage based on Polanyi's ideas, it also seeks to distance itself from the "old" institutionalist economics. However, it is important to note that Polanyi is often associated with this same "school" of thought, along with authors such as Veblen and Commons (Stanfield, 1986). Chan (2021), when discussing the NSE, highlights the use of social contacts in the labor market, especially in the private sector and in small companies. He concludes that different job sectors exhibit different degrees of immersion rather than an absence of it.

This dialogue between economic sociology and administration makes a significant contribution to the field of study, addressing topics such as the functioning of the market and its institutions, relations of production and consumption. The NSE offers perspectives and possibilities for contributing to strategy studies in small companies, addressing topics such as business competition, business groups and entrepreneurship (Serva and Andion, 2006).

New Economic Sociology often addresses topics such as social relations in markets, their influence on stabilizing and determining prices, the social structuring of markets that affects the emergence and closure of small businesses, as well as the innovation and diffusion of new market strategies. (Fligstein and Dauter, 2012). In the specific field of small business strategy, NSE has provided significant contributions, especially in the analysis of the entrepreneur from a sociological perspective, thus contributing to the field of study of entrepreneurship (Fortes, 2018). Pierre Bourdieu, one of the great influencers of NSE, retains certain aspects of objectivism, incorporating other modes of knowledge and creating the praxeological method to understand the complexity of the social world, using the "practice" or "practices" of human actions as a tool science (Freitas, 2012).

Bourdieu (2005) observed that large companies obtain large profits due to economies of scale, while small companies can obtain high profits by specializing in a restricted segment of the market. However, midsize companies often face poor earnings because they are too big to reap the benefits of targeted production and too small to benefit from the larger economies of scale.

Bourdieu's concepts of fields, in particular the economic field, provide a solid theoretical basis for understanding the role of market forces in a context of economic adversity. Furthermore, the concepts of habitus highlight the importance of agents in this context, considering their dispositions and practices.

Bourdieu can be considered part of the French tradition of economic sociology, while at the same time sharing with the authors of the New Economic Sociology the analysis of the market in terms of social construction. This sociological approach reveals aspects ignored by traditional economic science, when considering power relations, social structures and practices of economic agents.

Raud (2007) highlights that Bourdieu, through his concepts, promotes a genuinely sociological analysis of economic phenomena. The French sociologist applies his analytical framework, centered on the key concepts of field and habitus, to the economic sphere, which allows him to reveal aspects neglected by conventional economic science.

GENERAL THEORY OF BOURDIEU FIELDS

Thinking in terms of fields requires a complete shift from the usual view of the social world, a view that is limited to visible things only. Just as the Newtonian theory of gravitation could only be developed by breaking with Cartesian realism, which refused to recognize any form of physical action other than impact and direct contact, the notion of field presupposes breaking with the realistic representation that reduces the effect of the environment to the direct action that occurs in each interaction. It is the structure of the constitutive relations of the field space that determines the forms that the visible relations of interaction can assume and the very content of the experience that the agents can have of them. (BOURDIEU, 1990).

The epistemological basis of Bourdieu's theory of fields establishes the main arguments of his theory from the beginning. Bourdieu demonstrates how the differentiation of domains of human activity, which accompanies the modernization process of societies, leads to the creation of social spaces with specific legitimacy and functioning.

When Bourdieu was developing his theory, the field concept was already widely used in other disciplines. Physics, mathematics, and psychology have created field theories with varying degrees of systematicity. Although the theory of fields developed by Bourdieu in sociology was built relatively autonomously, it shares a common epistemology with these disciplines (MARTIN, 2003). It is useful to briefly trace this common epistemological background.

There is an extensive literature on the origin of the field concept, the various field theories in physics, and the associated philosophy of nature (see, for example, HESSE, 2005). In classical theories of physics, space and time were conceived of as the forms in which the world, whose substance is matter, manifested itself. Though matter underwent changes in its appearance, it remained fundamentally unchanged: matter was conceived of as a substance involved in each change, and each piece of matter could be measured as a quantity, the Law of Conservation of Matter being its characteristic expression, stating that the amount of matter remains constant throughout each change. (WEYL, 1920).

In this context, matter was the principle of change and form was the principle of determination that allowed change. According to Cassirer, the modern theory of fields has replaced the old theory of substances, where the field itself can no longer be understood only in additive totality, as an aggregate of parts. The field is not a concept of thing, but a concept of relation; it is not composed of parts, but is a system, a totality of lines of force. (CASSIRER, 1923).

In mathematics too, "the relational structure itself, and not the absolute property of the elements, constitutes the real object of mathematical investigation" (CASSIRER, 1923). The real elements of mathematical calculus are, in this sense, not so much magnitudes as relations. For Cassirer, it is precisely this transition from a substantialist way of thinking to a relational way of thinking that characterizes modern science.

The field concept, proposed by Bourdieu, involves a fundamental change in the way we understand the social world. According to Ghins (1990), it is through the relationships that a system establishes that we can truly access the object in question. In this perspective, the focus of the analysis is not so much on the properties of an object or configuration, but rather on the network of relationships (or connections) established between them and other adjacent formations.

The field, as defined by Bourdieu, is an environment where relationships between groups of different social levels take place. Society is conceived as a set of several fields, each with its relative autonomy and governed by its own laws (Setton, 2002). The autonomy of a field varies according to the internal forces that define its legitimacy. The more autonomous a field is, the less subject it is to external influences and temporal powers (Montagner and Montagner, 2011).

The field can be understood as a social subsystem, a structure of positions where different agents occupy and fight for the appropriation of the specific capital of that field, as well as for the redefinition of this capital. Due to the unequal distribution of capital within the field, there are agents who occupy dominant positions and others who are dominated. Bourdieu's theory of fields addresses the multiplicity of fields present in society and reveals their asymmetrical and hierarchical relationships through historical relationships. These relationships between fields define the dominant and dominated fields, and agents can use migratory strategies between them. Among the fields, the field of power stands out, being a social space where disputes occur between different powers, such as political, economic and symbolic. The exercise of power can occur through capital from different fields, making it possible to convert and migrate these capitals between and across fields.

When analyzing the economic field, Bourdieu emphasizes the logic of competition, which opposes companies of different types and equipped in different ways, mediated by different categories of customers and establishing the specific principles of this field of production and the conditions of purchase. The general theory of field economics outlines the specific form of each field, its mechanisms and general concepts, such as capital, investment and gain, avoiding the reduction to material interests and the pursuit of monetary profit maximization, expanding the understanding of economic phenomena. Fields are formed by agents, whether individuals or institutions, who create and maintain spaces through established relationships, and the structure of these objective relationships between different agents is one of the principles that determines the agents' possibilities of action within the field.

A simple metaphor for understanding the field is to see it as a game, in which participants are not only constrained by the rules of the game, but also intend to fight to change or maintain them, depending on the privileges they gain from playing. This perspective highlights the intrinsic relationship between the countryside and capital, since it is in the countryside that disputes over power and position in social reality take place. The field can be understood as a network or configuration of social relations organized in different positions of domination, where agents seek to conquer and maintain their resources and advantages. This dynamic of competition and pursuit of capital contributes to shaping social interactions and the power structure within the field.

Any social space in which there is an inequality of forces in terms of capital - be it economic, cultural or social - between individuals can be considered a field, which has its own specific rules. Understanding how the field in which we operate is covered by the concept of habitus. It is important to emphasize that the field is a social subsystem, a structured space of positions, where agents occupy different positions and fight for the acquisition of specific capital in that field and/or for the redefinition of that capital. Due to the unequal distribution of capital in the countryside, there are dominant and dominated agents. According to Pereira (2015), Bourdieu explores the relationship between field, habitus and capital in several texts, highlighting that the field is both a scenario of struggles and power relations and a social microcosm with its own specific laws. These reflections highlight the importance of understanding the dynamics and inequalities present in the various social fields.

THE ECONOMIC FIELD

The science of economics, according to Bourdieu (2006), is based on an original abstraction that separates a specific category of practices or a particular dimension of all practices from the social order in which all human action is immersed. From this premise, Bourdieu defends his project of elaborating a new theory that reintegrates the economic to the social, based on concepts such as habitus and field. According to him, the forces present in the field tend to strengthen dominant positions, raising the question of how real transformations occur in power relations within this field. For Raud (2007), the transaction relationships between producers and customers, as well as the competition relationships within the economic field, especially the existence of dominant and dominated companies, are the fundamental principle of the dynamics of this field. These reflections highlight the need for a more comprehensive approach that connects the economic to the social, considering the complex interactions present in socioeconomic reality.

It is the structure of the field, that is, the state of the power relationship between the agents, which determines the conditions under which they are led to make decisions (or negotiate) the purchase and sale prices. At each moment, there is a diversity of possibilities, a certain freedom of play, but one cannot forget that the decisions are choices between previously defined possibilities, limited by the structure of the field. Therefore, "it is not prices that determine everything, it is the whole that determines prices" (Bourdieu, 2006).

According to Raud (2007), five change factors can be identified in the field. First, the field is influenced by the dominant companies themselves, which must continually strive to maintain their position through innovation. These companies often lead initiatives related to pricing, new products, and distribution and promotion strategies. However, "changes within the field are often linked to changes in relations outside the field".

Second, the dominant companies can be overcome through technological innovations that allow a favorable cost reduction to the dominated companies. These modifications are usually introduced by new actors coming from "other subfields". These two factors highlight the dynamics and competition present in the field, influencing the structure and position of the companies inserted in it.

Thirdly, "border crossings are accompanied by the redefinition of borders between fields". There may be, for example, the division of a field into specialized subfields, as in the aeronautical industry, or the emergence of a new field resulting from the merger of several industries, such as information technology and telecommunications.

Fourthly, Bourdieu mentions several external factors of change: transformations in supply sources and changes in demand determined by demographic changes or in lifestyles.

Fifth, a fundamental factor of change resides in the interactions of the countryside with the State. State intervention in the economic field occurs mainly through law. In addition, once again, the political and conflicting dimension of the market appears: for Bourdieu (2006), all exchanges established with the outside of the field, the most important are those established with the State. Competition between companies often takes the form of a competition for power over state power and for the advantages secured by different state interventions. In this way, the State influences the existing power relations between agents in the economic field.

Interpreting Bourdieu, Raud (2007) states that dominated companies try to mobilize their social capital (their relationship networks) to pressure the State to modify the rules of the game in their favor, while the State also plays a role in building demand, influencing individual preferences and allocating necessary resources, such as directing credit and tax incentives. Contradicting the traditional view, Bourdieu sees the State not only as responsible for guaranteeing order and trust and for regulating markets and companies, but also as an active agent in social and economic dynamics.

Garcia-Parpet (2013) complements the importance of the State through budgetary laws, such as spending on infrastructure, with structuring effects, especially in the energy, housing and communications sectors. The imposition of rules of the economic game, such as the employment contract, constitutes political interventions that make the bureaucratic field a macroeconomic stimulator, contributing to guarantee the stability and predictability of the economic field.

While economists tend to consider the heterogeneity of individuals' preferences and abilities as exogenous, Pierre Bourdieu's approach is interested in the factors that determine the distribution of different forms of capital and its evolution over time (Boyer, 2003). This approach recognizes that the economic field, like any other field, is a scenario of struggles between actors who occupy objectively different positions and whose meanings are interconnected, resulting in the accumulation, conservation or transformation of a specific capital (Garcia-Parpet, 2013).

HABITUS

The concept of habitus can be understood as the process by which people learn and reproduce what they have acquired throughout their growth, whether through family, school, friends and other aspects of society. The habitus is conceived as a system of individual schemes, socially constituted by dispositions structured in the social scope and structuring in the minds, acquired through practical experiences in specific social conditions. This system is constantly oriented towards everyday functions and actions (SETTON, 2002).

Bourdieu, through the concept of habitus, reveals how people are constructed and, at the same time, construct the social field in their daily lives, establishing an interdependence with the social structure. The habitus is an open disposition system, constantly confronted by new experiences, therefore, in constant transformation (BOURDIEU, 1992). According to Bourdieu (1997), the social agent, by having a habitus, is simultaneously a collective individual and an individualized collective, the result of incorporation. The individual and the subjective are, therefore, social and collective.

Thinking about the relationship between individual and society based on habitus, according to Setton (2002), implies stating that the individual, the personal and the subjective are simultaneously social and collectively orchestrated. It is about learning how to perceive and act in the world as an agent. The habitus is the social experience embedded in our minds that determines our performance. For this reason, Bourdieu uses the term "agent" to refer to all of us, individuals who act daily in society. The habitus shapes our way of perceiving, judging and valuing the world, as well as our way of acting, both bodily and materially, in view of the circumstances of a specific field.

The habitus are built individually in each individual in a field, considering the capitals they possess. Each person occupies a unique position in the field and inherits or acquires different types of capital throughout life, thus becoming unique. According to Pereira (2015), habitus can be defined as a "system of durable dispositions" that works both as structuring structures, shaping the practices and representations of agents, and as structured structures, influenced, reinvented and recreated by these same agents., who use them in different ways. At the same time, the field already exists before any individual is born and establishes some conditions shared by all the people who are part of it.

According to Thiry-Cherques (2006), the term habitus, adopted by Bourdieu to establish differences in relation to common concepts such as habit, custom, praxis and tradition, is situated between structure and action. It denotes a system of durable and transferable dispositions, which functions as a generating and organizing principle of practices and representations, associated with a specific class of conditions of existence. The habitus generates a logic, a practical rationality that cannot be reduced to theoretical reason. It is acquired through social interaction and, at the same time, classifies and organizes this interaction. The habitus is both conditioning and conditioned in relation to our actions.

It is important to emphasize that the habitus does not occur from the outside in and is not determined only by objective conditions external to the subject in a mechanical or autonomous way. Individual and social actions are closely related to embodied dispositions, being socially structured that influence concrete social actions and interactions (De Araújo, 2013).

CAPITAL SOCIAL

The term "social capital" may seem like an almost meaningless combination of words. How can "social" be "capital"? The term does not fit well with the traditional meaning of capital from an economic perspective and is an oversimplification of complex social phenomena from a sociological perspective (Bebbington, 2007).

However, the term is an intriguing integration between sociology and economics, being a conceptual innovation of great importance for inter and transdisciplinary theoretical integration. Social capital experts can make the concept sound almost mystical, and for many people encountering it for the first time, it can seem like an obscure subject. Social capital theory can seem like an ivory tower, impenetrable except for those who hold the keys. However, the truth is that social capital is intuitively understood by all human beings, since we are essentially social beings at our core (Kyle et al., 2019).

Social capital consists of the benefits derived from sociability. It can be described more simply as aspects of the social context, the "social" side, whinchat is beneficial productive, the "capital" side (Claridge, 2019). Social capital arises from the human capacity to consider others, to think and act generously and cooperatively. It is related to social relations and social structures. It involves people who know each other and have relationships based on trust, respect, kindness and reciprocity. It also includes supportive social structures that encourage prosocial behavior and discourage exploratory behavior (Kyle et al., 2019).

Bourdieu's (1986) conceptualization of social capital is based on the recognition that capital is not just economic and that social exchanges are not purely selfish, being necessary to encompass "capital and profit in all its forms" (Bourdieu, 1986). Bourdieu's conceptualization is grounded in theories of social reproduction and symbolic power. Bourdieu's work emphasizes how restriction and unequal access to institutional resources, based on class, gender and race, influence the distribution of social capital.

Bourdieu observed social capital as a property of the individual, not the collective, mainly derived from the position and social position of each one. Social capital allows a person to exert power over the group or individual by mobilizing these resources. For Bourdieu, social capital is not uniformly available to all members of a group or collective, but rather to those who strive to acquire it, achieving positions of power and status, and developing goodwill (Bourdieu, 1986). Social capital is inextricably linked to class and other forms of stratification, which in turn are associated with various forms of benefits or advantages.

Bourdieu conceptualized social capital as accumulated real or virtual resources, acquired by individuals or groups through possession of "more or less institutionalized relationships of knowledge and mutual recognition" (Bourdieu & Wacquant, 1992). Therefore, social capital is not present in a specific individual, but is linked to the social connections that a person can utilize to progress (Kyle et al., 2019).

For Bourdieu, social capital manifests itself through the benefits derived from networks of social interactions. However, one source of social capital arises from the social structures, promotion and culture that create differentiated power and status for some and not for others. Thus, social capital does not only refer to having a large social network, but rather to having a social position that creates the potential for advantage within that network (Bourdieu, 1986).

Bourdieu's approach differs significantly from most current conceptualizations of social capital. However, this has not stopped scholars from adopting Bourdieu's definition in their work. A recent review of the literature, in 2019, found that Bourdieu was frequently cited in the definition of social capital, second only to Robert Putnam (Claridge, 2019).

The main difference between Bourdieu's conception of social capital and most other approaches is how power is handled. For Bourdieu, social capital is intrinsically linked to the reproduction of classes, status and power relations, being based on the notion of power over, in contrast to power for. In this sense, Bourdieu's social capital is more like a zero-sum game than a positive-sum game, in which some gain access to social capital through social stratification and others do not (Smith & Kulynych, 2002). This differs fundamentally from most current conceptualizations of social capital, which treat it as a universal resource available to anyone who invests in its creation.

Until recently, Bourdieu was often cited for his work on social capital in comparison to James Coleman and Robert Putnam. However, this shift seems to have been driven by scholars who identified with the network approach in Bourdieu's conception, but who were ready, consciously or unconsciously, to discard much of Bourdieu's rich sociology. It is now common to find scholars who take a network approach to social capital and cite Bourdieu on issues related to the definition or conceptualization of social capital. However, these approaches are not equivalent.

Dika and Singh's (2002) network approach places social capital in the individual, just as Bourdieu did, but for Bourdieu social capital is intrinsically linked to context, as part of a system of social, educational and cultural structures. These factors go beyond the networked approach to social capital, which tends to focus on social networks, failing to consider the role of social structures in addition to cultural ones. However, for Bourdieu, these structures are intrinsically related to the production and reproduction of social capital (Foley & Edwards, 1999). Social capital is associated with social position and power through social norms and assumptions considered valid, creating and strengthening advantages. Therefore, macrosociological processes related to norms and culture cannot be separated from social capital (Bebbington, 2007). For Bourdieu, social capital resides in the individual due to the macro-social structures that generate cultural advantages through his social network.

According to Abreu (2022), social networks are not a natural fact and must be built through investment strategies aimed at institutionalizing group relationships, used as a safe source of other benefits. Through social capital, agents can gain direct access to economic resources (such as subsidized loans, small investments, and protected markets); can increase their cultural capital through contacts with experts or more refined individuals (eg, embedded cultural capital); or, alternatively, they may affiliate with institutions that confer valued credentials (eg, institutionalized cultural capital). However, the acquisition of social capital requires a deliberate investment, both in economic resources and in cultural resources (Abreu, 2022).

According to Raud (2007), the social dimension is present in the analysis of the economic and social conditions of economic dispositions, considering the economic decision not as that of an isolated agent, but rather as that of a collective agent, be it a family or a company, operatingon a field. In turn, Melin (2007) understands social capital as an intangible asset developed from the trust established among the members of a network, based on norms accepted by all, which provides results that are difficult to achieve individually and gives the group and individuals a competitive advantage over others.

II. DISCUSSION

In the context of Micro and Small Enterprises (MSEs) and their economic practices, the concepts of Bourdieu and the New Economic Sociology (NSE) merge to understand the impact of market forces. These approaches provide valuable insights into how social capital influences MSE performance and sustainability, and guide entrepreneurs' strategies to strengthen their social capital and gain competitive advantage. It is important to recognize that social capital is a social construction that varies according to the context and the relationships between the actors, requiring an analysis considering the particularities and social interactions involved.

The integration of Bourdieu and NSE perspectives provides a comprehensive understanding of social capital, considering its structural and cultural dimensions, and is based on the social and economic processes that shape social capital and its implications for organizational dynamics and economic outcomes of MSEs. By valuing social capital and social networks in the context of MSEs, entrepreneurs can adopt effective strategies to strengthen their relationships and seek partnerships, collaborations and exchanges of resources that drive the growth and sustainability of their businesses. Policies and initiatives that promote the development of social capital and equitable access to networks and resources also contribute to a more inclusive and resilient economic environment.

III. CONCLUSION

In short, understanding social capital as a resource that transcends individual interactions and is rooted in social structures and norms is essential for analyzing organizational and economic dynamics. The integration of Bourdieu's and NSE's perspectives enriches this understanding, providing a solid theoretical basis for investigating and promoting social capital in MSEs and society at large.

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