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“Don’t Bring Me Problems, Bring Me Solutions!” Believe me, they can be found in micro and small enterprises

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Abstract

Objective of the Study: To highlight the central role of micro and small enterprises (MSEs) in overcoming Brazil’s severe socioeconomic inequality, emphasizing the need for them to receive priority treatment in public policies. **Main Findings:** By emphasizing the often unknown and neglected reality of MSEs, it demonstrates that productivity is the main challenge, as most MSEs operate with extremely low productivity levels in an environment of informality/semi-formality. This exacerbates the country’s productivity dilemma, limiting its growth potential and the possibilities to overcome inequality. The study also shows that although both formal and informal MSEs represent the most significant portion of the economy in terms of GDP and employment, they are treated marginally, receiving little attention from the government, academia, and the media in proportion to their economic importance. **Relevance/Originality:** It provides an original critique of the common view that reduces entrepreneurship to the creation of new businesses, treating it as a panacea for national problems. Instead, it proposes the requalification of existing entrepreneurs and support for innovations that increase the technical content of workstations (modernization of production and management processes), leading to higher productivity and competitiveness for MSEs. **Social Contributions:** It suggests the formulation of policies of public policies that place MSEs at the core of the agenda, which would foster an inclusive and sustainable development process. Furthermore, it emphasizes the urgent need for more studies on MSEs and informality to properly understand the reality of this vital segment of the Brazilian economy.

Keywords: Micro and small enterprises, Informality and semi-formality, Entrepreneurship, Socioeconomic development, Public policies.

“Não Me Tragam Problemas, Tragam-me Soluções!” Acreditem, elas podem estar nas micro e pequenas empresas

Resumo

Objetivo do Estudo: Evidenciar o papel central das micro e pequenas empresas (MPes) para a superação da perversa desigualdade socioeconômica brasileira, destacando a necessidade de que recebam tratamento prioritário nas políticas públicas. **Principais resultados:** Ressaltando a desconhecida e negligenciada realidade das MPes, demonstra que a produtividade é o principal desafio, pois a maioria das MPes apresenta baixíssimos níveis de produtividade, operando em um ambiente de informalidade/semiformalidade, agravando o dilema produtivo do país, limitando seu potencial de crescimento e as possibilidades de superação da desigualdade. Mostra, ainda, que, embora as MPes formais e informais, representam a parcela mais significativa da economia em termos de PIB e ocupações, são tratadas marginalmente, não recebendo do Estado, da academia ou da mídia, atenção compatível com essa importância. **Relevância/originalidade:** Traz uma crítica original à visão que reduz o empreendedorismo à criação de novos negócios, tratando-o como panaceia para os problemas nacionais. Propõe, em reverso, a requalificação dos empreendedores já existentes e o apoio a inovações que aumentem o conteúdo técnico dos postos de trabalho (modernização de processos de produção e gestão), resultando no aumento da produtividade e da competitividade das MPes. **Contribuições sociais/para a gestão:** Sugere a formulação de políticas públicas que atribuam centralidade às MPes o que resultaria em um processo de desenvolvimento inclusivo e sustentável. Além disso, enfatiza a premência de mais estudos sobre MPE e informalidade, para se compreender adequadamente a realidade desse segmento vital da economia brasileira.

Palavras-chave: Micro e pequenas empresas, Informalidade e semiformalidade, Empreendedorismo, Desenvolvimento socioeconômico, Políticas públicas.

WHAT WE INTEND TO TALK ABOUT

Entrepreneurship and micro and small enterprises (MSEs) are frequent topics in the media, government plans, public policies, and academic debates in Brazil. However, a closer look reveals that these are merely "references" without being assigned their true importance. Few university curricula address MSEs in a relevant way; in business administration courses, while entrepreneurship is seen as a solution to national problems, future administrators are trained for large corporations. In economics, MSEs are only tangentially addressed. Similarly in engineering, law, accounting, and other fields. In academic research, studies dedicated to the sector are scarce. Although there are always references to MSEs in government programs and electoral platforms, they rarely hold real relevance in the broader context. Despite being "politically correct," mentions of MSEs are not central to the country's agenda. At all three levels of government, countless programs exist to support and develop MSEs, but they often occupy marginal positions in government priorities and lack coordination, sometimes even contradicting each other¹. Despite the rhetoric, MSEs almost always find themselves in the position of "fighting for the crumbs that fall from the plate," never occupying a central position in that "plate," as protagonists in the economic scene.

This would not be a problem if this segment were – as many consider – marginal to the economy. However, it is not. It is also not a matter of simply considering that "small is beautiful."

It is in this perspective that I present the reasons why MSEs deserve more than just importance: they deserve centrality. And, in an effort to bring the topic to the forefront, I present this text to the readers.

For over ten years, together with some dear colleagues, I have been focusing on the topic of the economy of MSEs, informality, and labor precarization. This path is not the result of a personal preference for the "small," but rather a result of an interpretation of Brazilian reality that led me to consider them essential for Brazil to overcome its historical, pernicious, and immoral socioeconomic inequality. In this text, I aim to provide a "synthesis" of the of the main academic works I have produced and the reflections they have led me to.

AND WHAT IS IT ABOUT?

The central factor for MSEs is productivity; in this case, labor productivity.

Labor productivity is the economic measure that represents the amount of wealth produced by a unit of labor (hours worked, individual workers, groups of workers, etc.). In the literature, the most common measure is productivity per worker. Mathematically, it is defined as:

Labor Productivity = Value-Added (VA) ÷ Employed Personnel (EP),

Where:

VA = Gross Value of Production - Intermediate Consumption

The VA is, roughly speaking, equivalent to the Gross Domestic Product (GDP) generated by the considered production unit.

In practical terms, the AV is the amount produced that will remunerate the factors of production (wages, profits, interest, rents, etc.) and the state (taxes, fees, etc.), while Labor Productivity represents the amount of GDP generated, on average, by each job position.

As frequently mentioned, Brazil's average productivity is, in comparative terms, very low. Translating it into numbers: in a 2015 ranking of labor productivity for 164 countries – when Brazil had the 9th largest GDP in the world – with an average productivity of less than US\$ 20,000, the country ranked 74th. This value corresponded, for example, to 1/11 of U.S. productivity, 1/3 of Malta's, and half of Turkey's, and was even slightly lower than

Botswana's². In other words, on average, a Brazilian worker took almost a year to produce the same GDP that an American generated in a month.

Mário Henrique Simonsen used to say that "per capita income is when one person eats two chickens, and the other dies of hunger." This is the problem with averages. In Brazil, low average productivity results from the existence of companies with productivity levels on par with the most prosperous economies (many of them global players) and a significant contingent of others with extremely low productivity. This situation reflects a "Cepalino" concept from the 1970s: Structural Heterogeneity (Pinto, 2000). It is a phenomenon in peripheral countries where, unlike in developed nations, sectors of the economy with high productivity levels (usually exporters) coexist with sectors of very low productivity, and no convergence trajectory of productivity between sectors is observed over time.

In Infante, Mussi e Nogueira (2015), a book in which we revisit the Cepalina theory, we found that its assumptions, formulated in the 1970s, remained valid for early 21st-century Brazil, by then completely different in every economic aspect from the country of four decades earlier.

In a text on structural heterogeneity in Brazil, we grouped the 48 business-related economic activities from the National Accounts into quartiles of productivity (Squeff & Nogueira, 2013, p. 18) (Table 1)³.

Table 1

Ratio between the average labor productivity of activity quartiles and the average labor productivity in Brazil

Quartile	Productivity Level	2009
1st	High	9.96
2nd	Medium-high	2.51
3rd	Medium-low	1.01
4th	Low	0.50

Note: Squeff and Nogueira (2013, p. 18).

Note that the average productivity of the 1st quartile is 20 times higher than that of the 4th. In other words, a worker at a job in a firm from the 4th quartile takes nearly two years to generate the same GDP as a worker from the 1st quartile. We also identified that, in some sectors, productivity was even lower than the minimum wage (MW). That is, the wealth generated at the job is insufficient even to pay the worker the MW. This partly explains why approximately half of the country's workers earn less than one MW.

The question remains: how can Brazil's socioeconomic inequality be structurally overcome – not through income transfers, which have limited potential – if not by increasing labor productivity?

However, it is essential to emphasize that low productivity is a characteristic of the workstation itself, a consequence of its low technical content and poor management practices, not of the worker. If a worker from a low-productivity company is placed in an equivalent position at a high-productivity company, their individual productivity will match that of the new job. This means that the issue will not be solved, as some suggest, simply by increasing education levels without a corresponding demand for skilled workers.

AND WHERE DOES THE ISSUE LIE?

Once the challenge of productivity in Brazil is understood, its relationship with SMEs remains to be clarified.

The Brazilian productive structure reveals that the vast majority of SMEs are concentrated precisely in the activities with the lowest productivity. Table 2 details the activities that make up the 1st and 4th quartiles represented in Table 1.

Table 2

Economic activities that are components of the 1st and 4th quartiles of average productivity in Brazil (2009)

1st Quartile	4th Quartile
Oil & Gas	Non-metallic mineral products
Real estate activities/rentals	Construction
Cement manufacturing	Retail
Refineries	Maintenance/repair services
Utilities	Household services
Finance, insurance, and related activities	Wood products – exclusive of furniture
Pharmaceuticals	Accommodation and food services
Automobile industry, etc.	Livestock and fishing
Tobacco products	Leather goods and footwear
Office machinery and computers	Agriculture, forestry, and logging
Pulp and paper products	Apparel
Perfume and hygiene & cleaning products	Domestic services

Note: Squeff and Nogueira (2013, p. 18).

It is observed that the 1st quartile is composed of activities dominated by a few thousand medium and large companies, whereas the 4th quartile consists of millions of SMEs, primarily in low-tech trade and service sectors that are not integrated into the more dynamic production chains (Nogueira & Zucoloto, 2019).

This is the first clue to identifying the structural roots of Brazilian heterogeneity and the contribution of SMEs to its formation. However, heterogeneity is not limited to the productive disparity between sectors, as suggested by the structuralist theory. There is also "intrasectoral" heterogeneity (Nogueira & Oliveira, 2014). Within the same economic activity, high-productivity companies coexist with others whose productivity is extremely low. Once again, company size emerges as a determining factor.

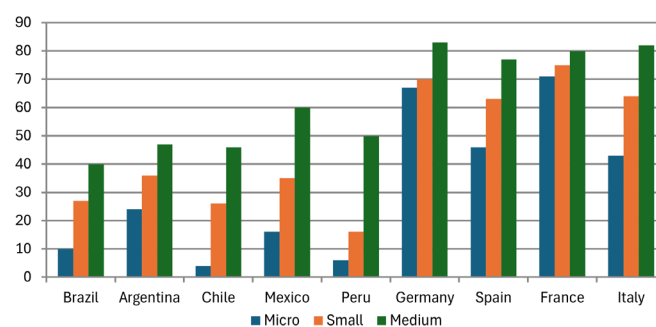
It would be expected that the productivity of larger companies – which benefit from economies of scope and scale due to their greater capital and knowledge intensity – would be higher than that of their smaller counterparts. However, in peripheral countries – particularly in Brazil – this difference reaches levels far greater than those observed in developed countries. Figure 1 illustrates the magnitude of this phenomenon.

In summary, whether from an intersectoral or intrasectoral perspective, low productivity is concentrated in small businesses, characterized by the extremely low technical content of their workstations. SMEs are naturally less capital-intensive. However, in the Brazilian case, this occurs on an extreme scale: in 2018, SMEs (which account for more than 98% of all firms) were responsible for only 6.3% of the total capital stock held by companies in the country (Nogueira & Moreira, 2023).

I draw attention to the fact that the figures presented so far refer exclusively to the formal economy. The productivity of informal activities is, naturally, lower (Squeff, 2015; Hallak Neto et al., 2012), as they are essentially composed of individual ventures and small businesses.

Figure 1

Produtividade relativa em países selecionados da América Latina e OCDE (em %, produtividade das grandes empresas = 100%)



Note: Nogueira and Zucoloto (2019, p. 41). OECD – Organisation for Economic Co-operation and Development.

Thus, it becomes clear that the much-discussed challenge of increasing the systemic productivity of our economy is, in fact, the major challenge faced by Brazilian SMEs: overcoming the enormous gap in productivity relative to large companies. This is a condition that, while not sufficient on its own, is essential for reducing Brazil's socioeconomic inequality.

AND WHAT (OR WHOM) ARE WE TALKING ABOUT?

To begin understanding what SMEs represent in the national economic fabric, it is first necessary to quantify the sector and its weight in the economy⁴.

Let's start with their contribution to GDP. According to the Brazilian Service for the Support of Micro and Small Enterprises (Sebrae) (ASN Nacional, 2023), formal SMEs contribute approximately 30% to GDP formation. For the informal economy, this estimation is much more complex. Depending on the methodology used – which tends to be fairly imprecise – this contribution ranges from 16.6% to 37.1% (Nogueira & Zucoloto, 2019). Considering that the informal sector is dominated by self-employed workers and microenterprises, it is reasonable to estimate that the contribution of informal SMEs to GDP exceeds 20%. Thus, it can be estimated that small businesses account for more than half of Brazil's GDP.

From the perspective of employment, around 50% of formally employed workers in Brazil are engaged in SMEs. According to the Continuous National Household Sample Survey by the Brazilian Institute of Geography and Statistics (PNAD Contínua/IBGE) (IBGE, 2024), approximately 40% of workers are informal, most of whom are employed by nano or microenterprises. Therefore, the share of workers in small businesses approaches three-quarters of the country's employed workforce. Additionally, in July 2024, there were 15.8 million registered Individual Microentrepreneurs (MEI), representing 15.5% of the entire workforce.

In summary, whether measured by GDP or workforce, small businesses represent the most significant share of Brazil's productive apparatus – which has led me to state that "talking about the Brazilian economy without talking about SMEs is, in fact, talking about anything other than the Brazilian economy." More than that, it means trying to solve the problem of Brazil's economic productivity where it does not lie.

Furthermore, I challenge those who, under the guise of defending the "free market," treat informality as a crime. The concept of a "free market" advocated by Adam Smith (1985) assumes dispersed buyers and sellers, no information asymmetry or state regulation, leading to "perfect competition" based on price. Where, in today's economies, do we find these conditions if not



in street markets? Moreover, which "market" is the mainstream media referring to when it talks about the "market's mood" or the "market's reaction"?

WHAT MAKES THE ISSUE EVEN BIGGER?

It is impossible to consider Brazilian economic development without giving special attention to informality. This economic segment, due to its intrinsic characteristics, consistently exhibits very low productivity levels. Among these characteristics, we can highlight the precariousness of its production processes due to low capital and knowledge intensity, limited access to credit, labor precariousness, and more. Therefore, given its scale within the Brazilian economy, the "possible informalities/semi-formalities" (as analyzed later in this section) significantly contribute to the systemic low productivity of the Brazilian economy.

Nearly half of the country's workforce operates in the informal sector, generating more than 20% of the GDP. However, the figures that reflect its size – and thus its importance – also reveal its precariousness: its productivity amounts to approximately one-fourth of the productivity of the other half of the workforce, representing a significant aggravating factor in the national productivity dilemma. This presents the challenge: how can Brazil's informality be addressed economically? To answer this question, it is first necessary to understand what informality is, what it represents, and how it is structured.

Let us begin by defining informality, a multifaceted socioeconomic category. Deepening an analytical category proposed by Nogueira and Zucoloto (2019) – semi-formality – in Nogueira and Carvalho (2021) we argue that informality involves not only the business dimension but also the labor dimension, which is further subdivided into contractual formality and labor dignity. These three dimensions are not discrete phenomena but rather a continuum. In the business (or companies) sphere, there are various possibilities between fully formal companies and those without a formal registration (In Brazil, this is characterized by the Cadastro Nacional de Pessoas Jurídicas: CNPJ number.), including practices such as "off-the-books" operations and the purchase of fiscal receipts. In the labor sphere, there are also "intermediate solutions" between formal and informal employment. Similarly, labor dignity exists on a spectrum, ranging from conditions akin to slavery to entirely dignified work⁵. In this study, we represent the economic space in a three-dimensional model, illustrating the complexity of the semi-formality phenomenon (see Figure 2).

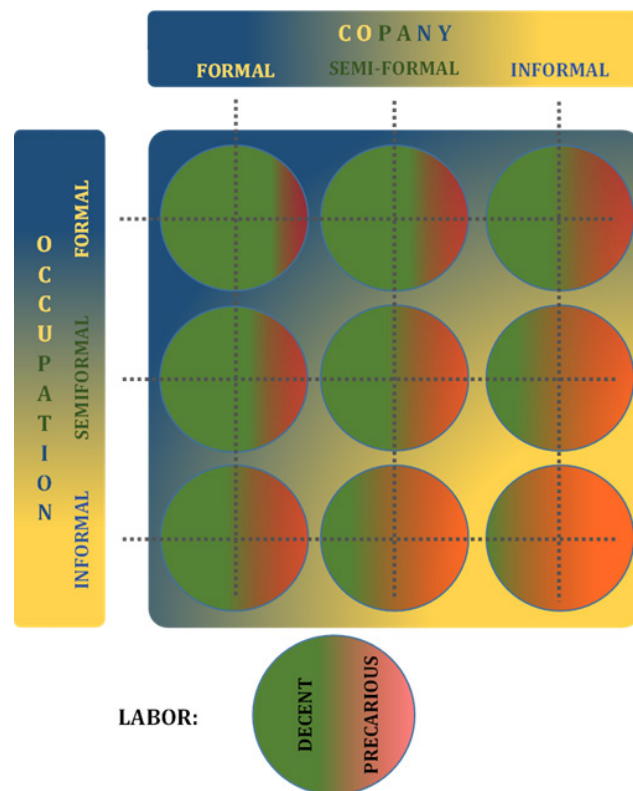
An example of how Brazilian economy is characterized by semi-formality is one of the country's biggest tourism products: the "Rio de Janeiro samba school parade". Its production involves everything from transnational corporations to organized crime. Participants include: major sponsors; media giants; the State (City Hall and the State Government); voluntary, temporary, cooperative, formal, and informal workers; "media stars" with million-dollar salaries; thousands of companies of all sizes; and so on. All these actors integrate, interact, negotiate, cooperate, and complement each other to make the spectacle happen.

Finally, it is essential to understand how semi-formality is socially, culturally, and historically constructed. In this article, I will briefly present the analysis of this process developed in Nogueira and Zucoloto (2019)⁶.

Informality is, above all, a social construct rather than an economic phenomenon. Perhaps, being more precisely, a socioeconomic construct. In most cases, it is not a crime committed by those seeking to evade taxation or state regulation but rather an alternative – often the only one – for securing a livelihood in a structurally exclusionary socioeconomic system. Thus, informality emerges as the result of a set of processes (constructs) that have shaped it into what we observe today, particularly highlighting:

Figure 2

The Economic Space: Formal, Semi-formal, and Informal



Note: Nogueira and Carvalho (2021, p. 30).

- a. Historical
 - A process dating back to the colonial period, characterized by the occupation of the "gaps" in the economy by those who were not part of the primary-export structure.
- b. Institutional
 - A longstanding separation – also dating back to the colonial period – between the ordinary citizen and the state, which ultimately generates aversion from the former toward the latter.
- c. Symbolic
 - A culturally legitimized symbolism of a hybrid country, where the "malandro" (a kind of roguish) and the "jeitinho" (the "art" of finding a workaround) are valued as essential tools for bypassing an exclusionary institutional framework that has always acted as a barrier for those on the margins.

This environment gives rise to the so-called "Brazilian dilemma": the pursuit of egalitarianism within a hierarchical society, where stark dichotomies, unspoken structural prejudices, deep productive and socioeconomic inequality, and a preference for the "middle way" or the "intermediary" coexist in daily conflict. In a society shaped by a development model that features significant but subordinate integration into the global capitalist system, economic diversification and modernization have not been universally distributed.

Thus, informality (and semi-formality) is not a "disease" or a "deviation" from the Western capitalist development model but rather a constitutive element of its very structure.

AND DOES THE ISSUE HAVE A SOLUTION?

The good news is that yes! And, at least from a strictly technical standpoint, the solution is relatively simple.

Once the relevance of MSEs (and semi-formality) in shaping the national productive structure is understood, it becomes clear that they must be treated as a focal point in any national development project.

When addressing the productivity challenge in the Brazilian economy in the book "Um Pirlampo no Porão" – in English, "A Firefly in the Basement" (Nogueira & Zucoloto, 2019), we identified two possible trajectories that could lead to increased economic productivity. The first is what we called the "structural trajectory"; the second, the "sectoral trajectory". The structural trajectory would involve changing the economic structure by increasing the share of high-productivity activities. The sectoral trajectory would result from raising intrasectoral productivity by improving the performance of companies in low-productivity segments.

After evaluating each one, we concluded that the structural trajectory does not present itself as a feasible solution in the medium term. A structural change of this nature would only occur under two conditions:

1. The growth of the output of productive firms would absorb workers from low-productivity sectors. However, this is unlikely in the medium term, as those firms would need to significantly increase their sales, which depends on growth in demand (internal and/or external). Internal demand is tied to the population's purchasing power, which is limited by the very low productivity itself, creating a vicious cycle that is hard to break. As for external markets, exporting firms are already operating at the limits of their global market share, with no expectation of substantial expansion in the short term.
2. Through the reduction of output from low-productivity sectors, which would increase the relative weight of high-productivity ones. However, this would mean the outright elimination of jobs in those low-productivity firms, creating a wave of millions of unemployed workers.

Regarding the sectoral trajectory — that is, the increase in productivity of low dynamism firms — there are also two possibilities. One would be through the reduction of the denominator in the labor productivity equation, that is, by reducing the number of employed workers without a corresponding reduction in the value added (the numerator). In this case, we would once again be talking about producing a contingent of millions of unemployed workers (the reengineering wave highlighted this).

The second – which we consider the only viable option for the country's socioeconomic development and, consequently, for overcoming the inequality that plagues it – would be through an increase in the numerator without a corresponding increase in the denominator. This would occur through raising the technical content of the workstations in less dynamic, those with lower productivity levels. These are precisely the MSEs.

In summary, overcoming the heterogeneity of the Brazilian economy requires the development of public policies that encourage investments in capital goods and business services for small businesses, increasing the technical content of their workstations and modernizing their production and management processes. This would create a "virtuous circle" in which increased productivity would raise workers' income, generating greater demand and new investments. In the long term, this would create the conditions necessary for structural changes toward higher productivity and more dynamic sectors.

It is precisely because of the precarious technical content of production and organizational processes, caused by low productivity, that small-scale investments tend to generate significant productivity gains; in other words, the marginal productivity gains from investments in MSEs are higher than those resulting from investments in medium and large companies, which already exhibit higher productivity levels.

And these reflections lead us to the debate on innovation...

In Brazil, the word innovation is associated, for most people, with the idea of disruptive products. The image that comes to mind is a garage startup that will eventually become a transnational corporation. This notion influences many public policies aimed at fostering innovation.

It is a limited view of the concept of innovation. Both in Schumpeter (1982) and in international innovation manuals (Oslo, Frascati, and Bogotá), the concept is much broader, considering innovation as the implementation of a production or management process which, even if not original, is new to the company. Buying a potato peeler for a snack bar, changing the layout, or adopting an Excel spreadsheet for managing a small factory can all be real innovations.

Schumpeter does not value innovation per se; he assigns central importance to it in economic development because it increases aggregate productivity when it spreads through the productive apparatus. However, this requires an "environment" capable of absorbing it. In Brazil, the precariousness of the productive fabric and the management of most MSEs prevents this absorption. As a result, the benefits of technological development are limited and, to a large extent, marginal for the country's economy as a whole.

This leads us to argue that the type of innovation Brazil needs – and which should be primarily supported by the State – is the one aimed at increasing the technical content of workstations in MSEs. It is in the dissemination of modern production and management technologies and in providing accessible financing for these businesses that innovation support programs and policies should focus.

We are worried that the imperative of sustainable development and the new paradigms of global production may further deepen the productivity gap. Concepts such as Industry 4.0; environmental, social, and governance (ESG); Internet of Things (IoT); artificial intelligence (AI); and sustainability, among others, are not part of what Pierre Bourdieu called *habitus* for MSEs. Therefore, they cannot be part of the concerns of the millions and millions of small entrepreneurs who are almost exclusively focused on the daily struggle for survival.

REFLECTIONS

I began the previous section by stating that, from a strictly technical standpoint, solving these issues is not as complex as it might seem. So, what is the real challenge? It is much more political. It involves making the nation recognize the importance and central role of MSEs in its development, in raising the productivity of the economy, and, most importantly, in overcoming one of the main structural causes of its inequality. To achieve this, it is necessary to promote a debate that leads to the repositioning of some strategic players in this process. What we observe today is that large corporations and financial capital "set the agenda" for the Legislature, the Executive, and the mainstream media, constructing a narrative that assigns a peripheral role to MSEs.

There is a Brazilian song that wisely states, "O Brasil não conhece o Brasil" ("Brazil doesn't know Brazil")⁷.

It is necessary to reformulate academic thinking. MSEs need to receive the deserved prominence in the curricula of business administration, economics, accounting, law, and related fields. It is also urgent to increase research focused on MSEs and informality as study objects to better understand their reality. The concept of entrepreneurship needs to be rethought, moving away from the assumption that the creation of new firms is the solution for the country and shifting the focus toward the requalification of the millions of existing entrepreneurs, making their businesses more productive, competitive, sustainable, and capable of integrating into more dynamic production chains. Develop research agendas aimed primarily at robustly quantifying the economic dimensions of MSEs and informality, propose classification systems that allow the diversity within the MSE universe to be better understood, seek

to identify causal relationships that explain low productivity, and establish mitigating solutions for the set of challenges affecting this segment thereby enabling the development of adequate public policies, are among the topics that need to be established.

There is also the issue of "winning hearts and minds." Small business owners perceive themselves as capitalists, while social cause activists demonize them as such. However, small business owners are not capitalists. They live off the income from their work, not from capital income, which is marginal in their case. Their earnings are often insufficient to hire executives to replace them. This misguided perception has serious political implications. These entrepreneurs tend to align politically with capital, supporting the interests of big capital. As a result, the functional distribution of income favors capital over labor, allowing the true capitalist class to appropriate a larger share of national income (through interest, rents, taxes, etc.), which erodes the profits of small business owners and depresses their consumer market. On the other hand, social policies often exclude them.

It is necessary to overcome the idea that supporting small businesses is merely a matter of "job and income generation." Such a perspective shifts the issue to the realm of the State's social assistance programs. It is essential to recognize their economic dimension, their importance in shaping the productive fabric and the average productivity of the economy, and to view them as foundational agents for development. Small businesses must be prioritized within the agencies and institutions responsible for the State's economic development programs.

Moreover, it is essential to understand that Brazil is not a "developing" or "emerging" country, but rather a subordinate one within the international division of labor and capital (Furtado, 1981). Backwardness and inequality are intrinsic to global capitalism. We will not reproduce the trajectory of central countries, dreaming of one day becoming a Denmark; we need to chart an autonomous path.

These are fundamental paradigm shifts necessary to build a new institutional framework in Brazil, overcoming the current one that pits the State against the citizen – an institutional framework that is genuinely "Brazilian" rather than "pseudo-Saxon."

Thus, a "national project" can be established with the goal of economic development based on an inclusive process that assigns MSEs their rightful importance; a development project that prioritizes training and access to credit to finance productive innovation investments by MSEs (Nogueira, Nascimento et al., 2022).

What we need is not a "Development Policy FOR MSEs," but a "National Development Project WITH MSEs"! In other words, not a development policy (or industrial policy) that marginally addresses MSEs, but one that places this segment at the core and as a priority of the public actions and programs stemming from this policy.

Endnotes

- 1 Although the General Law of SMEs (Complementary Law No. 123, of December 14, 2006) mandated the formulation of a "national policy for the development of micro and small enterprises" (Nogueira et al., 2022b), this only finally materialized at the beginning of this year (Decree No. 11,993, of April 10, 2024).
- 2 Values calculated from data by the OECD and the ILO.
- 3 The data presented refers to the year 2009. However, there have been no significant changes in the reality since then; any variations observed have been marginal.
- 4 The values presented here undergo continuous cyclical fluctuations. However, these have varied within relatively stable "orders of magnitude," without showing clear trends of change. Thus, considering that such orders of magnitude represent the "structural" value of these figures, they will be the ones used in this work.
- 5 According to the definition of the International Labour Organization (ILO).
- 6 Given the purpose and the synthetic nature of this article, the bibliographic references related to the considerations presented in this text are not listed. These can be found in the original work by Nogueira and Zucoloto (2019). The same applies to examples of the categories mentioned in the text.
- 7 "Querelas do Brasil," a song by Aldir Blanc and Maurício Tapajós.

Conflict of interest statement

The authors declare that there is no conflict of interest.

Authors' statement of individual contributions

Roles	Contributions	
	Nogueira	M. O.
Conceptualization	■	
Methodology	■	
Software	■	
Validation	■	
Formal analysis	■	
Investigation	■	
Resources	■	
Data Curation	■	
Writing - Original Draft	■	
Writing - Review & Editing	■	
Visualization	■	
Supervision	■	
Project administration	■	
Funding acquisition		N. A.

Note: Acc. CRediT (Contributor Roles Taxonomy): <https://credit.niso.org/>

Open Science: Data availability

The entire dataset supporting the results of this study was published in the article itself.

Badge Description



Not applicable



Not applicable



Not applicable



<https://doi.org/10.14211/regepe.esbj.e2599pr>



Not applicable

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