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## RESISTANCE TO THE FORMALIZATION OF A SOLIDARITY ECONOMY ENTERPRISE IN A UNIVERSITY INCUBATOR

RESISTÊNCIA À FORMALIZAÇÃO DE UM EMPREENDIMENTO DE  
ECONOMIA SOLIDÁRIA EM UMA INCUBADORA UNIVERSITÁRIA

RESISTENCIA A LA FORMALIZACIÓN DE UN EMPRENDIMIENTO DE  
ECONOMÍA SOLIDARIA EN UNA INCUBADORA UNIVERSITARIA

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**Abstract:** This article analyzes a case of resistance to the process of formalizing a Solidarity Economy Enterprise (EES) in the cultural production sector that is being incubated in a University Incubator of Social Technologies. The EES already existed previously, being both economically and technically sustainable, but it was unable to formally structure itself, which generated a series of difficulties in accessing resources and in defining internal attributions. During the incubation stage aimed at formalizing the enterprise, a series of resistances were observed. Based on the analysis of these, two main sources were identified. The first, objective /legal, is linked to the difficulty of regulating the dynamics already existing in the EES by the legal structure of the Association, mainly due to the multiple sources of income of the members, and the variety of forms of value production. The second, psychosocial, is related to resistance to change in the dynamics of regulating affective investments within the organization, and mainly due to the de-structuring of the construction of relational values.

**Keywords:** Resistance to incubation; Cultural Enterprise. Solidarity Economy.

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**Resumo:** Analisa-se um caso de resistência ao processo de formalização de um Empreendimento de Economia Solidária (EES) do ramo de produção cultural em incubação em uma Incubadora Universitária de Tecnologias Sociais. O EES já existia anteriormente, sendo sustentável tanto econômica quanto tecnicamente, mas sem conseguir se estruturar formalmente, o que gerava uma série de dificuldades de acesso a recursos e de definição interna de atribuições. Durante a etapa de incubação voltada para a formalização do empreendimento, verificou-se uma série de resistências. A partir da análise dessas foram encontradas duas fontes principais. A primeira, de base objetiva/jurídica, atrelada à dificuldade de regulação das dinâmicas já existentes no EES pela estrutura jurídica da Associação, principalmente em função da multiplicidade de fontes de renda dos membros, e da variedade de formas de produção de valores. A segunda, de base psicossocial, relacionada à resistência à mudança na dinâmica de regulação dos investimentos afetivos dentro da organização, e principalmente em função da desestruturação na construção de valores relacionais.

**Palavras-chave:** Resistência à incubação; Empreendimento Cultural. Economia Solidária.

**Resumen:** Se analiza un caso de resistencia al proceso de formalización de un Emprendimiento de Economía Solidaria (EES) del ramo de producción cultural en incubación en una Incubadora Universitaria de Tecnologías Sociales. El EES ya existía anteriormente, siendo sostenible tanto económica como técnicamente, pero sin conseguir estructurarse formalmente, lo que generaba una serie de dificultades de acceso a recursos y de definición interna de atribuciones. Durante la etapa de incubación enfocada a la formalización del emprendimiento, se verificó una serie de resistencias. A partir del análisis de estas, se encontraron dos fuentes principales. La primera, de base objetiva/jurídica, vinculada a la dificultad de regulación de las dinámicas ya existentes en el EES por la estructura jurídica de la Asociación, principalmente en función de la multiplicidad de fuentes de renta de los miembros, y de la variedad de formas de producción de valores. La segunda, de base psicosocial, relacionada a la resistencia al cambio en la dinámica de regulación de las inversiones afectivas dentro de la organización, y principalmente en función de la desestructuración en la construcción de valores relacionales.

**Palabras clave:** Resistencia a la incubación; Emprendimiento Cultural. Economía Solidaria.

## INTRODUCTION

The incubation process of Solidarity Economy Enterprises (SEEs), as well as discussions on the solidarity economy in general, although they have made great progress in recent years, largely due to the accumulated experience made possible by incubation process financing programs and broader studies characterizing the Solidarity Economy in Brazil, still present a series of gaps to be filled. One of these gaps refers to the role played by cultural and psychosocial processes both in the structuring of the solidarity economy, but mainly in the methodologies for incubating and training enterprises or groups that adhere to this proposal for productive organization.

This text refers to an Extension Project carried out as one of the activities of the Social and Solidarity Technologies Incubator of UFGD (ITESS/UFGD), which aimed to develop a venture in the area of cultural production, in the city of Dourados, MS. The EES already existed previously and had gone through several stages of organization, being marked by the entry and exit of members, as well as by changes in the production focuses. In addition, the EES had the specificity of serving as a space for the integration and promotion of several cultural groups, while at the same time participating in the EES, they constituted themselves as autonomous groups among themselves and in relation to the EES, thus establishing a model of productive organization marked by a dynamic of double belonging, and by the conflicts arising from this dynamic.

Furthermore, the incubation work required attention to a series of important analytical aspects, both due to the role of the EES in fostering local cultural practices and defending emancipatory cultural processes of the region's indigenous ethnic groups, and because it encompasses issues related to gender and youth expressions, serving as a space for dialogue and elaboration for young artists in the city on these themes. These aspects led us to understand the diversity of elements that must be considered when seeking, through the Solidarity Economy, the sustainability of enterprises, and the conflict that may arise between the search for this economic sustainability and the maintenance of the social and psychological functions of the enterprise.

The way in which the enterprise is structured, with the delimitations of social roles and productive and managerial dynamics inherent to each type of organization, can be understood as an element that permeates these various aspects, providing directions and establishing shared ways of dealing with these delimitations. The change in these forms of structuring implies a whole series of modifications in these delimitations and roles to be performed, which often does not occur without generating a conflictive transition, marked by disputes, and mainly by the need for elaboration work to understand the new institutional configurations, and the repositioning of the subjects among themselves and in the face of these new configurations.

Although it already had its own organizational model, due to its dynamics that favored the autonomy of its members and their groups in relation to the EES, the organizational model preexisting in the enterprise analyzed had no parallel in formal organizational models of already structured enterprises (mainly associations and cooperatives). Maintaining the organizational model of the EES, however, kept it as an informal enterprise, even though it was organized and socially recognized. However, this informality in relation to the State generated a series of problems for the EES, mainly regarding access to public funding resources for culture, and the lack of definition of the relationship of its members with the EES regarding participation in the achievement and division of resources.

These issues led us to consider the need to seek formalization of the enterprise. However, during the process, it was realized that such formalization faced a series of difficulties. However, these went beyond those anticipated regarding the discrepancy between forms of regulation of productive dynamics resulting from two different organizational models. We therefore propose, as in this text, to analyze such difficulties that were beyond the explanation given by the economic dynamics of the enterprise.

## **FORMALIZATION OF SOLIDARITY ECONOMY ENTERPRISES**

The issue of formalizing enterprises in the Solidarity Economy has been the subject of discussion for some time. Currently, there is a question about the need to formalize an enterprise in order for it to be considered part of the solidarity economy, with real existence prevailing over legal registration as a defining factor of the existence of the EES (DIEESE, 2015). Formalization, in fact, is not necessarily a factor to be sought. This occurs because the characteristics of the people and activities that are

mediated by the enterprise may not fit into formal models (provided for in the legislation) of economic organizations, and because the growth and development processes of the EES can also occur in informal groups (GAIGER, 2014).

However, as Ogando and Gaiger (2009) show, the average remuneration in informal groups tends to be much lower than in other forms of institutionalization of solidarity economy enterprises. Furthermore, the fact of not having a formal relationship with the State, although it may be positive in the sense of reducing costs, also removes the possibility of obtaining advantages that the State may offer for the development of these enterprises, such as granting credit or participating in public tenders.

Access to these public policies seems to be an important element in encouraging formalization. Among the business sectors, those that are most commonly structured in a formalized manner are those linked to family farming, which have already structured public policies for financing and purchasing products (DIEESE, 2015). Furthermore, these businesses end up being, in comparative terms, priority objects for actions to transfer technical and technological knowledge, by Incubators or Rural Extension Programs, within the university environment, and by more developed technical development agencies with more appropriate models, due to their proximity to family farming (MELO, 2005).

In specific situations, such as cultural enterprises, where traditional management mechanisms tend not to cover the management needs arising from the specificities of these types of enterprises, this training process becomes a little more difficult, especially if we consider the lack of theoretical production on the subject (JUDICE; FURTADO, 2014). This difficulty in training also appears in programs to promote cultural enterprises, where the allocation of resources for this type of training is less highlighted than those related to technical training or financing of other stages of the production process (VILUTIS, 2011).

It is possible to assume, then, the existence of a cycle in which managerial and fiscal training (or systematic access to consultancy in these areas) enhances the formalization of enterprises, which can then access public financing policies, while the existence of financing policies stimulates the process of training for the formalization of enterprises. However, this process does not occur automatically, and there is a need for coordination between training policies and incentive and financing policies.

When we consider the enterprises that use the assumptions of the solidarity economy for their organization and whose main objective is the expansion and

maintenance of cultural citizenship, in addition to the difficulties related to the management of cultural enterprises, there are also the difficulties inherent to the management of EES, and those of a production logic whose centrality is economic sustainability, and not the production of goods (SERRA; FARIA, 2016). In this sense, two elements stand out: the inadequacy of the legal structuring models available to the structure and real economic and fiscal needs of the solidarity economy enterprises (in this case, added to the inadequacies in relation to the needs of the cultural sector), and the inadequacy of these legal structures in the mediation of conflicting elements of a social and economic nature and related to the psychic dynamics of their members.

According to Vieira (2015), the diversity of organizational forms in the solidarity economy, rather than a problem, represents the strength of this economic model, due to its capacity to organize specific demands of different social groups in a more realistic manner. The problem occurs mainly due to the lack of progress in legislation on the subject, which does not provide for more flexible organizational models that are more appropriate to our reality. However, the mere creation of these more flexible models would not be a solution to the problem of the Solidarity Economy when we take into account its dynamic aspect, that is, self-management.

This creation of new legal forms would also require the structuring of new ways of technically approaching managerial, accounting and tax activities, which take into account the need for the members of the enterprise to appropriate the knowledge related to this accounting management, so that there can in fact be control of the enterprise by its members, and not a loss of it to a technical control outside the group (PIRES; COUTO; ALVES, 2013). The ideal in this case would be for such technical knowledge to be articulated with the knowledge already present in the groups, developing it, and incorporating more advanced technical developments into it, after these have been analyzed and revised for their ideological content and the establishment of labor and management practices contrary to the principles of the solidarity economy (DAGNINO, 2014).

In this sense, the articulation of knowledge already present in society as technical knowledge is shown to be a relevant aspect for achieving this objective. According to Gaiger (2014), the available models of formal registration (mainly associations and cooperatives) would be associated with social dynamics arising from historical processes of community organization of workers in the European context, in addition to their adaptation to models of state organization and public policies in these countries, whereas

the historical context in which our experiences of collaborative economic practices occur is much more marked by an informal structure and an absence of the state.

When we consider the process of institutionalization of our popular cultural manifestations, as well as their processes of organization and formalization, these are often not structured taking into account a search for autonomy in their financial sustainability, remaining largely dependent on other entities, such as support from the government, or donations from individuals and companies (ALVES, 2012). One can therefore question to what extent these models aimed at structuring economic enterprises are adequate in the sense of enabling productive flows that enhance the interests of their members.

However, the formalization process will not only impact fiscal dynamics or the management of production flows or distribution of goods. In addition to goods, institutions also mediate a whole series of symbolic and imaginary elements among their members, as well as an entire psychic economy, where instinctual and unconscious elements act side by side with rational and conscious elements in determining the behaviors and expectations of people in the organization (ENRIQUEZ, 1997).

## **PSYCHOSOCIAL PROCESSES RELATED TO WORK**

According to Freud (1930), the act of working and the organization of work are important within the framework of the organization of the subject's psychic dynamics, since the expenditure of energy resulting from work is characterized as one of the forms of substitutive drive satisfaction. This expenditure within a socially sanctioned and valued activity then enables the subject to maintain his or her psychic economy within a repressive social context. Drive satisfaction resulting from the expenditure of psychic energy tends to be linked to a symbolic connection, which will provide a meaning for this drive relief. This meaning, in turn, will occur in reference to a context of broader meaning, which necessarily refers us to the social dimension, in which work experiences will gain a positive or negative value.

In this sense, the organization of work and relationships between people in institutional dynamics will affect the forms of drive satisfaction, indicating socially authorized (as well as prohibited) ways for this satisfaction to occur. Likewise, the institution can provide attributions of meaning to work experiences, articulating links between symbolic representations with these drive satisfactions, enabling spaces for

elaboration for the subject in their relationship with work (DEJOURS; ABDOUCHLI, 2011).

This elaboration, however, is always partial, due to the mismatch between the continuity of the drive force and the discontinuity of symbols (MENESES, 2010). There will therefore always be a remainder, which, if not expressed through work, will be expressed in some other way. This other form of drive expression, beyond this elaboration, will be what Freud (1917) called a symptom. This something that cannot be expressed through the forms of drive satisfaction made possible by the organization of work, will refer, although still articulated with work, to something beyond the organization of work itself, that is, it will refer, on the one hand, to the internal psychic split that constitutes the subject itself, and on the other hand, to the incompatibility between the subject's psychic demands and the demands of society and the productive organization.

This incompatibility is also expressed in institutions where identification processes between members are one of the main ways of structuring and maintaining the institution. According to Enriquez (1997), the basic drive dynamics of group maintenance, which are expressed by the investment of life drives into the group and death drives outwards, also have the subject, as an individuality independent of the group, as the object of investment of the death drive. In this sense, manifestations of individuality by members that threaten the psychosocial arrangements that sustain the integrity of the group will be the object of attack by the group as a whole.

According to Freud (1926), this threat to psychic integrity must, however, be understood in a way that involves other elements of the subject's psychic experience, in addition to just the perception of reality. All fantasies and desires, which, if the subject were to mobilize to pursue them, would, in the subject's perception, put his physical, psychic or social integrity at risk, would be the object of psychic repression, that is, of a disconnection between the representation of this desire or fantasy and the effect corresponding to it.

However, these repressed desires and fantasies will express themselves, even outside of a conscious order of satisfaction of the subject, in the form of symptoms or other unconscious manifestations. The same will occur in psychosocial phenomena related to productive organizations, with the consideration that it is the imaginary integrality of the organization that aims to be defended, the symptomatic manifestation occurring through actions that emerge as complaints or discomfort, or malfunction ,



without apparent causes, of the organization of work and management of the enterprise (DEJOURS, 2005).

The experiences of these psychic elements, managed by the conditions of the subject's insertion in relation to work, within the scope of the solidarity economy, are marked by the conflicting insertion that the solidarity economy establishes in relation to the other experiences that the subject has in society. Such conflicting insertion, due to the maintenance in the subject and in the groups of ideals or values originating from different models, will strongly impact these defensive dynamics, which are structured in relation to the other work experiences present in their personal trajectory, or in the symbolic repertoires of their family members and their social class (CARVALHO & PIRES, 2004).

Defensive dynamics in the solidarity economy are marked by the maintenance, even when the possibilities of participation in management and work organization change, of practices associated with defensive mechanisms related to situations of heteromanagement, learned in their personal work trajectory or with the social groups with which the subject lives. Such maintenance, in turn, is reinforced by a series of elements, ranging from the failure to review the sociotechnical configurations of production to the lack of linguistic elements that allow workers to articulate their experiences and feelings in a comprehensive and shared way (PIRES, 2018).

Considering the case of cultural enterprises, we will find yet another conflicting element to be analyzed, that is, the resistance to the instrumentalization of artistic expression and its transformation into merchandise. This cultural expression will be governed by its own logic, associated with specific territorial identities, and will serve as an articulating element of the identity of people in these territories (VILUTIS, 2011). The maintenance of these identities as an autonomous practice that expresses these realities in which the subjects participate, and that serve as the basis for their identity constitution, is already configured as a form of resistance to universalist and standardizing forms, such as the formalization models established so that these enterprises can interact with the state (DOMINGUES; SOUZA, 2011).

Based on the observation of these limitations imposed on the real dynamics that the formalization process establishes, especially when this process occurs in incubation situations, that is, in a situation of external intervention to the group in its structuring, we then sought, based on the analysis of a specific case, to describe the perceptions and analyses of a formalization process that took into account the importance of

complementarity between economic and formal aspects and other aspects in understanding resistance to formalization

## **DESCRIPTION OF EES**

The EES participating in the incubation process had already existed for five years, and was marked by the autonomy in the productive organization of its members, and in the structuring of the groups, which were also autonomous from each other, encompassing different areas of artistic production. Sometimes, as in the case of theater, there was more than one group, always maintaining autonomy among them. The income earned from the activities of the groups was also destined only to the groups, with few percentages being transferred to the EES under analysis.

The groups' main contribution to the EES came through two activities. The first was the *Saraus*, one of the EES's main sources of funding, which included various artistic activities. In these *Saraus*, group members participated by donating their artistic activities or helping with other activities, such as selling drinks, cleaning, preparing spaces, among others. However, there was no formalization of specific amounts or actions that each member should do, which was "more in accordance with each member's conscience". The second action took place through an entire network of non-financial support in the preparation, execution and/or dissemination of projects and activities among members, which enhanced the work of each group. This action also occurred with complete freedom and in accordance with each member's affinities and conscience.

The EES also functioned as a cultural hub, organizing other events in addition to the *Saraus*, and hosting artists who passed through the city, establishing an artistic residency, which also generated some income from the funds raised through accommodation. However, this source of funding was extremely seasonal, being mainly associated with the occurrence of events in the city. In addition, the EES fulfilled an important role in fostering regional culture and political activism, mainly in relation to gender issues and in the defense and cultural promotion of local indigenous ethnic groups. This action took up a significant amount of time for the main organizer of the EES, and was a source of constant concern, due to the extreme violence with which indigenous ethnic groups are treated in the region, with threats having already been made to members of the EES due to this support.

Although there was also freedom to participate in management activities, this was concentrated in a smaller group of people (four members) who, in practice, were the few who were responsible for maintaining the EES, with most participants being linked mainly to their production groups, assuming little or no responsibility for the EES as a whole.

The EES was sustainable both economically and technically. This economic sustainability, however, was limited to the minimum necessary to maintain the EES's operations, often generating little or no income for its members. One of the main problems in this regard was the difficulty in accessing resources from public notices or companies, due to the lack of a formal structure of the EES. It is interesting to note that EES members often carried out projects that won notices, but always in partnership with other institutions that had formal registration.

This fact, in addition to the material loss, also caused great harm to the recognition of the work, which, although often conceived and carried out by members of the EES, ended up being attributed to partner entities. This problem, and the strong previous connection with UFGD (many of the members were students or former students of the university, in addition to the fact that the university was a partner of the EES in a series of events), led to a dialogue between the EES and members of the Incubator of Social and Solidarity Technologies (ITESS/UFGD), in order to seek to overcome this situation of informality.

Since the group already had structured technical capacity, the incubation process focused on developing the management capacity of the enterprise and seeking to find solutions for the formalization process. Initially, work was carried out associated with the identification of the relational and productive dynamics of the EES (PIRES, S ILVA, 2019). Once this first part of the work was completed, the process of formalizing the enterprise began.

However, despite the formalization process itself being characterized as a relatively simple process, a series of obstacles arose in the execution of these tasks, which were expressed mainly through difficulties in understanding or postponements in the execution of tasks. The team then began to analyze these problems and realized that they did not occur due to a lack of knowledge or capacity to carry out the activities. It was then considered that these were configured as resistance to the process of formalizing the enterprise

## **METHOD**

This resistance began to be analyzed from the perspective proposed by Pires (2018), of analyzing resistance to the incubation process. This model starts from the consideration that there is a link between intrapsychic defensive mechanisms and social defense strategies, and in this case, those related to the organization of work. Based on this observation, it is proposed that the elements of resistance applied to personal analysis also be interpreted in relation to the incubation process, based on the insertion, in addition to psychic dynamics, of social elements and those related to work relations and productive configurations.

The listening of the EES members occurred through three actions: Individual interviews, mainly with those mainly responsible for the management of the EES, where the experiences of the members with the EES and the meaning they constructed from these experiences in their personal lives were narrated, both in relation to their professional trajectories and the importance of the participation of the EES in their daily lives beyond work. The field observations took place in the EES itself or in activities developed by them, in which what Carvalho and Pires (2001) call “conversation at the machine” was used, that is, listening to the construction of the meaning that the worker establishes for the work in the act of performing it. The constructions of meaning and the narratives presented in the individual interviews and in the field observations were then taken for discussion and group meetings with the EES members, in which the main themes that appeared in the previous discussions were revisited and discussed in the group.

The analysis of the statements sought to enable a joint construction of knowledge of the dynamics of the EES, both by the Incubator team and the EES members, within the perspective proposed by Thiollent (2002). With this, the points that were repeated in the statements, both individual and in the description of the work itself, were addressed in the group in order to seek a resignification of the difficulties perceived in these experiences. With this, two effects were intended. The first would be the change of perspective of a perception of oneself in relation to the experiences from an individual perspective to a collective perspective. The second would be to look for defensive manifestations in the manifestations in the face of the emergence of problems related to these experiences, as indicated by Pires (2018), such as procrastination, silence, deviations from the discussion or affective manifestations decontextualized from the discussion. With this, it was

expected to perceive both the processes of elaboration and the processes of resistance to the elaboration of the experiences in the EES by its members.

From this analysis, two main sources of resistance were found. The first, objective/legal, linked to the difficulty of regulating the dynamics already existing in the EES by the legal structure of the Association, and the second, psychosocial, related to resistance to change in the dynamics of regulating affective investments within the group and the organization.

## **RESULTS**

### **RESISTANCE TO THE LEGAL FORM OF ASSOCIATION**

The issue of formalization was one of the main demands of the EES incubation process, and the type of enterprise that would best fit the formalization proposal was always discussed with members. Due to the characteristics of the EES, which has a small group of people and very large variations in income levels depending on the time of year and whether or not the organization participates in projects financed by public notices, the option for a cooperative, which would require a larger number of members and a higher cost of overhead, was discarded. Likewise, the option of structuring the organization as a regular company or as an institute also proved to be inadequate, due to the low possibility of participation by members of the artistic groups that participated in the EES.

In this sense, the option for the association proved to be the option that allowed greater flexibility, both in terms of adapting to the productive dynamics and participation of members, and in terms of the way in which the control and fiscal registration of the economic activities developed would be easier for members to understand. However, despite this greater flexibility and ease of operation of the legal entity of the association, the option for it, with the definition of members with similar functions, did not express the objective dynamics present in the EES, a dynamic that is marked, above all, by the dual form of connection to the EES, that is, to the EES itself, and to autonomous cultural groups. In addition, we can add the need for connection to other income-generating activities other than artistic ones, which many members needed to carry out due to the difficulty of generating income exclusively through cultural activities.

In this sense, the situation of the economic dynamics of the members of the EES is similar to that perceived by Jesus (2012), related to rural populations. In these populations, economic activity linked to land coexists with other non-rural economic activities, condensed in the same person or family group. The function of the EES, which aims to mediate more specifically the activities linked to rural production in these cases, needs to be understood in relation to the family dynamics of production, and the values adopted to think about this production, which must also attend to the other economic activities developed by its members outside the object of economic organization of the EES, and taking into account aspects related to the family's domestic economy, both in the production of goods for commercialization or for own consumption.

Although the EES analyzed mediates part of the activities of the groups and members, mainly by providing spaces for rehearsals, performances, or cultural production, the activities of the groups and artists themselves are not very dependent on the EES, either in material terms or in organizational or artistic terms. We can therefore identify three types of production carried out by the EES members, with different degrees of participation in the intermediation or in the increase of productive activities.

The first refers to artistic actions that, although carried out by members of the groups, are not related to the EES. One of the main examples are circus performances, which usually take place on the street, on the artists' own initiative. Although they attend the EES and develop other projects there, the EES itself does not benefit from these actions. However, other works sometimes have some connection with the EES. One example that occurred during the incubation period was a music workshop, which was developed as a free course and was taught as one of the EES activities, but stopped being so, because the teacher, upon obtaining public funding for the course, began to teach it at a school. In this case, we can see that, although the EES was the intermediary for the course, it was only in terms of infrastructure, with everything else being carried out by a specific artist. The question here is to what extent such a course would be a specific activity of the artist or a result of the EES, which made its effective development possible.

A second set of activities were those carried out by groups, with exclusive responsibilities, but which used the structure of the EES, which was remunerated mainly for the use of its facilities. Generally, this remuneration was given by percentages of earnings, but in some cases, such as band rehearsals or artistic residencies, such remuneration was given as a pre-defined fixed payment.

A third set of actions were the collective actions of the EES itself, which generated direct revenue for it. The main example were the Saraus, parties with a set of cultural activities, where, in most cases, members of the groups participating in the EES provided their activities free of charge (or with reduced remuneration) for the Saraus, as well as participating in the arrangement of the EES or in the sale of drinks and charging for entrance fees.

We were also able to identify a fourth set of actions, which, although not aimed at generating revenue, took up a large part of the members' efforts and, in our view, could be understood as one of the most important products in the sustainability of the EES. Still referring to the comparison with family agricultural production, where part of the families' income comes from production destined for collective enterprises, and part comes from the work of the members in isolation, there is also a third type of production, aimed at personal consumption or for providing gifts, which is of great importance in the economic and social support of the families. Likewise, a series of actions were identified in the enterprise that were mainly aimed at the members themselves, which were not intended for commercialization, but for the internal enjoyment of the EES members.

These goods ranged from elements related to the exchange of experiences, or exchanges of artistic performances or products, but mainly to the production of what França and Dzimira (1999) described as relational values. Here we can establish a difference in relation to consumer goods, produced for their own use, rather than exchange. During the observation of the enterprise, we were able to observe a series of mobilizations aimed at achieving an objective, which was generally not achieved. At first, this failure to achieve the objective was interpreted as problems arising from failures in the organization of actions. However, given the repetition of the same problems, we began to analyze such actions from a broader perspective of gift theory (MAUSS, 2016), and we were able to perceive that they were aimed much more at providing a series of symbolic and affective exchanges, as well as experiences, ways of dealing with problems, identity and political support, and artistic performances.

It is important to emphasize that the activities of this fourth set of actions, although they took up a lot of the EES members' time and were often considered a priority activity in relation to the other EES activities, were not often perceived as value-producing activities. Most of the time, they appeared masked behind other activities, such as courses, group work, or workshops, whose explicit objectives were left aside as the activities progressed. These activities, in turn, served as support for many of the other EES

activities, and in them (or in their gaps) ideas for projects or proposals for work in common among the members were articulated.

All the activities of these four groups, although they were the subject of discussion and planning, and of more or less structured control, were carried out within the logic of personal conscience, often without formal demands. Only in some cases, when “the person does not realize it”, were formal demands made, generally followed by the withdrawal of the people being demanded, or by a change in their position regarding the enterprise. This process was marked by a relationship of ignorance (or lack of commitment to knowing) of the real situation of the EES, often idealized as having a completely fanciful financial success, or by an exchange of accusations or feelings of exploitation.

It is important to establish here that all of these previously existing dynamics were informal and without defined rules, and that, most of the time, they were inefficient in terms of regulating the definition of which gains were the result of the EES activities, and which were the result of external activities of the groups or their members, and that, therefore, they had no relation to the EES or to a need to share the gains. This was always one of the points that came up in the meetings, associated with a great deal of anguish and suffering, marked by interpretations of betrayal, discredit and even subtraction of the share of work due to some EES members.

However, the perspective that the formalization of relationships and dynamics, with the formalization of the enterprise as an association, did not appear in the perception of the EES members interviewed as a way out of this type of situation, that it would regulate it more clearly, or even that more specific parameters would be established for this relationship between the members and their activities. The alternative of modifying the relationship between the EES and the groups, which seemed to be a more or less clear solution for the members of the incubation team, also proved to be problematic, because, in practice, it would turn the EES into a cultural producer, and the groups into its service recipients, thus being effectively excluded from the EES.

However, these resistances associated with the limitation of the intermediation of productive relations resulting from the legal status of the association cannot be understood as a complete explanation of the situation encountered. Although there were inadequacies in the way production relations were regulated in the proposed model of the association, there were also difficulties in the current model adopted, which generated financial problems for the EES and the groups. In addition, partnerships in projects with other



institutions (already institutionally established as cultural producers) already provided experiences and experiences regarding the type of situation to be faced, and which were often the priority options of the groups, rather than the EES.

We therefore consider that in order to better understand such resistances, we need to include in our analysis the fact that they are joined by a whole series of elements that, in addition to the limitations of economic and fiscal regulations, also refer to the role of the EES in regulating psychosocial dynamics, with their affective, symbolic, imaginary and impulsive elements. Understanding such elements, together with the understanding of the dynamics established by the formal legal figure, could then provide us with a broader explanatory framework that could better fill the gaps present in the analysis process, as well as better indicators of actions to be developed to overcome such resistances.

## **PSYCHIC RESISTANCE TO FORMALIZATION**

The analysis of psychic resistance in the incubation process, as well as in the interpretations of the social clinic, is based on the manifestation of repetitions and absences of meaning in the worker's discourses and work and organizational practices, absences and repetitions that initially appear to the productive group (and to a large extent to the incubation team) as something resulting from an inaccessible reason, or camouflaged under interpretations that do not withstand a more detailed analysis (PIRES, 2018).

In our case, these repetitions were expressed by a set of factors that prevented the formalization process of the EES from being carried out. Among these were endless discussions about details of the statute, doubts that were resolved in one of the meetings and that reappeared in the next meeting, practical actions that were never taken, among other similar issues. In the statements regarding these delays, fears about the consequences arising from the formalization process were always identified, albeit in a veiled manner, especially those related to the responsibility for the enterprise.

The establishment of an association would define the obligations and responsibilities of its members in a more objective manner. In this sense, the adoption of this legal entity would make explicit a relationship of connection with the EES that was differentiated between those who were involved in the management of the EES and those who were involved in the management of the groups. It is interesting to note that, although

the cultural groups participating in the EES were part of the enterprise based on an identity and emotional bond, and in some practical activities, they were not part of the daily management practice. From what was perceived, there was not even an intention on the part of the groups to take over the management of the EES, but rather to maintain its dynamic of connection as it was.

The formalization process made explicit and questioned not only elements of legal and formal responsibility, but also the entire dynamic of identity and affective investments between members of cultural groups and between them and the EES. These identity processes carried a double burden of investment, because, on the one hand, the EES provided important elements in the formation of the identity of the members and served as a space for elaborating the meaning of their practices as artists, but this elaboration was marked by conflicts, processes still under construction and suffering, which involved, in addition to the common aspects shared with other members, also personal and individual aspects, marked by issues external to those experienced in the EES.

An example of this was present in the speech of most of the oldest members of the enterprise who were interviewed, about the need to articulate, within the EES itself, their choices as artists with other professional choices they had made. Most of these interviewees, in addition to their artistic training or practices, also worked or were training in courses such as history, medicine, administration, psychology and others not directly linked to artistic activities, in addition to those who participated in courses related to the arts, such as theater, graphic arts, or audiovisual production. In addition to the issues related to the need for financial gain, which could be measured through these activities, the issue of integration between these other professional activities and artistic activity was always discussed.

In this sense, we have reinforced here the thesis that the intermediation or not of the economic activities of the subjects by the EES, was not the only issue related to the resistance to the formalization processes, since the way in which this demand for integration of activities emerged in the subjects' discourses was much more linked to a search for identity integration between two social roles, than related to an integration or potentialization between two economic activities. Furthermore, by functioning as a space for coexistence and production of relational values, the EES mediated a whole series of affective relationships, or spaces for reflection on issues related to sexuality or gender identity, in addition to questioning notions of health, food, bodily and family experiences.

It was found in the observation of the activities of the EES, and in the discussions with the members of the groups, and with the members who participated in the management of the EES, that there was a set of well-established rules regarding the maintenance of these relational spaces within the EES, including strict punishments. The resistance to formalization was not then a resistance to the establishment of repressive rules and systems in the institution, but to the possible de-structuring of these rules that already existed through the adoption of a formal model of organization as an association.

The perception (on the part of those who participated in the management of the EES, who were the ones who actually participated in the meetings called for the formalization process and in this phase of the incubation process) was that, with the structuring of the association, the groups would no longer be part of the EES in a formal way, and the relationship between the EES and the groups would become a commercial relationship, as in a situation of cultural production, governed by formal contracts. With this, the space for psychic elaboration (and the relational assets) provided by the EES, articulated with a whole series of affective and identity-based bonds, would be lost, becoming a space of mere technical and economic performance.

In fact, observing from the perspective of the economic activities of the EES, this situation already occurred. This situation was made explicit in the discussion process with the EES, showing the advantages that the separation between the EES and the groups could have. However, when we take into account a wider range of symbolic and relational goods that the enterprise produced and intermediated between its members and between them and the community, the understanding of the resistance to the formalization process began to make sense.

However, it is also important to highlight, in this case, the continuity that exists between the support of these relational spaces and the support of a logic of thinking about artistic production, or its economic sustainability. If cultural activity is intended to be an expression of the personal and social experiences of the members of the EES, the structuring of these spaces for reflection and exchange of experiences, as well as other relational goods developed, even if it remains a product intended more for personal use or for establishing social ties than for commercialization, proves to be something of fundamental importance in the creative process, and in supporting the possibility of high-level cultural production.

However, as Alves (2012) shows us, considering the intangibility of cultural assets, monetary value can only be added to them by seeking to structure them as

merchandise, within a production chain that follows logics similar to those of other productions. It is therefore necessary to seek, if the intention is the autonomous economic insertion of the cultural enterprise, an articulation between this economic sustainability and the symbolic and imaginary sustainability of cultural production. And this dichotomy is not only present in cultural enterprises, but is also present in solidarity economy enterprises, due to their characteristic ambiguity, derived from being an interface between a properly solidarity economy and a capitalist economy (PIRES, 2017).

The question then changed from demonstrating the advantages of formalization and training for such a process, to that of decision-making, of maintaining a model of relationships that was already established or of a new model. The important thing to highlight here is that, the psychic work to be developed, ceases to be, at first, a work of attributing new meanings to psychic experiences, but a work of mourning, that is, a process of disidentification and de-idealization in relation to the institution, a process that leads to great suffering and a feeling of failure and impotence, in addition to a feeling of guilt on the part of the subjects and the group (PENARIOL; RASCHIMOTO, 2017).

Although the analysis of this process of de-idealization of the organization and its effects, and among them mainly the feeling of guilt, are the subject of another study yet to be published, what the experience so far shows us is that the incubation process establishes stages and demands of intention that, when analyzed, can refer us to other activities that need to be present in the process. In this sense, in addition to the economic and formal aspects, there are cultural, psychological and social aspects, which also mediate dynamics of achievement and distribution of values among members.

## CONCLUSION

The process of formalizing solidarity economy enterprises, especially in incubation processes, demands an analysis that goes beyond a merely economic expectation or its relationship with the state. A series of productive dynamics, in addition to psychological and social dynamics, are also mediated and affected by this process, and by the type of legal entity that will be adopted. And when applied to activities linked to the cultural sector, these demands for analysis are added to a wide range of historical, social and cultural processes of the construction of forms of cultural expression in our country, and the conflicting dimension between cultural and artistic expression, and their economic sustainability with the transformation of these expressions into goods.

The analysis of resistance to the processes of formalizing enterprises is thus shown to be an important step to ensure that the good intentions of incubation teams do not end up destabilizing traditional forms of cultural expression. The consideration of dynamics that need to be analyzed, beyond the processes of training or technical and economic empowerment of groups, leads us to the need for more in-depth work that respects the time it takes for group members to understand and accept the real possibilities made available by economic organization through the solidarity economy, as well as the integration of these activities with other activities carried out by the subject, including economic activities that coexist with those carried out by the EES, but that preserve the subject's freedom and express the conflictual dimension in which the solidarity economy is structured.

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