



Impacts and Effects of the Covid-19 Pandemic on the Solidary Entrepreneurial Ecosystem of Araraquara

Cauana Dias Costa¹ 
Sergio Azevedo Fonseca² 

DOI: 10.22478/ufpb.2525-5584.2025v10n1.69747

*Received: March 26, 2024.
Approved: January 20, 2025.*

Abstract: This article discusses the results of a research study on the performance of Solidary Economy Enterprises (EES) in the municipality of Araraquara after the onset of the Covid-19 pandemic. The objectives are, on one hand, to identify the impacts of the pandemic on the lives of the enterprises (such as creation, mortality, strengthening, weakening, etc.) and, on the other hand, to investigate whether there was a mobilization of community initiatives to face the hardships caused by the pandemic. Methodologically, it is qualitative research, exploratory and descriptive in nature, designed as a multiple case study, with data collected through methodological triangulation, including documentary research, direct observation, and questionnaire application. To support the contextualization, epistemic and historical understanding of the research subject, and to analyze the data, relevant literature was consulted, notably related to transformations in the world of work and the solidarity economy. The results revealed, on one hand, a set of difficulties, particularly in the economic and social spheres, that EES began to face as a result of the political, social, and economic instability created by the pandemic, and on the other hand, the importance, indeed the indispensability, of support networks and public policy instruments as factors cushioning the effects of the crisis and creating conditions to ensure the survival of the EES.

Keywords: Entrepreneurship; municipal public policies; social innovations; cooperation government-municipality-university.

Resumo: Este artigo aborda os resultados de uma pesquisa sobre o desempenho dos empreendimentos da economia solidária (EES) no município de Araraquara pós advento da pandemia do Covid-19. Tem como objetivos identificar, de um lado, os impactos da pandemia na vida dos empreendimentos

¹ Bank of Brazill – E-mail: cauana.dias@unesp.br

² São Paulo State University – E-mail: sergio.fonseca@unesp.br

(criação, mortalidade, fortalecimento, fragilização, etc.) e, de outro, apurar se houve a mobilização de iniciativas comunitárias para o enfrentamento às mazelas da pandemia. Em termos metodológicos, trata-se de pesquisa qualitativa, de natureza exploratória e descritiva, delineada como estudo de casos múltiplos, com dados coletados por triangulação metodológica, compreendendo pesquisa documental, observação direta e aplicação de questionários. Como apoio à contextualização, epistêmica e histórica, do objeto da pesquisa, e à análise dos dados, recorreu-se a literatura pertinente, notadamente relativa às transformações no mundo do trabalho e à economia solidária. Os resultados revelaram, de um lado, um conjunto de dificuldades, sobretudo nos planos econômico e social, que os EES passaram a enfrentar, fruto do cenário de instabilidade política, social e econômica criado pela pandemia e, de outro, a importância, imprescindibilidade mesmo, das redes de apoio e dos instrumentos de políticas públicas como fatores de amortecimento dos efeitos da crise e de criação de condições para assegurarem a sobrevivência dos EES.

Palavras-chave: Empreendedorismo; políticas públicas municipais; inovações sociais; cooperação governo municipal universidade.

1. INTRODUCTION

Solidarity Economic Enterprises (SEE) follow the principle of valuing work through the adoption of the values of solidarity, democracy, and cooperation, based on collective and self-managed production (Morais & Costa, 2011). Furthermore, SEEs play an important role in supporting local development (Pitacas, 2019).

In 2020, solidarity reemerged as one of the main international issues due to the need arising from the crisis created by the spread of the coronavirus – Covid-19, which, as Silva et al. (2020) show, caused a profound health crisis.

According to the Pan American Health Organization (OPAS, 2020), measures to prevent the spread of the virus and tackle the crisis were implemented, based on recommendations from the World Health Organization (WHO), with social distancing being highlighted. This led, as an additional adverse consequence, to a profound contraction of economic activities, with severe effects on work and income.

As the disease advanced, the WHO declared a Public Health Emergency of International Concern on January 30, 2020, and later characterized the spread of Covid-19 as a pandemic (OPAS, 2020a). This environment of

uncertainty also contaminated the economic, political, and social landscape. Lockdowns, as measures of social isolation, spread in order to reduce secondary cases caused by an infected person (Schuchmann et al., 2020).

These measures, according to Schuchmann et al. (2020), marked changes in customs, social relations, and labor relations worldwide, bringing new habits and needs to the population. The prohibition of movement and socializing created instability for the economy and society. Many obstacles emerged, especially due to the vulnerability of socially disadvantaged segments of the population, who, according to Brandão (2020), were the most affected by unemployment and pushed into informal work.

Due to the insecurity and fear caused by Covid-19, community strengthening initiatives and actions began to emerge to reduce contagion from the new virus. Community strengthening, in turn, can be seen as an antidote to social ills because, as Singer et al. (2014) remind us, as solidarity development advances, it becomes less difficult for communities that may have fallen behind to catch up, as local development is contagious. Each community that develops offers a growing market to others in the same territory (Singer et al., 2014, p. 3).

Additionally, as Nassif et al. (2020) show, changes also began to occur in SEEs, which, in order to survive, had to adapt by creating new ways to connect with their “markets” and continue their sales to maintain income. These updates occur, according to Aveni (2020), through new tools, such as technologies for online sales, hygiene measures, new product styles, changes in service with delivery options, and maintaining social distancing.

This is a historical moment in which community initiatives and SEEs gain another scale and importance in society, due to the collective trauma that, according to Colosso (2020), the disease generated. The author also asserts that, even in a scenario with risks of institutional closures, cooperative practices of popular power gained another scale and space in urban life, acquiring the conditions to become references for building a different future.

Beyond social relevance, the role of the solidarity economy went much further than generating income through SEEs, as Borges (2020) recalls, stating that solidarity economy, in times of crisis (pandemic, economic, emotional, etc.),

Fonseca & Costa. *Impacts and Effects of the Covid-19 Pandemic on the Solidary Entrepreneurial Ecosystem of Araraquara*

becomes a tool to help reduce the negative impacts of the crisis, bringing forth the skills of people, whether they are young or older, not only to create an income or bring in extra income. It is a response that can be done at home (home office), with neighbors, at a distance, online, and in various ways; just use the creativity of new entrepreneurs (Borges, 2020, p. 6).

This is the context in which the content of this article is situated, aiming to explore, albeit in an exploratory manner, the responses of the solidarity economy ecosystem in the municipality of Araraquara-SP to the advent of the Covid-19 pandemic. The starting point was the Mapping of Solidary Economic Enterprises in Araraquara, conducted by the Extension and Research Nucleus in Solidary Economy, Creative Economy, and Citizenship (NEPESC) of the Faculty of Sciences and Letters of Araraquara at Unesp – FCLAr, together with the Coordination of Labor, Creative Economy, and Solidarity of the Araraquara City Hall/SP.

The development of the text was based on answering the following research question: what are the main transformations that occurred in the solidarity economy ecosystem in Araraquara, and what are the main responses given by SEEs in the face of the Covid-19 pandemic? In dialogue with this research problem, the main objective of the work can be expressed as identifying the impacts and effects of the pandemic on the solidarity economy environment in Araraquara, with a focus on its institutional, economic, productive, and social aspects.

Expected results include: the expectation of identifying solidarity economy enterprises that remained active post-Covid-19 pandemic in Araraquara; investigating any transformations that occurred in the enterprises since the beginning of the pandemic; determining the possible emergence and mortality of enterprises due to the pandemic; identifying problems and difficulties faced by enterprises that remained active; mapping activity sectors in which the enterprises operated; identifying new products that began to be sold by SEEs, especially those related to addressing the effects of Covid-19; identifying types of support received by enterprises during the crisis; mapping

innovations and policies for coping with this period of instability; and assessing potential improvements in the solidarity economy ecosystem of Araraquara.

The text is divided into four sections, in addition to this introductory one. The next section explores the fragility of the world of work in the face of Covid-19 and reflects on the role of the Solidarity Economy (ESOL) in combating the social inequalities provoked by the logic of capital. The third section delves into the solidary entrepreneurial ecosystem in the municipality of Araraquara. The penultimate section discusses the methodological procedures used, along with the reporting and discussion of the results. Finally, the concluding remarks.

2. FRAGILITIES OF WORK IN CONTEMPORARY ECONOMY

The capitalist mode of production is oriented towards the expanded accumulation of capital through the production and circulation of commodities, relegating social rights, aspirations, and care for nature to a secondary role. To ensure the expanded accumulation of capital, the social division of labor is perpetrated, a condition that has historically been responsible for creating increasing social inequalities, resulting in what many authors call “social apartheid” (Muniz, 2018; Coelho, 2013; Ramalho, 2012).

This model of inequality not only excludes and marginalizes people who do not fit into the labor market, but also leads them to seek inconsistent alternatives to work and generate income. The precarization of work in Brazil occurs, according to Alves (2009), through the syndrome of class insecurity, which involves job insecurity, as well as the insecurity of representations and contracts, especially in the context of neoliberal reforms accelerated from the 1990s.

In 2017, Law No. 13.467 implemented a labor reform. According to Passos and Lupatini (2020), the reform sought to introduce flexibility into the relationship between employer and employee (modernization), reduce the unemployment rate (resulting from supposed gains in productivity and economic expansion), and combat informal employment (facilitated by reducing labor

costs). According to the same authors, the reform turned into a counter-reform, in which workers' rights suffered setbacks compared to the historical gains achieved through social struggles.

2.1. The fragility of work in the face of Covid-19

In this context, the crisis in the first half of 2020 arrived to further destroy the already fragile social conditions in the world of work. In this regard, the data published in a report by the Solidarity Research Network (2020) was particularly emblematic, pointing to groups in the most critical situations due to the spread of Covid-19. The publication indicated that 81% of the Brazilian workforce (75.5 million people) experienced some form of vulnerability due to the effects of the pandemic, with emphasis on the following categories: self-employed; domestic workers; workers without formal contracts; workers with formal contracts in small businesses, and small employers. Regarding the most frequent sectors in each vulnerability group, the data published in the report is reproduced in table 1, with vulnerability being treated as “a position or bond that is less stable” or the result of “participation in a sector or branch of activity that, specifically due to the pandemic, was weakened” (Rede de Pesquisa Solidária, 2020, p. 2).

Figure 01: Activity sector x vulnerability

Sector of activity	Vulnerability index
More vulnerable work in a non-essential sector (more vulnerable)	28%
More vulnerable work in an essential sector	28%
Less vulnerable work in a non-essential sector	15%
Less vulnerable work in an essential sector	10%
Less vulnerable work in an essential sector (less vulnerable)	19%

Source: Rede de Pesquisa Solidária (2020).

It is noticeable that the pandemic brought vulnerability to at least 56% of job categories, the most critical in non-essential sectors, that is, those not classified as being prevented from closing due to government actions. According to the report, these activities are, in first place, domestic workers, who make up more than six million workers; in second place are beauty and aesthetics services; and third place is occupied by the clothing, footwear, and

travel trade. In contrast, the less vulnerable activities are composed of Public Administration, hospital care activities, and supermarkets and hypermarkets.

Another edition of the report also points out that the majority of the population in high vulnerability consists of black people, with women being in an even greater degree of fragility. Additionally, the crisis brought instability to new groups that previously did not appear in this scenario, pushing them into a state of medium vulnerability, such as white women and men, especially women employed in non-essential services (Rede de Pesquisa Solidária, 2020 a).

2.2 A Solidarity Economy in facing social inequalities in Brazil

In the historical context since the 1990s, of labor precarization in Brazil, many alternatives for generating work and income have been created. According to Sanches and Morais (2020), the Social and Solidarity Economy emerges as an alternative to mitigate the negative effects of the hegemony of capital, through cooperative activities capable of promoting the valorization and emancipation of labor. In agreement with the two authors, Pinheiro (2000) points out that initiatives of a productive, associative, and solidarity nature gained visibility in Brazil starting in the 1990s, when the starting point for neoliberal reforms and labor precarization occurred. Acting as a resistance and counter-movement to overcome the rationality of capital, the solidarity economy presents itself as a response and as a co-productive economic reconfiguration. As the author mentions, consciousness is a slow and long process, but it must be nurtured to build a new societal organization. This is the role of the solidarity economy in the face of unemployment and the social and economic precarizations driven by capital.

This new logic of organizing economic activity creates opportunities for the emergence of new relationships, based on the principles of solidarity and cooperation. The employer-employee relationships cease to exist, giving way to new horizontal arrangements, based on processes of joint learning and execution, in which workers exercise both production and management.

Beyond generating income and responding to the vulnerability of labor within the logic of capital, the solidarity economy acts as a potentializer of

education in the workplace. According to Pastana (2011), the Social and Solidarity Economy (ESOL) has, as its pedagogical foundation, the ideas of Paulo Freire, to foster human potentialities in the social, ethical, political, technical, and productive realms. Furthermore, the author states that there is no solidarity economy without education aimed at the training and development of solidarity social enterprises, specializing workers and associates.

Going further, Boff (2017) states that ESOL is a model that best realizes the concept of sustainability, valuing the social and ecological dimensions of life, in direct opposition to the prevailing system, which primarily values the economic dimension. Thus, driven by ethical ideals of preserving life, it creates conditions for the well-being of all. Seen as the seed of the future by the author, the solidarity economy is, for him, the capacity for a saving exit for humanity and, beyond facing inequalities, it promotes a new worldview, realizing sustainability, escaping the current ideal that is destroying the resilience capacity of Gaia, our Mother Earth.

According to Eid et al. (2001), ESOL can be a possible alternative to the process of social, economic, political, and educational exclusion, including combating the precarization of labor relations, working conditions, and life. The potentialities of ESOL are varied, ranging from the education and specialization of participants, of the emancipation of the community, of autonomy, of the reintegration of previously marginalized groups, of the democratization of different spaces of enterprises, of income generation, and of community development. Thus, it can be said that the Social and Solidarity Economy (ESOL) results in these people being able to exercise their citizenship again (Borba et al., 2010).

Despite so many positive points, it is necessary to mention the difficulties encountered in the EESs. As noted by Benini and Figueiredo Neto (2007), within this reality, to secure their space in the market, these ventures have been reproducing many of the dominant values to survive, such as competition, hierarchy, precarization, marketing, and exhausting work hours (Benini & Figueiredo Neto, 2007, p. 7).

Even in the face of this unfavorable scenario, it is necessary to consider that the groups aim for self-management and try to democratize their work. The discussion is that, at times, these principles yield to the need for the enterprise's sustenance. This occurs mainly when there is no strengthening of the local and solidarity entrepreneurial ecosystem, a strengthening that often requires support and interventions from the State, especially in its local dimension, with a view to ensuring the survival and resilience of Solidarity Economic Enterprises (EES), preferably through strengthening via the adoption of social innovations (Andion, 2023).

With emancipated EESs and a solidarity entrepreneurial ecosystem, the path opens for income generation and emancipation through the solidarity economy, especially in the social classes most affected by the crisis caused by Covid-19. Examples of community initiatives that strengthen the solidarity entrepreneurial ecosystem and respond to unemployment are cited by Singer and Souza (2000), ranging from industrial cooperatives, self-managed enterprises, unions that promote cooperativism, solidarity credit institutions, and incubators.

3. SOLIDARITY ECONOMY IN THE MUNICIPALITY OF ARARAQUARA

The solidarity economy in Araraquara gained greater visibility starting in 2004 (Fonseca et al., 2020), in line with the growth of the national ESOL movement from the 2000s. This is a movement that, according to Gushiken (2015), began to expand significantly in Brazil, with the creation of cooperatives, associations, and other organizational forms that follow solidarity principles. In 2005, the Municipal City Hall established a partnership with the Faculty of Sciences and Letters of Araraquara (FCLAr), part of the São Paulo State University (Unesp), creating, on one side, the Center for Studies in Solidarity Economy and Citizenship (NEESC), linked to FCLAr, and, on the other, the Municipal Coordination of Solidarity Economy, linked to the Municipal Secretary of Economic Development. At this moment, assistance began to seven solidarity groups: the Acácia Cooperative for selective collection, Coostuara, a sewing group, the Community Bakery of the Monte Alegre VI Settlement, the

Fonseca & Costa. *Impacts and Effects of the Covid-19 Pandemic on the Solidary Entrepreneurial Ecosystem of Araraquara*

Community Kitchen of Monte Alegre III, the Solidarity Snack Bar, the Mãos Que Criam Craft Association, and the Youth Printing Workshop.

Additionally, in the academic environment, in mid-2008, with the support of the National Program for Incubators of Popular Cooperatives (PRONINC), the Incubator of Solidarity Enterprises of Unesp in Araraquara (INCONESP) was created. In this regard, Grigoletto and Fonseca (2012) report that

scholarships were awarded to students from NEESC/INCONESP and equipment was acquired for distribution to five solidarity economy groups operating in the municipalities of Araraquara and Santa Gertrudes: to the Bakery of the Monte Alegre IV Settlement; to the Community Kitchen of the Monte Alegre III Settlement; to the Youth Printing Workshop; to Coostuara; and to the Temperoloco Kitchen, from the Psychosocial Care Center (CAPS) of Santa Gertrudes. Two objectives were pursued by the NEESC/INCONESP team at that stage of their activities: to equip the groups with minimum infrastructure, enabling them to start (in the case of the Temperoloco Kitchen) or to expand their respective activities – in the cases of the other groups; and to create conditions for closer proximity and greater integration between the team and the members of the groups (Grigoletto & Fonseca, 2012, p. 6).

Between 2018 and 2019, a mapping was carried out by INCONESP and the Center for Extension and Research in Solidarity and Creative Economy – NEPESC (successor of NEESC), through visits to the enterprises by students from the group and through individual contacts and interviews. The groups listed in figure 02 were mapped.

Figure 02: EESs mapped in Araraquara before the Pandemic

<p style="text-align: center;">Collectives</p> <p style="text-align: center;">Coletivo Colmeia Cultural de Araraquara Coletivo de Alimentação Mulheres Negras Coletivo Quilombo Rosa Coletivo Rolê Feira</p> <p style="text-align: center;">Associations</p> <p style="text-align: center;">Associação de Mulheres Camponesas em Ação (AMCA) Associação dos Trabalhadores do Comércio Alternativo de Araraquara (ATCAAR) Associação das Mulheres do Assentamento Monte Alegre VI (AMA) – Padoka Associação de Artesãos Mãos Que Criam Associação Macaxeira (farinheira) Associação Horta Comunitária da Zona Norte Associação de Mulheres Camponesas em Ação do Assentamento Bela Vista (AMCA)</p> <p style="text-align: center;">Cooperatives</p> <p style="text-align: center;">Cooperativa Acácia de Catadores de Materiais Recicláveis de Araraquara Cooperativa Agropecuária Mista do Assentamento Bela Vista do Chibarro (Coobela) Cooperativa dos Produtores Agrícolas de Motuca e Região (Coopam) Cooperativa de Trabalho dos Trabalhadores Autônomos de Araraquara e Região (Coopersol)</p> <p style="text-align: center;">Other formats</p> <p style="text-align: center;">Grupo de Artesanato do Bela Vista Grupo de Palha Bela Vista Turismo Rural – Café com Coronel Turismo Rural do Monte Alegre – Circuito dos Sabores Luz do Valle Mulheres Unidas do Parque São Paulo (MUPSP) – Sabão Higobom</p>

Source: NEPESC e Sanches e Morais (2020)

Based on this mapping, it turns out that the solidarity entrepreneurial ecosystem of Araraquara is composed of 21 EESs of various formats, including four collectives, seven associations, four cooperatives, four groups, and two social projects, established and operating in both the rural and urban areas of the municipality. Regarding the sectors of activity in which the enterprises operated, the survey revealed a great diversity, with some concentration in activities related to the production, processing, and commercialization of food, as can be seen in figure 03. This concentration is also indicative of the large number of enterprises located in the rural surroundings of the municipality, especially in the two agrarian reform settlements present there, Monte Alegre and Bela Vista do Chibarro.

Figura 03: Activity sectors of the EES in Araraquara.

Sector of activity	Number of ventures
Crafts	3
Food	8
Tourism/Food/Crafts	2
Organization of street vending/Food	1
Food/Arts and culture/Environmental education/Health	1
Organization of fair/Arts and culture/Food	1
Social assistance	1
Urban waste management	1
No data	3

Source: self-made.

This can be considered the profile of the ESOL ecosystem in Araraquara prior to the advent of the Covid-19 pandemic. This framework constituted the starting point for conducting the research, the results of which are reported below.

4. RESULTS AND DISCUSSION

4.1 Methodological procedures

The research conducted was of a qualitative nature, with the dual descriptive purpose – of the profile of the solidarity economy ecosystem in Araraquara during the Covid-19 pandemic – and exploratory – due to the incipient knowledge about the object and the impossibility of extrapolating the results. It aligns with what Gerhardt and Silveira (2009) advocate regarding the pursuit of a deeper understanding of contemporary social phenomena. Furthermore, it is a research designed as a multiple case study, represented by the solidarity economy enterprises within the entrepreneurial ecosystem of Araraquara.

Data collection was carried out through methodological triangulation, encompassing direct observation, documentary research, and the conduct of semi-structured interviews. The initial data base used was the Mapping of Solidarity Economic Enterprises in Araraquara, a brief summary of which was presented in section 3 of this text.

Fonseca & Costa. *Impacts and Effects of the Covid-19 Pandemic on the Solidary Entrepreneurial Ecosystem of Araraquara*

For the data update, conducted throughout the first semester of 2022, efforts were made to ascertain the updated profiles of the solidarity economic enterprises in the municipality, as an attempt to establish a parallel between the pre and post-pandemic temporal moments.

Direct observation consisted of the monitoring, by the students involved in NEPESC, of the trajectories of the enterprises between 2018/2019 and 2022. Documentary research was conducted alongside the sparse and scattered records of the enterprises, on internet pages and in local press. The interviews were conducted based on a semi-structured questionnaire, seeking comparisons of the situations of the groups in space and time in light of the events that occurred. The instrument used, according to Ribeiro (2008), the questionnaire, allows for anonymity, uniformity in questions, and generates greater understanding and ease for those responding. Given the impossibility of in-person interventions due to social isolation measures, the field research occurred online, via social media, email, or phone.

The data were recorded in Google Forms and stored in Google Drive's cloud. As pointed out by Mota (2019), Google Forms features include access at any time and place and agility in data collection and analysis of results.

The electronic form was divided into two parts: the first based on the Free and Informed Consent Term; the second consists of the questionnaire itself, which employed open and closed questions, focusing on four variables: one, income during the pandemic; another, the difficulties and problems arising during the pandemic period; the next, the diagnosis of new members; the last, focused on understanding whether the crisis provided opportunities for these EESs.

For each of the closed questions, the base used was the result of the mapping itself, where the response options were the same as those already diagnosed by the group through direct observation, such as income delimitation, difficulties faced, and whether there were new members in the groups, with the last two also having the option to add other complementary responses. According to Marconi and Lakatos (2017), this technique is characterized as multiple choice, combined with open response, and is easily tabulated, providing greater exploration of the topic, as well as allowing for more

information on the subject without hindering data tabulation. The information about income is characterized by the authors as factual questions, “[...] concrete, tangible, and easy to specify” (Marconi & Lakatos, 2017, p. 208).

In addition to these, an open question was also used, which is called free or unrestricted. These types of questions allow the informant to respond freely, using their own language and expressing opinions. In this case, the objective was to analyze whether the groups had opportunities arising from the Covid-19 pandemic (Marconi & Lakatos, 2017).

The participants are part of the same groups identified in the mapping conducted in 2018/2019. Since most of the ventures have difficulties accessing the internet, it was necessary to adjust the outreach strategy.

Even with attempts to have the questionnaire filled out by the 21 ventures mapped between 2018 and 2019, only 10 were willing to respond, making it necessary to adapt the research to focus on those available: Grupo de Artesanato do Bela Vista; Associação Mãos que Cria; Turismo Rural do Monte Alegre - Circuito dos Sabores; Associação Horta Comunitária da Zona Norte; Associação das Mulheres do Assentamento Monte Alegre VI (AMA) – Padoka; Coletivo Quilombo Rosa; Associação Macaxeira; Cooperativa Acácia de Catadores de Materiais Recicláveis de Araraquara; Luz do Valle; Turismo Rural – Café com Coronel. In the analysis, care was taken to ensure the anonymity of each group by numbering them from 1 to 10.

Of the other 11 EESs, three were contacted but did not respond. With the remaining seven, it was not possible to make contact due to a lack of phone contact or lack of responses via social media, calls, or email.

4.2 Background results: profile of the Solidarity Economy in Araraquara

In the mapping conducted between 2018 and 2019, out of the 21 identified EESs, 18 were personally contacted and visited by the field team. At that time, a diagnostic script previously prepared by the group was used for data collection from the enterprises.

In 2022, in the post-pandemic period, the updated survey indicated the existence of eight more groups compared to those from 2018/2019, while the

Fonseca & Costa. *Impacts and Effects of the Covid-19 Pandemic on the Solidary Entrepreneurial Ecosystem of Araraquara*

Artesanato do Bela Vista, Palha Bela Vista, Mulheres Unidas do Parque São Paulo, Colmeia Cultural de Araraquara, and Alimentação Mulheres Negras had ceased their activities. Among the groups listed in the 2018/2019 mapping, there were different forms of organization, such as associations, cooperatives, and groups, as illustrated in figure 04:

Figure 04: EES by legal nature/organization form in Araraquara

Type of organization	%
Association	33
NGO	5
Cooperative	19
Informal group	29
No data	14

Source: Self-made, based on the mapping of NEPESC.

As observed, the majority of the mapped EESs were informal groups and other formats, followed by associations, and lastly, cooperatives. This is possibly due to the impositions of Brazilian legislation (Law No. 12,690/2012), which establishes stricter criteria for the formalization of enterprises as cooperatives (Pereira & Silva, 2012).

The economic and financial sustainability of the EESs constitutes one of their greatest weaknesses, especially considering that they recognize themselves as 'economic ventures.' This finding can be illustrated by figure 05.

Figure 05: Income generation in the EES of Araraquara

Income generation	Number of ventures
Does not earn income	7
Do not receive income from the collective	3
R\$ 500,00 a R\$ 999,00	2
R\$ 1.000,00 a R\$ 1.999,00	3
Equal to or greater than R\$ 2.000,00	1
No data	5

Source: Self-made, based on the mapping of NEPESC.

Most of the mapped EESs did not generate enough income for their maintenance and for their members before the pandemic began: a minority (6 out of 21) still managed to generate per capita amounts between R\$ 500.00 and

Fonseca & Costa. *Impacts and Effects of the Covid-19 Pandemic on the Solidary Entrepreneurial Ecosystem of Araraquara*

R\$ 2,000.00; the others, a total of 7 EES, did not generate any income; five reported not having records, which possibly reveals management issues; the remaining three do not earn income from the collective, although one of them reported that the collective earned between R\$ 1,000.00 and R\$ 2,000.00 before the pandemic.

Although this economic and financial fragility is a concerning factor in the context of ESOL, the mapping carried out by NEPESC indicated the existence of around 486 active workers in the enterprises, which may suggest that motivations could be not only income but also culture, utility, knowledge, social exchanges, and the implicit solidarity within these groups.

Another relevant dimension to characterize the mapped enterprises is related to gender. The mapping indicated that most of the enterprises are composed of women, as illustrated by the data in figure 06.

Figure 06: Distribution of EES in Araraquara by gender (majority of members)

Gender	Number of ventures
Both	7
Men	3
Women	2
No data	5

Source: self-made.

As observed, excluding the enterprises for which data was not obtained, 50% of the total social enterprises (EES) included in the surveyed sample are composed exclusively of women. If those composed of people of both genders are added to this, the predominance of women within the EES in Araraquara during the pre-pandemic period is even more evident.

Regarding the geographical location of the enterprises in the sample, the survey indicated that 67% were situated in the rural area of the municipality, particularly in the two agrarian reform settlements located there, the Assentamento Bela Vista do Chibarro and the Assentamento Monte Alegre. One explanation for this phenomenon is provided by Guschiken (2015), who argues that the presence of a large number of EES in rural areas results from factors such as the physical proximity between farming families and their

consequent shared interests, as well as support received from public policies for government purchases of family farming products, among others. An example of this movement is the case of the Bela Vista do Chibarro Settlement, the main rural hub of the local solidarity economy, which, as Cassin and Vale (2011) mention, emerged from the struggle of landless workers for agrarian reform in the mid-1980s.

Among the enterprises located in urban areas, the sectors in which they operate range from handicrafts to solid waste management, having incorporated, in the post-pandemic period, service activities, including transportation and delivery services, the latter not identified in the NEPESC survey of 2018/2019.

4.3 Results and discussion

The results presented here were extracted from the updated mapping conducted in 2022, in accordance with what was previously stated in the methodology section. Initially, it is necessary to make a caveat about the data collection process, which was carried out with the 10 enterprises numbered from 1 to 10. Some data may contain cognitive biases, especially due to possible difficulties faced by representatives of the enterprises in interpreting the formulated questions.

Of these EES, number 9 justified the absence of data due to irregularities, thus complicating its comparative analysis with the others.

4.3.1 Creation, mortality, strengthening, and fragility of EES

The results presented here derived from the application of the questionnaire, data and information collected through direct observation by the NEPESC group, and news published on websites and in local newspapers that report on the experiences of the enterprises during the pandemic. The following analytical indicators were used: the creation of enterprises, jobs created, income generated, and opportunities and difficulties faced.

Starting with the results obtained through the application of the questionnaires, the first two findings regarding the impacts of the pandemic on

the performance of the consulted EES were related to job and income generation by the nine responding EES.

Regarding job creation, the collected data revealed that only three of the nine consulted enterprises managed to increase the number of new members during the pandemic and immediately afterward, resulting in 30 new cooperated/associated individuals, with a significant concentration of this total (70%) in just one of them, the solid waste management enterprise. For the remaining six, the loss recorded was 15 jobs. Thus, despite the challenges posed by the pandemic, the net balance of jobs ended up being positive. Two explanations can be found for this fact: the first corresponds to the increase in solid waste generation during the pandemic, requiring greater collection efforts; the second is due to the size of the enterprise specialized in waste collection, which is the EES that brings together the largest number of workers among the nine consulted enterprises.

Regarding income generation during the pandemic, the consulted EES reported a significant reduction in per capita income. For seven of the responding EES, the average income fell to values between R\$ 0 and R\$ 500.00, compared to average values between R\$ 500.00 and R\$ 2,000.00 before the pandemic. This represents the recognition that income loss affected 80% of the responding EES.

This income behavior can be attributed to the challenges and difficulties brought by the virus, such as the need to innovate using the internet for communication, the lack of resources to purchase materials, difficulty in marketing, among others. Figure 07 summarizes the frequency with which the difficulties encountered by the groups were mentioned.

Figure 07: Main difficulties mentioned as a result of the pandemic

Main difficulties encountered during the pandemic	n° de citações
Lack of financial resources for purchasing materials	4
Income generation	3
Difficulty in adapting the business to hygiene standards	3
Marketing	3
Improving and increasing support partnerships	3
Formalization	3
Job creation	1
Improving infrastructure	1
Technical-professional training	1
Support from the local government	1
Land regularization	1
Transportation	1
Use / Creation of digital media	0

Source: Own elaboration.

As observed, the main difficulty reported corresponds to the lack of financial resources for the purchase of materials. In comparison with the mapping previously conducted by NEPESC, there has been a reversal in order, as in the first survey, the greatest fragility reported was precisely income generation. Additionally, three businesses in the sample reported issues with formalization, besides the one already mentioned, which was the 10th in the sample, stating they were unable to respond to the questionnaire due to this issue. The difficulties with formalization are a problem for SSEs (Social and Solidarity Enterprises) since, as Vieira (2015) points out, “there is a need for legal reform in the area of differentiated treatment for solidarity enterprises, expressed in a differentiated tax system that recognizes their specific forms of social and economic organization, even within the capitalist structure, aiming to ensure these enterprises generate sufficient income and are included in new regulatory spaces for formalization, institutionalization, and promotion of new initiatives centered on solidarity, cooperation, and self-management, principles that guide local development with social inclusion” (Vieira, 2015, p. 11).

In contrast to this set of negative effects caused by the pandemic, some EES took advantage of opportunities created. Three cases fit into this category: the first, from Business 5, composed of women artisans specializing in clothing,

who, with the support of a unit of Unesp in Araraquara, began producing masks, a crucial initiative for addressing the challenges of the pandemic, as shown by Souza et al. (2020); another was Business 3, which began receiving support from the local unit of the Serviço Nacional de Aprendizagem Rural (SENAR) and the Sindicato Rural de Araraquara for food processing training; and the third, venture 1, which moved to social media to sell part of its products.

Another indirect positive effect, somewhat accelerated, if not provoked by the pandemic, was the strengthening of the Social and Solidarity Economy ecosystem in the municipality, notably in the field of local public policies supporting businesses, as highlighted by Araújo (2020). Special attention should be given to the creation, by Municipal Decree No. 12.338/2020, of the Incubadora Pública de Economia Criativa e Solidária (IPECS), linked to the Coordenadoria Executiva de Trabalho e de Economia Criativa e Solidária (CETECS). This was an initiative through which, as Paiva and Silva (2020) remind us, four new cooperatives were formalized with the support of Cetecs in the first half of 2020: Cooperativa de Trabalho em Serviços Gerais – Vitória Multiserviços; Cooperativa de Trabalho e Serviços de Alimentação Pannelas Unidas; Cooperativa dos Trabalhadores da Construção Civil de Araraquara – Coopermorada; e Cooperativa Social de Trabalho em Recuperação de Materiais dos Egressos Prisionais de Araraquara Sol Nascente (Paiva & Silva, 2020, p. 49).

In addition to the support offered by IPECS, and also as a local public policy tool that can be recognized as part of the SSE ecosystem, the municipal government began extending support through the Participatory Budget to SSEs, particularly through the creation of a leisure area and space dedicated to courses for generating work and income for women in the northern region of Araraquara, focusing on cooperativism and the creative and solidarity economy, as noted by Araújo (2020).

In summary, it can be said that this painful journey of SSEs during the pandemic period produced both negative effects, as pointed out by Colosso (2020) and Molina et al. (2020), which were certainly more sensitive and present throughout the period when the virus was causing its devastating

consequences, as well as positive effects, resulting either from the lessons learned, as mentioned by Aveni (2020) and Borges (2020), or from the responses provided, particularly the formulation and implementation of the public policy instruments mentioned above, which ultimately created conditions for the strengthening and dynamization of the local SSE ecosystem in the medium and long term. It can be said that this represents an important social innovation or, more than that, an important relationship between social innovation and public governance, as Andion (2023) aptly points out. This relationship was explored in the research on the initiatives adopted by the local public university and the municipal government in supporting SSEs, which, in turn, responded to these stimuli by reinventing themselves to face the challenges imposed by the pandemic.

5. FINAL CONSIDERATIONS

The first consideration to make, upon concluding this text, is that the research conducted has achieved its purpose of answering the research question initially formulated. It is considered that the text has successfully reflected the main transformations that occurred in the solidarity economy ecosystem in Araraquara and the main responses given by SSEs in the face of the Covid-19 pandemic, as well as identified and pointed out the main difficulties they faced, along with their challenges. Thus, the proposed objective of identifying the impacts and effects of the pandemic on the solidarity economy environment in Araraquara, with a focus on its institutional, economic, productive, and social aspects, can be recognized as having been fulfilled. Moreover, it is also possible to recognize that the expected results, contained in the penultimate paragraph of the introduction section, were achieved.

The second concluding observation is regarding the limitations of the research results. As already acknowledged in the methodological procedures, the exploratory nature of the study prevents the extrapolation of the results to other research environments. In this regard, it is important to note that Araraquara holds a recognized position of prominence in the context of Brazilian municipalities with regard to its activities in the field of the Solidarity

Economy. Four pieces of evidence support this recognition: the first, the fact that it was one of the first Brazilian municipalities to create an institutional body within the municipal government, the Municipal Coordination of Solidarity Economy, established in 2005; the second, its pioneering role in approving a local regulatory framework, Law No. 7.145, of 11/27/2009, which instituted the Social and Solidarity Economy and Work Program, updated in 2022 by Law 10.639, which established the Municipal Plan for Public Policies on Solidarity and Creative Economy; the third, the inclusion of the municipality among the few Brazilian cities to have a Public Incubator; and the fourth, the municipality's intense institutional participation in the national movement supporting solidarity economy, marked by the participation of the CETECS coordinator in the national executive of the Rede de Gestores de Políticas Públicas de Economia Solidária.

Additionally, a distinctive aspect of the results of this research is the role played by the University within the local SSE ecosystem. The local Unesp campus, notably through the Faculty of Sciences and Letters of Araraquara, has played a leading role, initially through NEESC and INCONESP and later through NEPESC, either in direct partnership with the municipal coordination or directly with some of the local SSEs. Furthermore, in strictly academic terms, this intense involvement in the field of solidarity economy has provided conditions for enriching the production in research and extension, with corresponding extensions in the teaching field.

Regarding the difficulties and challenges inherent to SSEs, the research aligned with the findings of relevant literature, especially concerning their structural weaknesses. Another important finding from the research was the role played by local government and the university as supporting agents in addressing these difficulties and challenges.

Finally, it is worth noting the need for future developments of this research, either in temporal terms, through the conducting of re-evaluations, or in spatial or scope terms, through comparative studies with other municipalities, preferably those that are part of the Rede de Gestores de Políticas Públicas de

Fonseca & Costa. *Impacts and Effects of the Covid-19 Pandemic on the Solidary Entrepreneurial Ecosystem of Araraquara*

Economia Solidária, with which NEPESC has maintained a close partnership for multiple activities.

REFERENCES

Alves, G. (2009). Work and productive restructuring in neoliberal Brazil: precarization of work and wage redundancy. *Review Katálysis*, v. 12, n. 2, 188-197.

Andion, C. (2023). Social Innovation, Experimentalism, and Public Governance: An Ethnographical Approach to Study Public Arenas in the City. *BAR-Brazilian Administration Review*, 20(2), e220124.

Araújo, A. (2020). Araraquara will have Quilombo Rosa, a project with leisure spaces and courses exclusively for women! *Comunica Araraquara*. Araraquara – SP, 07/06/2020.

Aveni, A. (2020). Strategies for working in the future due to the COVID-19 pandemic. *Processus Journal of Public Policy and Social Development*, v. 2, n. 3, 04-14.

Benini, E. G., & Figueiredo Neto, L. F. (2007). Unemployment and solidarity economy: rethinking self-management. *In: IV Symposium of Excellence in Management and Technology-SEGeT, Proceedings*. Resende–RJ, 2007.

Boff, L. (2017). *Sustainability: what it is and what it is not*. São Paulo: Vozes Publishing.

Borba, É. L., Zwick, E., Torres, K. A., Martins, P. L., Campos, H. J., Silva, A. S., & Daia, R. T. C. (2010). Solidarity economy and citizenship. *In: VII Symposium of Excellence in Management and Technology, Proceedings*.

Borges, C. S. M. B. (2020). Solidarity entrepreneurship in times of crisis. *Empirical Economics Bulletin*, v. 1, n. 2, 1-6.

Brandão, V. (2020). *The role of the State as a guarantor of employment and income during the new Coronavirus pandemic*. FINDE Bulletin – Special Edition, 50-54.

Cassin, M., & Vale, S. B. O. (2011). Bela Vista Settlement and some reflections on the relationship between rural work and education. *Review HISTEDBR On-Line*, 11(41), 219-230.

Coelho, T. M. (2013). Urban connections: a TV program that tries to end social apartheid. Final Course Paper (*Bachelor's in Communication - Journalism specialization*) - School of Communication, Federal University of Rio de Janeiro.

Fonseca & Costa. *Impacts and Effects of the Covid-19 Pandemic on the Solidary Entrepreneurial Ecosystem of Araraquara*

Colosso, P. (2020). During the pandemic, social movements show their strength and competence. *Lua Nova Bulletin*, nº 120.

Eid, F., Gallo, A., & Pimentel, A. E. B. (2001). Unemployment, exclusion, and challenges for the development of the Solidarity Economy in Brazil. *Review ABET*, v. 1, n. 1, 66-93.

Fonseca, S. A., Gushiken, O. H., Grigoletto, F., & Lorenzo, H. C. (2020). Overview of the solidarity economy in Araraquara. In: Casagrande, E. E., & Jardim, M. C. (Eds.) *Araraquara of the 2000s*, pp. 127-143.

Gerhardt, T. E. & Silveira, D. T. (2009). *Research methods*. Porto Alegre: UFRGS Publishing.

Grigoletto, F. & Fonseca, S. A. (2012). Possibilities and limits of incubating solidarity enterprises: the case of INCONESP, from Araraquara. *Topics in Public Administration*, v. 4, n. 7, 1-14.

Gushiken, O. H. (2015). Evaluation of the virtues and weaknesses of municipal Solidarity Economy programs: a multiple case study. Master's Dissertation (*Postgraduate Program in Territorial Development and Environment – Uniara*).

Molina, W. de S. L., Santos, A. M., Carvalho, A. M. R., Almeida, N. M. C., & Schiochet, V. A. (2020). Solidarity Economy in Brazil in the context of the COVID-19 crisis: trajectory, crisis, and resistance in territories. *Otra Economía*, v. 13, n. 24, 170-189.

Marconi, M. A. & Lakatos, E. M. (2017). *Fundamentals of Scientific Methodology*. 8th ed., São Paulo: Atlas Publishing.

Morais, L. & Costa, A. B. (2011). *New paradigms of production and consumption: innovative experiences*. São Paulo: Instituto Pólis, 94 p.

Mota, J. S. (2019). Google Forms in academic research. *Humanities and Innovation Journal*, v. 6, n. 12, 371-380.

Muniz, J. M. (2018). Participatory democracy and Brazilian social apartheid: a critique of political equality. *PhD Thesis* – Federal University of Santa Catarina, Center for Philosophy and Human Sciences, Graduate Program in Philosophy, Florianópolis: UFSC.

Nassif, V. M. J., Corrêa, V. S. & Rosseto, D. E. (2020). Are entrepreneurs and small businesses prepared for contextual adversities? A reflection in light of the Covid-19 pandemic. *Journal of Entrepreneurship and Small Business Management*, v. 9, n. 2, 1-12.

Pan American Health Organization - PAHO. (2020). *Fact sheet – COVID-19 (disease caused by the novel coronavirus)*.

Fonseca & Costa. *Impacts and Effects of the Covid-19 Pandemic on the Solidary Entrepreneurial Ecosystem of Araraquara*

Pan American Health Organization - PAHO. (2020a). *WHO declares a public health emergency of international concern due to the novel coronavirus outbreak.*

Paiva, C. C. & Silva, E. A. (2020). Public policy of creative and solidarity economy in the municipality of Araraquara/SP. *IPEA Repository – Labor Market*, 1-16.

Passos, S. S. & Lupatini, M. (2020). The counter-reform of labor and the precarization of work relations in Brazil. *Review Katálysis*, v. 23, n. 1, 132- 142.

Pastana, G. I. I. (2011). *Solidarity economy: education & autonomy*. Rio de Janeiro: Tecnoarte.

Pereira, C. M. & Silva, S. P. (2012). The new law on cooperative work in Brazil: innovations, controversies, and questions. *IPEA Repository – Labor Market*, 65-74.

Pinheiro, M. B. (2000). *Economy of Communion: a peculiar experience of solidarity economy*. São Paulo: Contexto, 333-348.

Pitacas, J. A. (2019). Social and Solidarity Economy and the Sustainable Development Goals. Center for Public and Social Economy Studies Portugal – *UN Inter-Agency Task Force on Social and Solidarity Economy*, 1-13.

Ramalho, H. P. (2012). The fist of capitalism: the social state and the citizen in current social planning. *Configurations – Journal of Social Sciences*, n. 10, 13-28.

Rede de Pesquisa Solidária (2020). Solidarity Research Network (2020). The vulnerability of Brazilian workers in the Covid-19 pandemic. *Technical Note No. 2. Public Policies & Society*.

Rede de Pesquisa Solidária. (2020 a). n the crisis, black men and black women are the most vulnerable. But “new vulnerable” people emerge, white men and white women in non-essential services. *Technical Note No. 3. Public Policies & Society*.

Ribeiro, E. A. (2008). The interview perspective in qualitative research. *Evidence: perspectives and research in educational knowledge*, v. 4, n. 5, 129-148.

Sanches, C. C. & Morais, L. P. (2020). Solidarity economy and the solidarity entrepreneurial ecosystem: the case of Araraquara (SP). *IPEA Repository – Labor Market*, 1-16.

Schuchmann, A. Z., Schnorrenberger, B. L., Chiquetti, M. E., Gaiki, R. S., Raimann, B. W. & Maeyama, M. A. (2020). Vertical social isolation X Horizontal social isolation: health and social dilemmas in dealing with the Covid-19 pandemic. *Brazilian Journal of Health Review*, v. 3, n. 2, 3556-3576.

Fonseca & Costa. *Impacts and Effects of the Covid-19 Pandemic on the Solidary Entrepreneurial Ecosystem of Araraquara*

Silva, D. P., Santos, I. M. R. & Melo, V. S. (2020). Aspects of infection caused by Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2). *Brazilian Journal of Health Review*, v. 3, n. 2, 3763-3779.

Singer, P. I., Silva, R. M. A. & Schiochet, V. (2014). *Solidarity Economy and the challenges of overcoming extreme poverty in the Brazil Without Poverty Plan*. O Brasil sem miséria, 1-21. Brasília: MDS.

Singer, P. I. & Souza, A. R. (2000). *The solidarity economy in Brazil: self-management as a response to unemployment*, São Paulo: Contexto.

Souza, A. R., Neto., Bortoluzi, B. B. & Freitas, D. R. J. (2020). Personal protective equipment for the prevention of Sars-Cov-2 infection. *JMPHC. Journal of Management & Primary Health Care*, v. 1, 1-7.

Vieira, A. C. M. (2015). Challenges to the legal formalization of solidarity enterprises. In: *I Congress of Researchers of Solidarity Economy, Proceedings*. São Carlos: UFSCar.

Fonseca & Costa. *Impacts and Effects of the Covid-19 Pandemic on the Solidary Entrepreneurial Ecosystem of Araraquara*

Note: The authors are solely responsible for the translation in the Brazilian Journal of Public and International Policies (RPPI) in a foreign language.