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**The Unsettling Charm of Entrepreneurship: Neoliberal  
Governmentality and Micropopulism in El Salvador**

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**The Unsettling Charm of Entrepreneurship: Neoliberal  
Governmentality and Micropopulism in El Salvador**

**by**

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## **Dedication**

A Papá y Mamá, por su inagotable amor y trabajo.

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## **Abstract**

### **Title of thesis or report, double-spaced, and centered**

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Abstract: the present work deals with the ideological implications of entrepreneurship discourse in El Salvador. I argue that through entrepreneurship discourse, the notions of self-employment in this context are currently shifting from dominant understandings of it as a *source of income* to one which defines it as a *mechanism for self and social improvement*. I examine how this shift in meaning is an ongoing process among young middle-income self-employed groups where divisions between people who start up a business by necessity and those who do it for profit opportunities blur due to the highly motivational component of entrepreneurship discourse. This aspect of entrepreneurship is able to generate a great level of excitement around the idea of starting a new business by interacting with local imaginaries of citizenship thus creating a new form of small scale populism or *micropopulism*. I argue that this process advocates for a resilient rationality in which confrontations with things like exploitation and precarious work dismiss the possibility for profound structural changes in favor of atomized forms of action that reaffirm capitalist relations.

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## **Chapter 1: Introduction**

In 1972, two young students, Gabriel and Ernesto, a business and economics major, attended their last year of college at the University of El Salvador. That same year, the military forces under the presidency of Colonel Arturo Armando Molina violently intervened in the campus of the university, taking over it, and declaring it a place of subversion and communist propaganda. The university closed leaving a large group of students without the possibility to continue their academic work. Gabriel and Ernesto were suddenly shocked by the actions of the government and were compelled to look for employment without obtaining their bachelor's degree. The task on its own was already difficult, but what made it significantly more complicated was an executive order from the government which prohibited any State and private institution to hire students from the university. In face of such limitations, Gabriel and Ernesto decided to open a business as one of the few viable options they could conceive. Through a relative, Gabriel was able to obtain the basic tools to launch a fumigation service business. They developed the idea of operating through what they called an "Integral Fumigation System". This consisted in fumigating most houses in a neighborhood as well as the sewer system. They would walk door by door explaining to potential clients about the benefits of their work. If someone refused to pay for the service, they would explain to them that if a house was not fumigated properly, plagues would immediately run towards that place, making it difficult for them to refuse contracting the service.

Today, Gabriel is a successful businessman. He owns the franchise of an internationally renowned business consulting firm. Notwithstanding, the ethical conflicts that might be posed to the story of his beginning in business, he tells it as an example of the ingenuity and courage that emerges with what is known in Salvadoran slang as *la rebusca*, the local version of “getting by”, an expression which refers mostly to the available tactics for subsistence. The relationship between self-employment and business activity is not a new one in El Salvador. Tactics like Gabriel and Ernesto’s have existed for long periods of time as a means to cope with the lack of employment opportunities in difficult social contexts. But Gabriel’s story went beyond the mere analysis of a social conjuncture or the ethical dilemmas he had to face under such circumstances. Gabriel’s story, as told by him, focused on the ingenuity and courage of what he and a large amount of people nowadays call ‘entrepreneurship’. But what exactly is entrepreneurship?

In the past ten years, entrepreneurship has become a buzzword at many different spaces, from business interest groups to non-profits working for social equality. Its exact meaning is still debated mainly between occupational and behavioral approaches (Toma et al. 2013). While for some people, anyone who starts a new business is an entrepreneur, for others only those with a particular set of positively-valued characteristics – innovative, courageous, risk-takers, hardworking, etc. – are worthy of being called entrepreneurs (Campbell and Spicer, 2009). In the context of El Salvador, the term seems to acquire a greater level of complexity for, according to the World Bank, around 41.9% of the labor force is estimated to be self-employed ([data.worldbank.org](http://data.worldbank.org)). Thereby, we can ask, who among those people is an entrepreneur? The answer to this question is fairly

unclear given the unstable meaning of the word, however, that should not prevent us from searching for the implications this characteristic of entrepreneurship discourse. But why should such discourse be a motive of concern? The answer to this other question lies, as it will be shown, in the capacity entrepreneurship discourse has on motivating people, building their character, and shaping the relationship of individual's sense of self with the social environment that surrounds them. It is this matter the focus of the preset investigation.

### **Tropical Silver Linings**

During my visit to El Salvador in the summer of 2016, I read the newspaper as part of a morning routine in the house where I grew up in San Salvador. After several weeks there, I noticed a pattern in the news presented by La Prensa Grafica, one of the most read journals in the country. The newspaper would usually start, as most others did, with a title page reporting one of the daily violent murders associated with gang organizations in the country. The next page would give a description of police findings regarding such case. After such section, the next one usually contained a political controversy among members of the parliament. At that time, the trending topic was the profound level of indebtedness in which the State was immersed and the discussion around the necessity to acquire even more debt to finance social spending. The following sections were devoted to report news from social events outside the capital, usually related to the lack of social services like water and healthcare, or more violent crimes, this time related to people who have been fatal victims of hate crimes connected to their sexual identity, as it was during that Summer. Furthermore, sections like sports and

culture did not escape from the continuous bombardment of depressive news. On the contrary, they were still haunted by the specters of events of like a soccer match-fixing scandal and the former minister of culture's accusation of sexual harassment, respectively.

In the middle of this grotesque picture of the Salvadoran social context, there was one section that did not succumb to such negative representation; this was the business section. A look at such section would give the impression of suddenly being in a different place. There, stories of entrepreneurship managed to present a diametrically different face of the Salvadoran context. Cadejo Brewing Company, a relatively new craft beer company with the name of a local folk tale mythical animal, had just started to export internationally. A Salvadoran young woman had won for the Global Student Entrepreneur Award in Bangkok, winning over participants from Belgium, Canada and the U.S. with her stylish bag designs that promoted local culture. Furthermore, in the technological field, two ordinary young men which had started a software company specializing in phone applications and videogames echoed the stereotypical Silicon Valley entrepreneurial story by becoming the center of attention of multiple newspapers suggesting a total success. The content presented in this section seemed too distant from the rest of the newspaper to believe it was happening in the same space; nevertheless, it was. What was it that lied within entrepreneurship that allowed it to become such a powerful source of hope amid a profoundly dystopic landscape?

El Salvador has, since its inception, been a country immersed in a wide variety of social conflicts. Extreme levels of inequality and violence of all sorts (gender, racial,

ideological, etc.) have been present throughout most of its history despite the attempts from elites and governments to construct the social imaginary of a unified and coherent nation. However, this context has facilitated the emergence at different moments of highly optimistic discourses in the midst of large amounts of social unrest, whether it is through political projects like 19<sup>th</sup> century nation-state patriotism promoted by economic elites or 20<sup>th</sup> century nationalist economic development implemented by military governments. Entrepreneurship, driven to a great extent by a necessity to cope with situations of unemployment and precarious labor, possibly locates as one of the 21<sup>st</sup> century projects attempting to bring El Salvador out of its old-established social crisis. As the creation decree of the National Commission for the Micro and Small Enterprise proclaims, “one of the great national objectives is to turn El Salvador in a country of opportunities, with social mobility; to which purpose must continue making our homeland a country of businesspeople, to obtain permanent achievements in terms of the economic, as well as the social, and especially to improve the living standard and quality of life of all Salvadorans” (Ministerio de la Presidencia).

In spite of the usual naivete that characterizes these type of government documents, the general acceptance that entrepreneurship discourse seems to enjoy paint a very different picture. This discourse has in fact given way to the formation of a wide and strong network of spaces and practices related to business activity in which most actors, whether State or non-state, take the project seriously as one of the most viable means for social development. Furthermore, entrepreneurship discourse has not been limited to an institutional implementation of development projects, but has also been a concept

appropriated by diverse actors among civil society, particularly young urban groups of people which tend to face considerable levels of unemployment and/or exploitation. For these groups, becoming an ‘entrepreneur’ is usually seen as an alternative source of income which, contrary to common types of employment in the region, has the additional feature of offering an opportunity to fulfill their personal goals. In that sense, business self-employment, which in the Salvadoran context has for a long time been considered mainly a source of income, has now turned into an economic practice which under the name of entrepreneurship is capable of driving great amounts of individual efforts beyond economic aims.

The present research deals with two questions regarding this phenomenon. First, how has business self-employment managed to shift from being a mere source of income to become the economic activity defining an emergent social identity? Secondly, regarding political implications, how does entrepreneurship reconfigures the experience of the structures of power surrounding the individuals who work in the small business sector?

### **Methodology**

To answer these questions, I have conducted an analysis of entrepreneurship discourse in two parts. The first is an analysis of texts which helps to clarify the meaning of the term entrepreneurship in the Salvadoran context. This analysis traces the history of its rise as a popular discourse, first through its conceptualization in economic theory and business literature in the foreign context, and then through an examination of its widespread propagation through the development apparatus of microenterprise. I carried

out a literature review of foundational texts by authors like Joseph Schumpeter, Ludwig von Mises, and Israel Kirzner, whose theorizations of entrepreneurship have been highly influential and present among entrepreneurship studies developed towards the end of the 20<sup>th</sup> century in countries of the global north, particularly but not exclusively England and the United States. I have revised more than 20 texts including books, academic articles, webpages, and reports of this latter form of literature, which corresponds with a more technical and practically oriented objective. Finally, I have examined around 30 publications addressing the topic of small businesses in El Salvador which range from 1985 to 2015 to trace the evolution of development discourse regarding such matter due to its close relationship to entrepreneurship.

The second part of my investigation involves the life histories of a young middle-income group of people who owned business startups and identified themselves as entrepreneurs. These participants were part of a network of people navigating in spaces where entrepreneurship discourse was particularly dominant, such as business consulting agencies, entrepreneurial collectives, forums, contests, and workshops. I interviewed a total of 20 people: 8 entrepreneurs between 25 and 35 years old, 4 small business owners with more than ten years of experience, 3 business consultants, 2 entrepreneurship researchers, 2 coordinators of non-profit entrepreneurship organizations, and 1 economist with research experience in small business. In addition, I conducted a direct observation of some of their practices, as two entrepreneurs allowed me to accompany them in their daily routines. Through these interviews and observations, I was able to capture rhetorical patterns in their discourse that help them make sense of their world as well as those aspects of entrepreneurs' lives which remain out of the official discourse. Finally, I

observed and documented a series of textual items such as news, articles, websites and advertisement informing and/or advocating for the concept of entrepreneurship during my visit to El Salvador in the summer of 2016 and afterwards.

### **Hegemony and Micropopulism**

To analyze these histories, I have drawn mainly on the theories of Ernesto Laclau and Chantal Mouffe concerning populism and hegemony for they provide an extensive theoretical framework to analyze discursive elements in relation to political processes. The results obtained from the discourse analysis of entrepreneurship points towards its identification as what Laclau and Mouffe called a “floating signifier”, a term void of a clear and stable significance which can nevertheless be fixed under certain ideological frameworks and is capable of converging a great amount of individual demands (Laclau and Mouffe, 1985). As we will see in the following chapters, entrepreneurship has been able to capture a wide variety of objectives by centering them around business practice. Contrary to popular critical perceptions of entrepreneurship which problematize a purely individualistic rationality, entrepreneurship discourse has been able to integrate demands that correspond to more collective type of objectives. Many of these objectives are even linked to longstanding collective concerns in the region such as national identity and social justice. These results suggest that entrepreneurship has not become influential only due to its self-interested orientations. Rather, that this self-interested logic has interacted with other cultural forms and discourses to construct a regional version of entrepreneurship which also expresses a concern beyond individual goals and in favor of the social environment.

I have chosen to call this phenomenon *micropopulism*, in opposition to Dornbusch and Edwards's macroeconomics of populism (1990), or simply macro-populism, a concept that deals with economic trends that emphasize growth and redistribution in detriment of inflation and financial deficit. According to scholars of populism, these economic trends have tended to be accompanied by socially oriented discourses like nationalism or social justice (See De la Torre, 2010). In the Latin American context, floating signifiers like "the nation" or "the people" have often been used to legitimize large structural changes in the economy. In this research I will argue that, in a similar fashion to macro-populism, signifiers like "entrepreneurship" also interact with longstanding social demands and imaginaries, nonetheless placing a particular emphasis on microeconomic processes like the promotion of business startups as a solution to wide and complex social problems like social inequality and exploitation. Here individual initiative and self-help organization have a primary role over large structural changes.

This is not to say that we are in front of the germ of a new political movement. The ideological implications of entrepreneurship concern also with the places where such discourse centers its attention and the distance taken from the relationships of power that constraints small business activity. Here entrepreneurship forms part of a process of depoliticization (See Ferguson, 1990). It displaces institutional attention from political processes like the concentration of finance and the liberalization of trade, and turns it towards more 'technical' areas like technology, bureaucracy, and education, which are seen as the primordial terrains of improvement for business success. Furthermore, when it comes to individuals' rationality, entrepreneurship places a great amount of responsibility

in the entrepreneur as the determinant of its own success disregarding hostile social contexts. It does that, not as a sort of blinding force, but as a reconfiguration of experience in regard to what is possible or not. The participants of these research, demonstrate an important level of consciousness regarding the sociopolitical environment that surrounds them. Nevertheless, while remaining vocally critics of such context, they dismiss the political domain as immutable, a lost cause in which not much can be done, the reason for which focusing their own projects is far more important. Entrepreneurship then entails an extreme advocacy for resilience.

But what does this resilient identity mean for the present political structure? Entrepreneurship does not occur in a separated space from relationships of power exerted throughout social assemblages. As an institutionalized discourse heavily present in social policy, entrepreneurship suggests a positive correspondence to the political framework which contains it, namely neoliberalism – this understood as form of government relying on market mechanisms, responsabilized citizen-subjects, and an ideological valorization of the private enterprise (Ferguson, 2009). Furthermore, the general acceptance that entrepreneurship enjoys among groups holding diametrically different political preferences indicates its correspondence to a hegemonic view of the social world. This imposes itself not only through the direct advocacy by State and non-state institutions, but through its capacity to incorporate groups of people that had been marginalized in the economic space as subjects of need – the unemployed, the underemployed or informal. The participants of this research, despite coming from a middle-income background, claim facing limited employment prospects in terms of decent salaries, working conditions, and social security. Business practice, however, while presenting many

difficulties to overcome these situations, acquires through entrepreneurship discourse an aspect in which economic self-improvement is possible regardless of the highly unstable social context. Hence the fundamental contradiction between neoliberal forms of government and entrepreneurial identity.

### **A Theory of Neoliberalism**

In recent years, there has been a rising discussion regarding the meaning of the term “neoliberalism”. These discussions have emerged due to the variety of social phenomena to which the term refers, whether it is in academic spaces, newspapers, or political discourses among governmental institutions. As a result, the very use of the word neoliberalism has become problematic and righteously criticized on many instances (See Ferguson, 2009; Flew; 2014). For the most part, the diffuse character of the term owes its existence to the different contexts in which it has been applied as well as the theoretical approach that defines it (See Harvey, 2005; Miller and Rose, 2008; Arias, 2008; Lazzarato, 2012). James Ferguson makes a clear distinction of the way neoliberalism has been used in the First World primarily to explain a set of social policies entailing the restructuring of many social institutions, including the State, in a business-like fashion (Ferguson, 2009). Understood in these terms, neoliberalism refers to a mode of governance or “technique of government”, as it is often called in Foucauldian approaches. In contrast to this definition, neoliberalism in the Third World has meant for the most part a fierce liberalization of trade and finance to the service of local elites and transnational capital.

Following Ferguson's analysis, these two processes (techniques of government and liberalization of the economy) are not necessarily related. Therefore, he argues for their specification rather than their simple categorization as neoliberal, which for the most part obscures analyses in terms of knowing what it is that they are referring to when they use such term. Nevertheless, despite the rejection of this use of neoliberalism, Ferguson recognizes its usefulness when these two different processes become related through "their technical reliance on market mechanisms coupled with an ideological valorization of private enterprise and a suspicion of the State" (2009). Here, economic liberalization and techniques of government become complementary processes rather than independent ones. This approach is particularly useful to understand cases like the Salvadoran one. While most analyses on the neoliberal period in El Salvador have focused on top-down exertion of power through policies like the privatization of State industries and the liberalization of trade and finance (See SAPRIN, 2000; Moreno, 2004; Arias, 2008), the techniques with which the social responses to these processes have been managed and governed have been practically dismissed. In consequence, the understanding of neoliberalism in El Salvador can be seen as incomplete unless analyses regarding techniques of government are incorporated. It is here where I locate my contribution to an understanding of the neoliberal period in El Salvador. I will argue that entrepreneurship, through its discursive elements, helps sustaining the current economic structure not in spite of the marginalizing effects and general discontent generated by this, but because of its ability to coopt such discontent and transform it into a common-sense activity.

In order to do this, in chapter one I will carry out a historical review of the neoliberal period in El Salvador which accounts for the macroeconomic policies that affected the small business environment substantially, indicating a profound contradiction between its explicit support of markets in general and the sociotechnical arrangements that regulate their activity. In particular, I will focus on two moments of the neoliberal era: Structural Adjustment and the signature of the *Central American Free Trade Agreement*, also known as CAFTA-DR. These two moments are of particular importance as they entail a process which impacted directly on the small business sector in terms of their access to financial support and their unfavorable position with respect to transnational capital.

## Chapter 2: The Neoliberal Paradox Regarding Small Business

The end of the 1980s and the beginning of the 1990s decade in El Salvador was marked by a period of profound social transformation in the middle of a country immersed in an armed conflict. Processes such as the democratization of the State and the demilitarization of public security were increasingly viewed as central topics of political discussion as the nation got closer to a negotiated peace agreement between the military government and the insurgency represented by the *Frente Farabundo Martí para la Liberación Nacional*, FMLN. The negotiation, principally mediated by the UN, finally took effect in February of 1992 in Chapultepec, Mexico (Borgh, 2005). Meanwhile, a long series of economic transformations were already taking place without being a major part of the discussions, despite the fact that economic issues represented a crucial element within the social conditions that enabled the emergence of the twelve-year civil war. The economic portion of the peace accords included only a small section on land titling and structural adjustment in which FMLN's participation was minimal, thus leaving such aspects of the agreement to the will of the political party in government and its advisors (Moreno, 2004).

The government of the moment, led by the right-wing political party *Alianza Republicana Nacionalista*, ARENA<sup>1</sup>, put into place an economic agenda based on economic stabilization and structural adjustment plans designed by one of the most influential local think tanks, FUSADES, an organization founded with the support of United States Agency for International Development, USAID, and in close work with the

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<sup>1</sup> ARENA governed for four consecutive five-year periods from 1989 to 2008.

International Monetary Fund and the World Bank (Rivera Campos, 2002). This event and the social processes that succeeded it shaped the economic framework under which business startups increased its relevance as an object of study and promotion to finally become the phenomenon known today as entrepreneurship. The socioeconomic transformations introduced by structural adjustment in El Salvador are crucial elements to understand entrepreneurship not only for its inherent support of market mechanisms and business activity but mainly because of its significant structural contradictions. The paradox behind the noise about entrepreneurship generated by Salvadoran neoliberal governments, as well as by non-governmental institutions, is that behind the explicit embracement of business startups, there is a legal and economic framework that aggressively obstructs their success whether it is through highly limited access to credit or through a blatant opening of markets which turns starting up a business into a highly risky idea.

In this chapter, I will focus on how some of the major changes occurring during the neoliberal period in El Salvador contradict the promotion of startups due to its significant consequences on the small business sector. Furthermore, I will show how the idea of starting up businesses gained strength, not only because of its institutional promotion, which is the object of my next chapter, but because the socioeconomic context at the end of the war, characterized by migration and precarious labor, created an environment in which it made sense to enterprise despite its obvious risks.

## **Economic Stabilization and Structural Adjustment**

The programs of economic stabilization and structural adjustment constituted the economic agenda of ARENA's first administration in 1989 and the beginning of the neoliberal period in El Salvador. These programs would put an end to the Import Substitution Industrialization model carried out by the military government during the second half of the 20<sup>th</sup> century. Although an attempt had been made to move national production to the industrial sector, by 1960s the economy still relied for the most part on agricultural exports controlled by a small sector of the population mainly constituted by wealthy family networks, most of which whose origin could be traced to the end of the 19<sup>th</sup> century during the so-called *coffee republic* (Bulmer-Thomas, 1987; Bull, 2014). As the armed conflict aggravated during the 1980s, these networks, characterized by its oligarchic character, recognized the ineffectiveness of authoritarian government led by military structures and found in ARENA a new medium of political representation (Borgh, 2005).

ARENA's economic program had been designed by FUSADES, a local think tank which had been founded with the support of the United States Agency for International Development, USAID (Rivera-Campos, 2002; Velasquez, 2011). This economic plan had as its alleged purpose to establish a social market economy, to relegate the State to a normative role, and to open-up national markets to generate sustained economic growth, improve standard of living, and move nation's economy out of stagnation (Moreno, 2004). To achieve these objectives, the Salvadoran State got

involved in a series of loans offered by the World Bank and the International Monetary Fund which dictated specific reforms to production and financial sectors. With respect to economic stabilization, the government sought mainly to control inflation and increase national savings and private investment. Some of the reforms were therefore the flexibilization of the foreign exchange rate, which later switched to a fixed rate of change in 1994, the elimination of credit limits, the suppression of Central Bank's financing of the State and public institutions, and the reduction of reserve requirements for financial institutions (SAPRIN, 2001; Moreno, 2004).

Complementary to these economic stabilization policies, the structural adjustment plan was implemented in several stages. The claimed objectives were the satisfaction of basic social needs through the modernization of the industrial sector, the development of infrastructure, and the support of micro and small enterprises (SAPRIN, 2001). Nevertheless, these changes did not unfold as planned due to a combination of problems inherent to the economic policies and the corruption with which these were implemented. Among the strategies that were carried out in this line were: the re-privatization of financial institutions, the privatization of agro-exports, the privatization of energy distribution and telecommunications, regressive modifications to the tax structure, and currency substitution (Moreno, 2004). Of these changes, one of the most impactful transformations brought by structural adjustment was the re-privatization of financial institutions. The significance of this event can be used to understand two key aspects of contemporary Salvadoran political economy. On the one hand, it helps to explain the

transition from agriculture to a service economy; on the other hand, it also shows the hierarchical character of Salvadoran market economy in terms of the role economic elites and their corresponding business groups play in most economic activities.

The financial sector in El Salvador has been historically tied to business elites, particularly those that were invested in the coffee industry during late 19<sup>th</sup> century and the first half of the 20<sup>th</sup> (Bautista, 2009). As a result, the biggest banks in the country have been characterized by their unwillingness to fund other economic activities, therefore significantly contributing to an extreme capital accumulation (Velasquez, 2011). This was intended to be reversed through the nationalization of financial institutions in 1980 as one of the alleged means used by the military government to deal with increasing income inequality, however, in practice the national banking system continued channeling resources to selected businesses in the agro-export sector. Towards the end of that same decade the system had accumulated a series of problems such as a contraction of deposits of 26% and credits by 30%, liquidity problems, inability to comply with reserve requirements, and more importantly the accumulation of \$700 million in non-performing loans (SAPRIN, 2001; Arias, 2010). This scenario served as a justification for the re-privatization of the financial system, a process which involved several manipulations from part of State officials and business groups.

The process of re-privatization was carried out through two main laws. The first one was the *Ley de Saneamiento y Fortalecimiento de Bancos Comerciales y Asociaciones de Ahorro y Préstamo (1990)*. This law dictated that it corresponded to

State to assume the cost of the non-performing loans, thus conducting it into a high state of indebtedness (Arias, 2010). The second law was the *Privatización de los Bancos Comercias y Asociaciones de Ahorro (1990)*. Originally one of the objectives of this law was the democratization of the shareholder structure. The law imposed some conditions such as a maximum of 5% of shares per investor and determined the categories of these in which small investors and bank workers were included. However, in practice, big investors from the traditionally accommodated families and State officials, including the president of the time Alfredo Cristiani, ended up occupying most of the spaces in the boards of directors of such banks. They were accused of using subterfuge mechanisms like figureheads to avoid regulations but for the most part authorities ignored such accusations (SAPRIN, 2001; Arias, 2010; Velasquez, 2011). This event facilitated the formation of financial conglomerates which went from controlling the main commercial banks to other financial institutions such as private insurance companies and pension funds (Arias, 2010). Furthermore, the privatization of financial institutions facilitated the diversification of business groups traditionally tied to the agro-export sector into other activities such as commerce as well as other services like construction and real estate (Bull, 2014). Between the years of 1992 and 1996 there was an important reduction in the percentage of the credit directed towards the agricultural sector, from 21.0% to 9.2%, while the commercial sector showed an important increase of 15% in the credit structure.

The effects of this transformation in the political economy of El Salvador have been mostly felt in the micro and small business sector. Notwithstanding the great increase in deposits captured by banks after privatization, 70% from 1994 to 1998

(SAPRIN, 2001), micro and small enterprises did not benefit in a significant way from such improvements as the conditions imposed by private banks to receive credit were more rigorous than those of the nationalized financial institutions. In fact, the portion of the credit structure composed by small enterprises decreased from 16% in 1987 to 5% in 1996, as a result of the unfavorable policies implemented by private banks such as an increase on active interest rates, penalizations for non-performing loans, and the emergence of mortgage guarantees. These constraints have compelled small business owners to look for alternative forms of credit in the informal sector whether by getting loans within their family networks or with independent moneylenders at high interest rates. The access to credit remains until this day as one of the main concerns expressed by small business starters.

### **The Burden of Open Markets**

To this difficult scenario confronted by the small business sector adds up the introduction of the *Dominican Republic-Central America Free Trade Agreement*, CAFTA-DR, in 2006. By the middle of the 2000s decade, the opening of local markets to transnational capital investments had been an strategy already contemplated in the economic reforms prior to the CAFTA-DR. Strategies like the creation of *zonas francas* (“free-trade zones”) had been implemented during the last decade of the 20<sup>th</sup> century, thus advancing the transition from an Import Substitution Industrialization model to an Export Led Economy one (William, 2003). These measures provided a series of legal advantages to foreign investments. For instance, the *zonas francas* provided a whole range of tax exemptions to textile *maquiladoras*, from income taxes to property transferences and municipal duties with the only restriction of not being able to sell at

local markets for that would represent an unfair competition with local enterprises; nevertheless, this restriction was lifted, not without the opposition from small and medium businesses in the textile industry (Romano, 1998).

Notwithstanding the benefits provided to specific sectors of foreign investment, the greatest impact of transnational capitalism in El Salvador took place after the signature of a series of free trade agreements with different countries, but particularly the one with the United States. The implementation of a free trade agreement has as its main purpose the “relocation of regional production in terms of comparative advantages that imply the total reduction of costs through the acquiring of cheap raw material, labor, energy and transportation” (Moreno, 2008). In the case of El Salvador, this meant a whole set of legal benefits to transnational corporations in terms of the permissiveness through which they could carry out their investments. The legal frame of the CAFTA-DR implied for the most part a unilateral gain from what started as a multilateral agreement. Several of the products that qualified for tariff deductions such as maize, rice, and sorghum, which had been historically supplied by local producers, became part of international markets, where many suppliers received enormous State subsidies like in the case of the United States (*ibid.*). Non-duty technical and custom barriers that limited the entry of local exports to the U.S. and ethanol, El Salvador’s main export to such country, did not qualify for tariff deductions according to the list generated in the agreement. The signature of the CAFTA-DR gave the death blow to a weakened Salvadoran agriculture, thus rearranging the labor structure and shifting economic activity to the commercial sector. Here economic elites strongly dominated the market by importing and commercializing goods produced by transnational capital, thus making it difficult for small businesses to compete with such products.

## **Why Then More Enterprises?**

The increase of the small business sector did not come from the improvement of the business climate in the country or the opportunity to participate in international markets. Such idea would seem delusional by understanding the amounts of capital investment that would be required to compete at that level, at least for the majority of the population. Basing on the numbers revealed on a study made by the Global Entrepreneurship Monitor, a consortium of institutions dedicated to the study of entrepreneurship coordinated by the London Business School, in El Salvador, 54% of the startups with more than 42 months of existence declare to be driven by necessity as opposed to finding profit opportunities in the market (GEM 2014-2015). While the division between entrepreneurs driven *by necessity* and entrepreneurs driven *by profit opportunities* is highly questionable given the fact that, as we will in chapter four, these two reasons are not mutually exclusive, looking at these numbers can still provide suggestions about the reasons why people start a business. Here, I will focus on the reasons associated with the need for alternative sources of income as they are closely related to the negative effects of structural adjustment. The precarization this process of social transformation had in the lives and livelihoods of people in terms of employment and social security created an ideal environment for business startups to increase its popularity as an income alternative to employment.

This precarization of lives and livelihoods that came about as an effect of structural adjustment can be seen from the perspective of three major processes entailed by it: the deepening of a regressive tax regime, the decline of social security, and the

precarization of labor. It is important not to romanticize the conditions under which these transformations took place. Institutions like social security and the tax system were already highly deficient with respect to their assumed roles. However, the changes brought by structural adjustment represented a great impact on people's standard of living and their work conditions. When it comes to the tax regime introduced through structural adjustment, between 1989 and 2004 tax policies severely compromised people's purchasing power and income redistribution. The *1992 Income Tax Law* introduced a 10% value-added Tax which was increased in 2000 to 13%; this was also extended to products of the basic basket and medicines (Moreno, 2004; Schneider, 2012). As a result, the value-added tax constitutes today the 50% of total tax revenue. Furthermore, in addition to these measures there was an increase on tax incentives applied to big businesses. Private banks, insurance companies, and real estate companies enjoy a rate of exemption which is higher than 50%, thus contributing to the deepening of the regressive tax structure in the country (Schneider, 2012).

The changes in the Salvadoran social security system were brought by a political agenda committed to a market rationality. Policies like the partial privatization of the pension system reform have imposed a significant burden on State's budget which has been confronted by austerity measures. In 1998, the national pension system of El Salvador started a transition to an individual capitalization system in which most contributors were obliged to channel their input to private administration funds, also known as AFPs. Meanwhile, retired beneficiaries along with the older portion of contributors remained as part of the old system, therefore suffering the consequences of

the big gap left by the contributors of the new AFP system. Since then, the State has been compelled to immerse in a significant indebtedness to cover the pensions of the old system, first with private banks and then with AFPs. Today, public debt amounts to 63.1% of the nation's GDP (UCA, 2015). Of such debt 25% comes from the unsustainability of the pension system (BCR, 2015). To compensate for such burden on State's budget the government has hanged on to a belt-tightening policy entering a vicious cycle of austerity. The result has been a reduction of social spending and the economic activity this entails; this in in turn has reduced tax revenues, thus justifying further cuts on social spending (Alvarez et al, 2016).

In addition to the deepening of a regressive tax system and the impact on social security, employment in the most general sense was affected in various ways after structural adjustment policies. The first of ARENA's administrations was characterized by mass layoffs due to the reduction of State's economic activity expressed in actions like the privatization of coffee exports, sugar refineries and exports, and the closing of the Supply Regulator Institute, also known as the IRA<sup>2</sup> (Almeida, 2009). As a result, between 1991 and 1993 unemployment rates rose from 6.58 to 9.9 (data.worldbank.org). To these effects, more actions of the same sort of economic liberalization were taken during ARENA's second term such as the privatization of telecommunications, pension system, several public hospitals, and the system of plates and licenses (Moreno, 2004). These

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<sup>2</sup> Instituto Regulador de Abastecimientos. This State institute served as a storage, distribution and commercialization entity oriented towards the regulation of food grains prices.

actions had a tremendous impact in the reconfiguration of El Salvador's labor structure and its qualitative aspects.

In spite of this fierce reduction of State's economic activity, unemployment levels decreased to 7.7% after 1993 and they have been since then oscillating between 7% and 6%. Nonetheless, these numbers do not reflect the nature of the work carried out by those who in view of the initial decrease in employment opportunities were compelled to find alternative sources of income in low paying jobs and the informal sector. As studies like the UNDP Human Development Report indicate, the greatest issue El Salvador faces regarding labor markets is not unemployment but underemployment (UNDP, 2008). According to this study, even though levels of underemployment decreased from 54% to 35% during the three years after the signature of the peace accords in 1992, from 1996 on, underemployment experimented a constant increase, reaching levels of 43% in 2006. These jobs tend to be characterized by inadequate salaries in relation to the cost of living. Recent studies reveal that the average real wage in the formal sector has decreased in a 12% from 2000 to 2014, thus contributing to a process of precarization of labor (PEN, 2015). This has in fact created an incentive for people to search for alternative sources of income in informal economic activities, a sector which today capture 66% of total of non-agricultural employed population (PEN, 2015; OIT, 2013).

Consequently, in agreement with these numbers, the UNDP report reveals that only 19% of the economically active population can be classified as having a decent form of employment in terms of fair remuneration, social protection, and working conditions. While 7% of the remainder is unemployed, 43% is underemployed in the formal sector

and 31% work in the informal sector without sufficient income and/or social protection (UNDP, 2008). As we will see in subsequent chapters, these conditions create an environment in which starting up a business is experienced as a desirable option for the potential gain of being employed in the formal sector does not grant the basic expectations of middle income young entrepreneurs.

## **Conclusions**

The implementation of a social market economy had as one of its main objectives a general improvement of the standard of living through market mechanisms such as structural adjustment and the liberalization of trade. According to government officials, the policies promoted by this agenda, would facilitate economic activity and create profit opportunities which would then turn into a rise of private investment and economic growth. While these policies did facilitate economic activity, and enhanced private investment, it did only for certain sectors, mainly local elites and transnational capital. The small business sector was practically excluded from the benefits of such economic model. On the one hand, structural adjustment led to a greater concentration of capital among elites through the privatization of profitable State enterprises; furthermore, it acquired a greater control of such capital through a re-privatization of the financial system which limits until today small businesses access to credit. On the other hand, transnational capital, seized the profit opportunities offered by the free trade agreements, thus making it difficult for small businesses to compete at international levels.

For small businesses, this context contradicted the neoliberal valorization of private enterprise, since the relationships of power exerted from big to small capital

investments widened and the idea of starting a small business under such circumstances seemed counterintuitive. However, paradoxically, such environment did not prevent an important proliferation of small businesses. Rather, it encouraged it, for structural adjustment policies had also the effect of driving an important portion of the population into the search for alternative sources of income. The rise in the cost of living emerged as a result of changes in the tax system, the weakening of social protection mechanisms, and the precarization of labor created an environment in which starting up a business was experienced as one of the few viable options for social reproduction. As we will see later, many entrepreneurs take the situations exposed in this chapter as one of their main reasons to enterprise.

### **Chapter 3: The Institutionalization of the Rebusca**

In the summer of 2016, I interviewed three people with significant experience regarding entrepreneurship practices in El Salvador: an economist, a business consultant, and the research director of the Global Entrepreneurship Monitor in the country. The conversation with these figures was instructive in many ways, but one of the most important elements noticed was the relevance in the notoriously unruly semantics of ‘entrepreneurship’. While most of these experts talked about entrepreneurship with a certain level of authority, the term seemed to lack any clear definition. At some moments, it referred to an attitude, at others it appeared as an innate skill while at others it seemed more like a measurement quantifying the amount of small business startups in a group of people. Whichever was the context in which the word was utilized, the only conclusion I could get was that its definition was far from stable. This is in fact reflected on most entrepreneurship studies, which usually start with a section discussing the meaning of the term and concluding on a general disagreement regarding such aspect of the topic but disregarding it as unproblematic.

Most of the experts I interviewed alluded in some way to the confusion generated around the definition of entrepreneurship but it was only one of them, Julia Evelin Martínez, a renowned economist from the Central American University in El Salvador, who pointed out this matter as a serious issue, and encouraged me to investigate more on it. According to her, the phenomenon now understood as entrepreneurship had started at the end of the 1980s with the so called informal sector, referring to the search for self-employment through the opening of small businesses. Throughout the 1990s, these businesses, regardless of their heterogeneous character, became the object of a tremendous source of attention and support from governmental as well as non-

governmental institutions through which they were later renamed as microenterprises. Finally, at some point within the 2000s, the discourse on microenterprise started to fade as the central object and entrepreneurship, or emprendedurismo, in Spanish, appeared as a more popular term to refer to topics regarding small business startups.

### **One Genealogy, Two Trajectories**

In a general sense, the story told by Martinez is accurate. However, its simplicity makes it incomplete a more detailed history needs to be captured to understand the ideological implications of entrepreneurship. Entrepreneurship discourse in El Salvador owes its identity to two lineages with related but different trajectories. To differentiate among these, we must make the distinction between the signifier and the signified, that is, between the term “entrepreneurship” and social phenomenon to which this term refers in the Salvadoran context and the ways this has been understood in the past. The first one, entrepreneurship as a concept, can be traced up to 18th century Europe and its use remains highly vague and unstable until today. However, in recent decades, the term entrepreneurship has occupied a central place in business literature as a means to study the behavioral characteristics associated with business starters such as profit seeking behavior, risk bearing, and creativity. On the other hand, the second trajectory, or the social phenomenon to which entrepreneurship refers in El Salvador, has had predominantly to do with self-employment in a difficult economic context.

Tracing a different history for each of these two can be very illuminating for even though they are usually treated as one and the same, both objects, entrepreneurship and self-employment, have been developed separately and with different goals in mind. While the term entrepreneurship has been a concept primarily developed to deal with economic processes related to business activity in the global north, the second one, self-

employment, has played a major role in development economic policies in the global south. The action of superimposing one over the other has had practical effects in terms of the way people who engage in self-employment activity are represented and treated by the pertaining institutions; furthermore, it has had an effect on the way self-employed workers who identify with such representation act and understand their social in a particular manner.

### **Entrepreneurship: A Brief Review of the Concept**

Even though the current definitions of entrepreneurship developed in the last thirty years through an extensive body of literature produced mainly by scholars in the business economics field such as William Baumol, Howard Stevenson, and Robert F. Herbert, the appearance of the term in economics can be traced up to the 18th century in the work of Richard Catillon, who defined the entrepreneur as someone who bears economic risk through his or her capacity to live on an unfixed wage (Gutierrez Montoya, 2013; Toma et al. 2014; Dardot and Laval, 2014). Up until the 20th century the term had appeared scatteredly throughout economic literature but gained relevance towards half of the century due to the work of renowned thinkers like Joseph Schumpeter, Ludwig von Mises, and Israel Kirzner (Marttila, 2013; Toma et al. 2014). These authors had a significant impact in the current understanding of entrepreneurship. While Schumpeter defined entrepreneurship in terms of the capacity for innovation and the creation of new markets as well as new forms of production, Mises and Kirzner, more in the line of the Austrian School of Economics, constructed the concept of entrepreneurship as the ability to capture of profit opportunities (Toma et al. 2014).

In spite of the significant impact these authors had on different areas of the economic field, in the second half of the 20th century entrepreneurship remained for the

most part restricted to business literature, where it gained a tremendous amount of attention that led to a vast number of definitions, thus complicating its understanding. In 1989, just before the boom of entrepreneurship in business literature, Herbert and Link listed at least twelve definitions of entrepreneur among which they were: a person who assumes risk associated with uncertainty, a person who supplies financial capital, an innovator, a decision maker, an industrial leader, a manager or superintendent, an organizer and coordinator of economic resources, a contractor, etc. (Herbert and Link, 1989). Since then, these definitions have multiplied and oscillated between broad and narrow ones. The consensus that has emerged from this issue has been to minimize the problematic character of this aspect of entrepreneurship, and focus instead on the environmental variables that affected those features encompassed by the term entrepreneur (Hardwood, 1982). A brief review of the literature that gave entrepreneurship its prominent status in contemporary economics is important to explain many of the sociopolitical implications brought by the concept of entrepreneurship into the terrain of self-employment and business activity in El Salvador.

Schumpeter's view of entrepreneurship is closely related to the topic of innovation. According to him, change in economic life always starts with the actions of a forceful individual and then spread to the rest of the economy (Schumpeter, 1983). This process is generated by new combinations of the means of production. In his view this results on either the introduction of a new good in the market that consumers are not familiar with or the production of an old good through different methods. Schumpeter makes a clear distinction between entrepreneurs, capitalists, managers and even business owners. For him, the entrepreneur is only that one who innovates in terms of a new product or method of production, and therefore becomes the "captain of an industry" (Schumpeter, 1983; p. 114).

But Schumpeter's definition of the entrepreneur goes beyond a simple interest in the matter of innovation. He also emphasizes entrepreneur's attitude and personality as an important characteristic which he characterized as anti-hedonistic and opposed to the notion of a utility maximizer homo economicus, or economic man (Schumpeter, 1983; p.124). For him, in contrast to the economic man, the entrepreneur does not balance between possible results against disutility to achieve a certain equilibrium. The effort required to carry out his task is not a reason to stop and it is certainly an obstacle for hedonist enjoyment. For the potential captain of industry "there is a will to conquer; to impulse fight, to prove oneself superior to others, to succeed for the sake, not of the fruits of success, but of success itself" (p. 125).

For Ludwig von Mises and Israel Kirzner, two members of the Austrian School of Economics, the relevance of entrepreneurship emerged with their disenchantment for the neoclassical emphasis on equilibrium and perfect competition. Like Schumpeter, their focus was more on the changes in market economy rather than a stationary perception of it. The latter, according to Kirzner, neglected the role of entrepreneurship as a function for it conceived the market as a more or less stable configuration of prices, quantities, and qualities as opposed to a process aiming towards equilibrium but in constant change due to the nature of human action (Kirzner, 1979; p.6). This notion of human action was theorized by Von Mises, who introduced in it a universal aspiration of human beings to improve their conditions. According to Mises, individuals in general were not only calculating agents but also agents alert to opportunities, always "waiting and continually receptive to something that may turn up (...) this alertness is the entrepreneurial element in human action" (p.6).

It is important to note that according to these thinkers, the drive for improvement is not limited to certain economic actors immersed in market situations, as it is in the case

of Schumpeter's entrepreneurs. Rather, in the eyes of the Austrian School economists, entrepreneurship is a rather universal condition expressed in alertness to opportunities and the drive to achieve individual goals. It would not be inappropriate to stress the fact that Von Mises did not construct a mere theory of economics, but a theory of "human action" itself. In such sense, economic theory has carried out an anthropology of economic processes, and in doing so, it has invented once more a human subject which has apparently existed across time and space, namely "the entrepreneurial man", and whose potential can be better developed through a social market economy (Dardot and Laval, 2014).

Nevertheless, despite the differences between Schumpeter and the Austrian School approaches, when it comes to the economic domain what we see is to the construction of a new subject – not a rational/utility maximizing one, but one that is goal oriented and capable of adapting and facing uncertain situations. Entrepreneurship research has gone from the attempt to reach one definition of the entrepreneur to the study of the variables that determine the better performance of this subject, variables such as finance, culture, innovation, institutional support, etc. (Hardwood, 1982). However, in doing so, the entrepreneur has maintained the universal character assigned to it by Austrian School thinkers due to its implicit existence within structural adjustment policies. As we will see, even though entrepreneurship discourse did not appear explicitly until the 2000s in El Salvador, the notion of an entrepreneurial subject was already being developed through development strategies regarding the phenomenon of self-employment previously addressed by theories of informality and microenterprise.

## **From Informals to Entrepreneurs**

During the time I spent doing fieldwork in El Salvador, I was not able to find any publications with the term *emprededurismo* (“entrepreneurship”) in documents addressing the topic of self-employment before 2004. I found, however, the term *emprededor* (“entrepreneurial”) in a 1996 publication about a microenterprise program called PROPREMI launched by FUSADES, the most influential right-wing think tank in the country. Nonetheless, the word was utilized in a rather casual way to describe the meaning of a prize given by FUSADES to the “businessperson of the year” in recognition for their “entrepreneurial spirit” to small business owners. The term here expressed a praise intention rather than a conceptualized notion of the phenomenon of self-employment as understood in today’s development jargon.

The first conceptualized understanding entrepreneurship was first introduced in El Salvador through business related activities such as the opening of consulting centers and business education during the early post-conflict era. According to Salvador Rodriguez, the director of the Salvadoran chapter of ADIZES, an international institute specialized on business education and management, entrepreneurship literature was incorporated in their curriculum during the 1990s. That same decade, in 1997, the Centro Emprededor (“Entrepreneurial Center”) was founded as an extension of the Superior School of Economics and Business, ESEN, a prestigious higher learning institute initiated in 1994 by the Grupo Poma, one of the wealthiest business groups in the country. These institutions promoted their notion of entrepreneurship through operating models developed in the global north by adopting practices like business incubation and management certifications. The current director of the ESEN Entrepreneurial Center, Carolina Rovira, claimed that most of their work targets groups of people classified as opportunity entrepreneurs, that is, people who started their own business motivated by

profitmaking opportunities, in contrast to those known as necessity entrepreneurs , who got involved in business activity due to lack of employment opportunities.

According to these testimonies by experts like Rodriguez and Rovira, up until half of 2000s decade, the concept of entrepreneurship remained for the most part limited to the so called opportunity entrepreneurs, a group composed mainly by middle income people with an a idea for a business. Nonetheless, entrepreneurship did not gain enough resonance until it was incorporated to the area of economic development, where experts of such field turned it into a self-employment strategy within the informal sector, thus complicating its meaning and pushing its scope to encompass a larger segment of the population which included those who felt compelled to start a business deal with unemployment. For such reason, we should now turn to the recent history of self-employment in development literature in order to understand how previous understandings of such phenomenon have transformed through the introduction of entrepreneurship discourse. We will see how this has interacted with previous discourses like informality and microenterprise reconfiguring notions of self-employment beyond a logic of subsistence or mere employment.

I will focus on the continuities and ruptures emerged in the significations of this form of employment through its institutionalization and its constantly changing approaches: from studies on the informal sector to the policies of microenterprise up to the discourse of entrepreneurship. Let us start by revising some of the history of business self-employment through the lens of the so-called informal sector.

### *Self-employment and Informality*

The concept of informal sector has, since its first appearances, conflated a wide variety of business initiatives regardless of their differences in their products, scale, goals, capital, background of their members, etc. For this reason, it faced many of the

same problems that entrepreneurship in defining a clear object of study (See Montoya, 1994). However, unlike entrepreneurship, its formulation as an economic category corresponded to the field of development economics. The concept of informal sector is usually attributed to the anthropologist Keith Hart, who treated such matter in his article “Informal Income Opportunities and Urban Employment in Ghana” in 1973 (Bromley, 1990). There he defined informal sector as that sector constituted by economic activities whose income generated did not represent any sort of fixed wage or transfer payment from private or public institutions, from shoemaking and petty trading to drug dealing and prostitution (Hart, 1973). The concept was later taken by the International Labor Organization (ILO) whose use in their World Employment Program divided the economy between formal and informal sector (Bromley, 1990). The formation of this dualistic view enhanced a preexisting understanding of small industries as the subcontracting parties of large firms, thus transforming self-employment through business activity into an object of significant governmental support (Bromley, 1990).

Despite this deterministic view which limited the scope of small businesses activity into a subordinated position with respect to large firms, a variety of opposing views emerged that widened economic imagination in terms of the role small enterprises had in social transformation. In El Salvador, ideas like the “democratization of production” through small businesses were present in the work of influential progressive thinkers like Carlos Briones in his studies of urban informality (See Briones, 1996). Others, such as the economist Aquiles Montoya, introduced even more radical approaches attempting to convert informal workers into the subjects of what he called a “new popular economy”, which he later incorporated into the internationally recognized project of solidarity economy (See Montoya, 1994; 2012). The common ground between both projects was their objective to move beyond the outsourcing role of informal

businesses, which was the cause of enormous rates of underemployment, and point towards a rearrangement in the productive structure which ultimately leads to income redistribution.

But this opening of the concept of business self-employment as a means to deal with poverty and precarious work beyond the outsourcing logic of the ILO occurred not only among progressive left-leaning intellectuals. In fact, many of their ideas were actually marginalized from public policy in favor of emergent neoliberal views embodied in policies dealing with informality that emphasized the role of individual initiative and held a notion of human rationality close to the entrepreneurial ones professed by thinkers of Austrian School like Kirzner and Mises. In Latin America, the influential work of authors like the Peruvian economist Hernando de Soto contributed to the construction of a social imaginary in which members of the informal sector were characterized by their fearless attitude towards uncertainty and a confidence in their own skills that would allow them to compete in the formal market if only the institutional framework permitted it (See De Soto, 1987). The formulation of these imaginaries materialized in social policy during the 1990s, through projects like De Soto's Urban Property Rights project whose objective was to turn marginalized populations into potential entrepreneurs through the issuing of urban land property titles, assuming these would be used as collaterals to obtain credit (Mitchell, 2009). These notions of informality and self-employment corresponded with a series of policies being developed at the time around the concept of microenterprise.

### *Self-employment and Microenterprise*

The origin of microenterprise as a concept has been usually associated to the literature on microfinance self-help developed by the Bangladeshi and Peace Nobel laureate economist Muhammad Yunus. His project of microfinance centered around the

notion that one of the main obstacles to overcome poverty, if not the main one, was the limited access to credit (Bateman, 2014). In a similar fashion to De Soto, this approach presupposed the effectiveness of self-help rationality and entrepreneurial discipline in achieving economic self-sufficiency, and the medium to carry out this task was no other than microcredit's supposed object: the microenterprise (Cons and Paprocki, 2010).

In El Salvador, the concept of microenterprise was later taken independently from microfinance and applied in a series of studies regarding self-employment and informality. The Promotion for the Small and Microenterprise Program, PROPREMI, launched by FUSADES in 1988, acted as a strategic response to their work carried out during the previous year in the "Basic Study on the Situation of the Informal Sector in El Salvador" (PROPREMI, 1996). In a range of ten years, PROPREMI expanded to every department of the country in 199 municipalities. It progressively gained support from government as well as non-government and international institutions like the International Development Bank, and was incorporated in the post-war reconstruction plan following the peace accords as a fundamental channel of economic reinsertion for veterans .

By rapidly gaining its own space in development discourse, the concept of microenterprise culminated in El Salvador with the inauguration of the National Commission of the Micro and Small Enterprise, CONAMYPE, in 1996. Its creation decree explicitly stated that one of the main national objectives was "to turn El Salvador into a country of opportunities, a purpose to which continuing making our homeland a country of businesspeople must be done to obtain permanent accomplishments in economic development as well as social..." (Ministerio de la Presidencia). The role of CONAMYPE was to boost and articulate a wide variety of efforts oriented to the support and creation of microenterprises as well as to coordinate with diverse institutions to

facilitate financial and non-financial services. In other words, it was the fundamental baseline for the construction of an institutional apparatus of development that revolved around private initiative across a wide variety sectors of Salvadoran society.

The microenterprise became one of the fundamental axis of development promotion leading to a rapid increase in interest from diverse groups. The greatest effort to capture the situation and purpose of microenterprises in El Salvador was the publication of “El Libro Blanco de la Microempresa” (“The White Book of Microenterprise”). This project, coordinated by FUSADES, contained the effort of more than a 1,000 people and 35 institutions such as guilds, NGOs, government institutions, international cooperants, representatives from the financial system, and others. These gathered together in forums and a long series of research projects from 1995 to 1997 (LBM, 1997). Besides the notable ambition of such effort, the final document was characterized by its tone of hope and optimism in the middle of a highly unfavorable environment:

“The hard work that the LBM represented has strengthened the conviction among the members of the coordinating committee that the microenterprise is an important element in the economic life of the country. In more than one occasion during the sessions, a phrase was utilized to synthesize this conviction: there is hope. There is hope because in the fight against poverty, microenterprise, represented by thousands of businesspeople that produce, trade, give services, and create employment, has been successful (...) There is hope because microenterprise has demonstrated continually its capacity of adaptation to adverse environments, its capacity of improvisation when conditions require results and there is lack of resources, its capacity of innovation when the market in its most crude expression demands new products and services (...)” (LBM, 1997; p.ii).

In other words, what was seen by self-employed groups as a basic source of income in face of a lack of better alternatives, was being reinterpreted as the source of hope by the promoters of such practice creating a romanticized narrative of ingenuity and hard work.

### *Self-employment and Entrepreneurship*

So what makes entrepreneurship more than a mere substitute for microenterprise if in this case it came to occupy the same place? The answer to this question has to do with the connotations it had previous to its incorporation to the development discourse, connotations from which the term was never able to fully divest. During the first half of 2000s, entrepreneurship, which until then had been a concept navigating within the limits of the business world of middle to high income people, extended to an institutional network of development through business training programs implemented by the international cooperation. From then on, a wide variety of entrepreneurship programs proliferated throughout the country stretching the reach of such discourse. Nevertheless, while these programs shared many commonalities with microenterprise, several ruptures can be noticed that are related to the neoliberal theorization of entrepreneurship and its presupposed subject “the entrepreneur”.

The first development programs I was able to trace that integrated entrepreneurship into their discourse were the “UNCTAD-Empretec” launched by the United Nations in alliance with the American NGO TechnoServe in 2002, and the “Entrepreneurial Municipality Program” launched by the government of Aragon and the Iberoamerican States Organization (OEI) in 2004. These two already mark some differences from microenterprise and informality discourse. On the one hand, they blurred the delimitations of class through the extremely encompassing identity of “entrepreneur”; on the other hand, they passed from including sociocultural asymmetries

as part of the factors influencing their economic situation to become a solution itself for those sociocultural asymmetries.

The UNCTAD-Empretec program runs in El Salvador since 2002. It was certified in 2004 by the Enterprise Foundation for Social Action, FUNDEMAS, which currently hosts the implementation of the program ([fundemas.org](http://fundemas.org)). The program claims to promote a behavioral approach of entrepreneurship which functions as a developer of motivational and personal competencies:

“Empretec’s unique methodology, rooted in researches conducted in the late 1960s by David McClelland, psychologist at Harvard University, is based on the assumption that everyone has an inner motivation to improve. This “motive for action” is divided into three motivational categories: achievement, affiliation, and power” ([empretec.unctad.org](http://empretec.unctad.org)).

The program relies on a series of workshops that focus on ten entrepreneurial competencies required for professional and personal development, among them there is: opportunity seeking and initiative, persistence, commitment, demand for efficiency, calculating risk, persuasion and networking, independence and self-confidence, goal setting, information seeking, and systematic planning. The target population ranges from executives and managers of high capital enterprises to “people from communities or vulnerable social groups like youth and women with desire for improvement but face disadvantage due to their socio-economic conditions” ([fundemas.org](http://fundemas.org)). Even though these groups are divided into different workshops according to their situations, what is clear from this rhetoric is that entrepreneurship is for everyone, or at least, everyone willing to live by the motto: “where others see problems and difficulties, entrepreneurs see

opportunities” (fundemas.org), regardless of them being members of a marginalized community or executives of the local subsidiary of an international corporation.

The Entrepreneurial Municipality Program funded by the government of Aragon took place in 2004, in several municipalities of the southeastern region of El Salvador. The program explicitly claimed not to follow a neoliberal approach, as it did not limit its goal to the mere self-employment creation but to “social inclusion” primarily but not exclusively through enterprising activity. Despite the backbone of the program being a series of business education workshops, the objective seemed to be bigger than that. The program claimed to be a developer of personal values like leadership, self-esteem, knowledge of the social environment, and social skills. In fact, among the successes presented by the program, were achievement of transforming people from “shy youngsters whose voice could not be distinguished while greeting and with panic of speaking in public, into extroverts that organize their own activities”. The motivational aspect is a key component of entrepreneurship that distinguishes them from previous microenterprise programs. This feature reminds of what Michel Foucault called technologies of the self, that is, techniques which “permit individuals to effect by their own means or with the help of others a certain number of operations on their own bodies and souls, thoughts, conduct and way of being, so as to transform themselves in order to attain a certain state of happiness, purity, wisdom, perfection, or immortality” (Foucault, 1988). Through the transmission of a certain type of knowledge, mostly related to enterprise, the participants of entrepreneurship programs were supposed to become not only good business people, but empowered subjects able confront social exclusion regardless of the hostility of their environment.

## **Conclusions**

The history of entrepreneurship in El Salvador can be traced through the examination of two trajectories. On the one hand, there is the history of the term ‘entrepreneurship’ which most recent theorization can be attributed to thinkers like Joseph A. Schumpeter and influential members of the Austrian School of Economics like Ludwig von Mises and Israel Kirzner. The work these authors made on the concept and its subsequent elaboration in business literature ideologically charged the term with notions of innovation, adaptability, opportunity seeking and risk taking rationality. On the other hand, there is the history of the signified, or the social phenomenon to which the term entrepreneurship came to refer in El Salvador, namely ‘self-employment’. In contrast to the history of the term, this latter one focused more on the emergence of a institutional apparatus of development dealing with informal economic activities linked to problems of unemployment. These institutions addressed informal business activity through what was entrepreneurship’s precursor in the country, the microenterprise.

The incorporation of the entrepreneurship concept into the development apparatus facilitated the wide spread of its discursive elements. It brought with it major changes in the signification of self-employment in El Salvador. As a result, self-employment moved from being a mere source of income or employment, and turned into a technology for self-improvement emphasizing the acquisition of business technical knowledge and social skills as well as a deeply optimistic attitude towards life as we will observe closely through the lives of young urban entrepreneurs.

## **Chapter 4: The Unsettling Charm of Entrepreneurship**

In 1972, two young students, Gabriel and Ernesto, a business and economics major, attended their last year of college at the University of El Salvador. That same year, the military forces under the presidency of Colonel Arturo Armando Molina violently intervened in the campus of the university, taking over it, and declaring it a place of subversion and communist propaganda. The university closed leaving a large group of students without the possibility to continue their academic work. Gabriel and Ernesto were suddenly shocked by the actions of the government and were compelled to look for employment without obtaining their bachelor's degree. The task on its own was already difficult, but what made it significantly more complicated was an executive order from the government which prohibited any State and private institution to hire students from the university. In face of such limitations, Gabriel and Ernesto decided to open a business as one of the few viable options they could conceive. Through a relative, Gabriel was able to obtain the basic tools to launch a fumigation service business. They developed the idea of operating through what they called an "Integral Fumigation System". This consisted in fumigating most houses in a neighborhood as well as the sewer system. They would walk door by door explaining to potential clients about the benefits of their work. If someone refused to pay for the service, they would explain to them that if a house was not fumigated properly, plagues would immediately run towards that place, making it difficult for them to refuse contracting the service.

### **The Little Market**

During my stay in El Salvador, I visited a local market that took place once a month at the International Convention Center in San Salvador. The market had for name El Mercadito ("little market"). The exuberance of the place was shown mostly in the

variety of the products, from a food-truck corridor installed in the parking lot to a wide variety of arts and crafts selling stands, some busier than others. I proceed to ask about their products, and what I get in response are not only the descriptions of an object but the different stories of its creators. A jeweler suddenly tells me how each of the rocks from his necklaces captured a moment of his life, while a young woman, who happened to be the winner of a reality show of entrepreneurs called El Aspirante (“the aspirant”), shows me her merchandising line with which she claims to keep alive the old Salvadoran mythical tales. How was I to make sense of such variety of stories and goals that resided in the world of entrepreneurs? Was there an overarching motive that articulated all their efforts? Was it mere necessity that drove them to enterprise or was it a bigger and higher aspiration? It was evident to me that, at least at the imaginary level, these were not constituted as mutually exclusive aims.

El Mercadito is a non-profit organization which provides a space to local entrepreneurs in the creative industry. Every month they gather at a convention center to sell their products. Alejandra, its founder, assures that the organization’s purpose goes beyond the mere commercialization of local products and that, in addition, their aim is to build a community of entrepreneurs that helps to create a new form of consciousness based on concepts of solidarity and cooperation. She sees her project as a disruptive entity in terms of the form it is carried out as well as in the values with which they present themselves to people outside.

“We started to build a community. And I start to make this community create values, and I believe this is what differentiates El Mercadito from other initiatives. For instance, it has a culture: the culture of the CO. The culture of the CO is the culture of collaboration, co-creation, compartir (“to share”), construction and competitiveness (...) From the beginning it was thought as a collective in order to

grow together, something that was very disruptive because the government and other institutions that are in favor of entrepreneurship work vertically, that is, they are very bureaucratic. Then I presented the model of a horizontal initiative.”

The project started in July of 2015 at the Mónica Herrera School of Communications, a post-secondary education institution in El Salvador specialized in marketing communications and advertising. At the time, the university provided space for 75 entrepreneurs and Alejandra claimed it did not have the intention of becoming something bigger. However, since then El Mercadito has more than doubled the number of its members up to 175, and they have been able to obtain support from renowned local institutions. Most of the financial support comes from the Promerica Bank, one of the biggest banks in the country. In their sixth edition, the influential business group AGRISAL conceded them permission to conduct their monthly event at San Salvador’s World Trade Center, located in one of the most exclusive areas of the city. Alejandra interprets this support from big enterprise as an act of good faith, and it reflects the type of citizenship she would like to help construct. “The Promerica Bank has always been with us” she says, “that a bank supports you in Central America for business ventures? you know you’re 90% of risk and you’re not going to return the investment. Then it was something impossible for the creative industry to receive support, and the Promerica Bank did it.” “Why do you think that is?” I ask. “Well, maybe because of the openness that, that (she doubts). Sincerely, I believe that the trick is not to have fear, not to have fear of myself going there and telling them about my project, and present with a justification of why they could also win from it.”

The optimism expressed by El Mercadito’s founder corresponds with the powerful affective component of entrepreneurship discourse. This optimism, however,

serves not only as a motivational technique pointing towards self-improvement, but also acts as a baseline defining what is possible to achieve through business activity. For entrepreneurship advocates like Alejandra, business startups can be more than just a self-employment strategy:

“I forgot to tell you that, since the third edition, a basic prerequisite to enter El Mercado is to have corporate social responsibility . We pick you based on how many people you are helping with your business or how are you contributing to your country. For instance, Lemon Tree, of all those billboards that you see, she makes bags. Also, Esmeralda Alvarez, who makes collars and at the same time teaches deaf women how to make them.”

Cases like the ones told by Alejandra are frequently found among young middle-income entrepreneurs, who usually claim to work for something more than just earning a living. These types of goals beyond monetary compensations stand out as rare due to previous representations of self-employment that were understood as mere income opportunities. While the authenticity and effectiveness of their methods remains questionable, a look to the experiences of entrepreneurs can tell us important details about the way entrepreneurship discourse has allowed for such reformulation of self-employment.

### **Regional Modernities and Floating Signifiers**

Salvadoran history has been a contested space for a wide range of arguments regarding issues of sovereignty and the limits to self-determination, from dependency theory to accounts on neocolonialism. As it has been shown through the genealogy of entrepreneurship depicted in the previous chapter, the phenomenon in question lends itself to a variety of interpretations along these lines. However, a mere analysis of the

literature that shaped the conceptual and operational frameworks of entrepreneurship would miss how activities represented by such concept have been reworked in the everyday lives of entrepreneurs. If the latter analysis is avoided, the whole contestation around the meaning of the concept risks being overlooked and the answer to why entrepreneurship looks so desirable in the Salvadoran context will remain hidden beneath simplistic narratives of domination. In this chapter, I will argue that the reason for the popularity of entrepreneurship discourse in El Salvador goes beyond the simple imposition of a global economic and/or cultural trend. Looking closer to the voices of its actors, the appealing character of entrepreneurship is better grasped if understood as a collective response to a series of longstanding regional anxieties.

By regional anxieties I mean two things: on the one hand, there are anxieties which relate directly to the precarization of life and livelihoods among middle-to-low income groups throughout the Salvadoran neoliberal period. These have been described in chapter two and they are also captured by the stories of many of the entrepreneurs I interviewed who saw no clear way of reproducing their standard of living. On the other hand, by regional anxieties I also refer to those concerns that, despite not belonging exclusive to this context, have a long history of existence in the area. These range from concerns with social justice and gender inequality to old discourses of national identity. These anxieties are constitutive parts of what Sivaramankrishan and Agrawal call regional modernities, that is, variations of a global theme understood not in terms of their place of origin or their essentialization as global or local, but instead in terms of the flows of ideas and social networks that give such theme a particular content and form (Sivaramankrishan and Agrawal, 2003). Furthermore, I will argue that the mechanism through which entrepreneurship discourse incorporates such variety of social concerns is through its character as what Laclau and Mouffe called ‘floating signifiers’, that is,

signifiers whose vagueness allows them to converge a wide variety of demands, but that are nevertheless fixed under certain ideological frameworks (Laclau and Mouffe, 1985). I will make use of these two concepts to make sense out of the multiplicity of goals expressed by entrepreneurs.

### **Employees vs. Entrepreneurs: Entrepreneurship as a Means for Living**

Fernando is a thirty two year-old entrepreneur. His venture specializes in the design and distribution of ecological advertising bags as a substitute for plastic bags and paper flyers. The project, which he has been implementing with two other friends for more than two years, is his third attempt to develop his own business. His reasons for doing it are not uncommon, nor is his overall experience as a middle-class Salvadoran entrepreneur. He claims to have gotten into business due to the limited opportunities that came with having a regular employment. His first business project was a beach tourism internet portal which he quit after several months of frustration and negative responses from potential clients. At the time, he had resigned from his previous job as an English teacher and he was running out of savings. Later he was offered a job at a bank as a website coordinator by someone who had been attracted by the design of his portal. Given his tight financial situation, Fernando accepted the job with the idea of continuing his business as a side project, something he did not manage to accomplish letting his startup perish. Today, in retrospect, Fernando views this as having fallen into “the trap of employment”. His whole experience as an entrepreneur has been in fact an attempt to escape from the constraints of being an employee whose contrast to the life of entrepreneurs he first learned from his parents’ experience:

“In their house, they (his parents) have a store, a mini mart, and they quit their jobs long time ago. I saw how them, it is not that they have big luxuries or

anything, but I saw how suddenly things started to get better. That they could afford another little house, a car, and the truth is that we didn't starve. Life in communities was not a problem. It is not that they are now swimming in money but it is not a big stress. Then I said, 'when they were employees they didn't even imagine about buying certain things', and they educated all of us with that. They bought furniture, they went on trips. There I started observing that same pattern in society: the employee and the businessperson. I started observing that they have prepared all of us, that's how I see it, to be employees."

Such difference between employees and businesspeople was not grounded only in the influence of his parents but also corresponded to the realizations he obtained from his own experience about the limitations as an employee. After having worked four years as a call center agent, a common low paying job for young people in El Salvador, an English teacher, and a website coordinator, Fernando decided to try out once again his luck as a business owner due to the limited prospects he saw in his previous experiences as an employee.

"Just picture this: there at the bank I made \$450 man, and then I started calculating, 'how would I buy a house with that salary?'. I said, 'damn, I'll check some houses', and the monthly fees for a house cannot exceed the third part of your salary in a mortgage credit. Then I would have to buy a house with a monthly fee of \$125, where do I find houses like that? Fuck! Only in places where, you know man... life. Then I said, 'well that's for the house. And if I want a car?' How the fuck? And if I want a family, and if I want two kids? 'I'm screwed', I said. I can't afford that, I can't afford anything. Then I saw what my boss makes, and he makes \$700, and the manager \$800. Yes, it is more but even

then, you know that cost of life here in El Salvador is somewhat high (...) If you add up you end up giving like 35% of your salary in taxes and the government does not give any quality services (...) Then I saw myself on a crossroad. I saw myself in the future and said, ‘what am I gonna do?’ Am I going to get to 50 and still giving English classes ‘Good morning students! Open your books’ Fuck! I got depressed man, it’s messed up”.

This notion of an employee as an exploited person with no prospects was a fairly common perception among entrepreneurs. Mario is a thirty-two year-old shoe designer. He has been working for two years in his current project to create a fashion line of shoes. It is his second attempt trying to develop a business and he expressed a very similar experience to Fernando’s when it came to the reasons why he rejected regular forms of employment.

“I graduated in graphic design, and then I started having jobs as a designer at different places. There I gained experience until I finally took the decision of saying ‘Well, it is time. I’m working well but I don’t want to be an employee my whole life. I want to forge my future.”

I asked him why he did not want to be an employee, and he responded:

“Well, In El Salvador something curious happens that is no secret. What is it that is happening now with pensions? For a while I used to do all the paperwork for my mother, and I would see the suffering that people have in this country. In the end my mom was able to pension (...) however, when I had to do the process for her, I saw that it was impossible to live, even if you were employed for 30 years, 50 or 60 whatever you want. What happens if I remain in an office where they are just going to pay me \$200, \$250, and the cost of life is increasing? What future is

there for the elder? There's none (...) In some way, is good to be safe, with a fixed salary. But it didn't satisfy me. My last job would pay me well, but I felt exhausted, physically because we had to stay up late a lot. Then I did not want it anymore because that process in some way it was, it was, it was killing me in some way. In the long run it was going to destroy me, because in the end they only see you as cheap labor.”

These testimonies are only one small sample of one of the most common patterns among entrepreneurs, that which fixates the identity of the employee as an exploited subject in the Salvadoran context. When they talk about the topic, they usually clarify that they are referring to employees in El Salvador and many of them even mention that they would not mind being employees if salaries were higher and working conditions and social benefits were better. The constraints experienced by these entrepreneurs in their previous jobs has been one of the main reasons for them to try out their luck in starting up business projects, for a higher income would allow them to satisfy those needs and wants they claim not being satisfied as employees.

### **Entrepreneurship as a Means for Freedom**

If being an employee represents a series of constraints in terms of money, being an entrepreneur is for many, not only a way to improve their economic situation, but a way to overcome limitations on creativity, time, and life choice. In other words, it is a path to freedom. Laura, along with one of her best friends, Mónica, are the owners of an old-style Volkswagen van that serves as a mobile boutique retail store. This “disruptive” object, as she likes to describe it, represents not only a source of income which hopefully will allow her to quit her job someday, but the rebellious way of life she claims to be part of. As a marketing communications student, she claims to have a deep interest on

entrepreneurship and the phenomenon of experience catchers , that is, groups of young people who work in a wide variety of jobs to dedicate themselves to travel and “catch experiences”. Furthermore, as someone whose parents lost their job during early 2000s, she claims having to find part-time jobs as a way to “preserve her status” among her network of friends in high school. Since then she has worked in a wide variety of jobs, from a smoothie shop during her school years to audiovisual production and marketing while in college; this latter being the activity in which she has remained since. However, when I asked her about the time when she decided to startup a business, she alluded to the limitations of being an employee beyond the monetary aspect:

“When we had enough age, we realized that being an employee wasn’t so much fun anymore. Also, because, besides that, we are very experience catchers ourselves. So, to me that would cause me a lot of problems because they would kick me out of jobs because of a trip. Because I would travel a lot, I would lie at work, and then when they found out, they would kick me out. Horrible. So, I said, this can’t continue like that.”

Furthermore, throughout the interview, Laura made references to an imagined future self to which her business projects would allow her to become someday. When I asked her about her notion of entrepreneurial success she answered:

“For me is to travel. For me, the more freed... no. It’s not traveling. It’s freedom. It’s freedom actually, freedom to do what I want, you know, in the moment that I want; or to buy what I want when I want it. That’s what is for me to be successful. However, what my projections are for the next five years is: in Paris, walking into my apartment, with a cat, a bottle of red wine, a white sofa and the Eiffel tower. I imagine myself going into meetings as a business advisor, not even working there,

just as an advisor, and people saying ‘¡Que hija de puta!’ People will be shocked when they see me, and know that I’m one of the owners of fashion truck and they will respect me. That the decisions I make is what they will do. That’s for me success. That’s my success in five years.”

In a way, Laura embodies the most common representation of the entrepreneur: she is ambitious, does what she likes, and longs for individual success and admiration etc. While not everyone who identifies as an entrepreneur follows that pattern so closely, the topic of personal freedom, understood as the affordability of time spent doing pleasant activities, is almost always a crucial element in the way they make sense of their work. As Fernando declares:

“You have much more freedom, much more flexibility by having your own business. Because as an employee you don’t progress. They tell you, ‘this is what you’re going to do’ and being promoted is hard, or maybe when I’m old, when I’m 55 maybe they make me manager. When you no longer have any desire to travel or you’re sick. I feel like the freedom it gives you, you know, freedom is bought here. To have the time and the money man, and that’s what one can aspire for. To be able to say, I’m hungry, I will go to the beach to eat a mariscada, and that your business is there functioning, and that you don’t have to be there always.”

While many of the desires expressed by entrepreneurs involve personal goals, entrepreneurship discourse does not limit to entirely selfish ideals; rather, it is accompanied and sustained by different narratives which identify with other objectives that in some cases can be seen as more social or collective.

## **Entrepreneurship and National Identity**

Along with the necessities and personal objectives that drive entrepreneurial practice, there is a series of other discourses do not make direct reference to individualistic goals. Among them, national identity is one of the most recurrent ones as many entrepreneurs expressed having a certain level of responsibility in improving the image of their country. Entrepreneurs like Mario see this as one of his main objectives. The name of his brand is a word that combines English with Nahuat, an indigenous language spoken in some municipalities of central and western El Salvador. He claims this to express one of the principal aims of his business which is to create a national identity that moves beyond the traditional folkloric vision .

“To me this is the most important part of my search, besides what I already told you about studying many things. Why is it that I am here? Why is it that I was born in this culture with so many problems and all that? Yes, a lot of people talk only about the bad things, and even I do that sometimes. But that same, eh, empathy, to certain things. That same critique that I make, why don’t I transform that? Why don’t I transform all that discontent into something positive, in something, in doing things. Because there is grandiose people here, in this country, creative, and of all types, intelligent (...) so that’s what I said, and I started shaping it and searching how to make a concept that is original of this country but in a more sophisticated manner.”

Mario went on telling me how he had collaborated with other Salvadoran artists to combine their work, and how his objective was to support other entrepreneurs in the country in order to break with an individualistic logic:

“The majority of designers present only the things that have to do with them. But I have given myself the task of advertising other entrepreneurs related to El Salvador. For instance, people who have won a prize. (...) I want to take that (individualistic attitude) off people, that is only about me, only me. Damn, why man? Why don’t we celebrate what others do? Then I want to start changing that, and create a culture of that, of showing the good things about the country.”

Rhetoric of national pride was not difficult to find among young entrepreneurs, especially in the creative industry. While wandering around the aisles of El Mercadito, I found all sorts of products that made reference to a notion of what it meant to be Salvadoran without succumbing to trite nostalgic products. Valeria, a thirty three year old entrepreneur, made shirts hand-dyed with indigo showing the logos of Barcelona and Real Madrid soccer teams. Gabriela, a young woman in her mid-twenties, had a line of accessories, from keychains to bed cushions, depicting figures of traditional Salvadoran mythical tales with a small card telling their stories. She was the winner of a reality show contest called El Aspirante (“the aspirant”), that presented a group entrepreneurs competing for a prize of \$10,000 that would serve as venture capital for their projects. Mario, who participated in the same contest, mentioned that the national identity of the products was an important element in the criteria of the contest’s jury. Alejandra’s depiction of El Mercadito also show the relevance of such topic:

“You see when I started, this thing of national identity wasn’t like that. They couldn’t care less. It started to build in one year. Maybe a lot of people started, ‘I love local’ ‘I love El Salvador’, then they met others who felt the same. They got excited, they got empowered, and now everyone started ‘love for the local’. This, besides the fact that the ‘hand-made’, ‘local made’ is a global trend, and the

cultural, that is, identity. If you look around, everyone, the whole world is making things by hand. This has already been done in every country. And they (the entrepreneurs of El Mercadito), are saying ‘I can do the same thing’, why not? (...) They have changed their mentality of ‘I need to sell things and I don’t have to mention El Salvador’. Instead, they see it as ‘I am Salvadoran, I am happy to say that I’m Salvadoran’. And also because they use it to sell, I’m not going to lie, I mean, saying ‘I’m Central American’ and ‘hand-made’ has a greater value in the U.S., Canada, and Europe than saying it’s done by Dutch people over there. My husband is Canadian, he wouldn’t mind spending \$200 on those things. You know what that means, there is a competitive advantage.”

In a very explicit way, this discourse show what has for long been the crucial subject matter of economic anthropology, that is, the constitutive and interactive process of economy and culture. In this case, Alejandra’s narrative expresses the reaffirmation of an export led economy through a nationalist discourse. Later in the interview she antagonized foreign companies in a strange mix of two economic doctrines usually thought as mutually exclusive:

“We started to make islands, local stores in which they work collectively. They buy a space, they all pay rent, and all work together. Then you start changing Salvadorans, through that sense of community and collectivity, and make them see that... and that’s something I always try to stress. We always told them, ‘we need to work together because we are struggling against imports. You see, that one beside you is not your competition, your competition is the big foreign enterprise, that comes towards us.’ That’s when you start constructing a culture of arraigo (“strong cultural attachment”), of ‘I am Salvadoran. I love the local’”.

Her notion of a global economy did not correspond to a pure open market doctrine which views foreign products as a friendly process that brings cheap commodities for everyone, nor did her notion of nationalism went back to the old protectionist view of a closed national economy. Instead, her view suggested the maintenance of the current open market economic framework sustained by a narrative that is usually thought as its opposite; the result is an odd mix of global capitalism with nationalist and some cooperativist values.

### **Entrepreneurship and Social Good**

Along with narratives of national identity, concerns with social justice also interact with the signifier of entrepreneurship, therefore reworking its meaning and giving the term its regional form. As it has been shown previously, entrepreneurship discourse expanded through a development apparatus for which, in the case of El Salvador and Latin America in general, this discourse tends to be utilized in discussions about the improvement of the living conditions of large numbers of people. But development institutions are not the only ones promoting such use of entrepreneurship. Social concerns have also been incorporated as part of individual projects like Mario's, whose venture, he claims, is an expression of his defiance of structures of power and his way of contributing to the construction of a different society.

“I don't want to see myself as a capitalist person. I tell you, I don't want to see myself as a capitalist person. I am person who likes freedom, very humane, that I wear the camouflage of an entrepreneur and future businessman, but I am an extremely humane person who wants to live free, in peace and I want equality to govern this world but, but, I can't do it for everyone. Now I'm struggling with my stuff, and that would be for now.”

When I asked about what elements in a future business would differentiate his enterprise from a capitalist one, in addition to a respectful environment and good wages, he mentioned about progressively transferring shares of his business to employees, thus turning them into associates. Later he talked about his idea of building a shoes manufacturing workshop in which many women would be employed, a project he had already tried to implement but ended up being frustrated by logistical problems:

“The idea was always to build a structure, a workshop in which a lot of women could be included. At the beginning, we tried to include women, we tried to work with a factory in Santa Ana in which they employ former convicts. They were people who could not find jobs because they have a prison record. They don’t give them jobs even though they want to change. Then this factory would give them opportunities, but the project did not develop due to logistical problems. Now with my workshop that’s always the idea. In case there is a big demand, I will open a place once again, but now I want to be prepared, not like the first time that I bought the place without having any clients. But definitely, we will open a place and again we will start this process of inclusion for people, mainly for low-income people and women.”

Whether entrepreneurship helps Mario achieve these goals in the future is something impossible to know. However, his ideas of turning employees into shareholders and associates is not a new one. Family businesses in El Salvador are often structured that way and discussions about whether workers should remain as employees or become associates are not uncommon. Nonetheless, among the group of people who identify themselves as entrepreneurs, ideas of how to achieve social equality are

understood differently. They are closer to the development apparatus' logic of either employing people at any cost or encouraging them to start their own business.

This pattern turns social consciousness among entrepreneurs into a trend which, rather than reconfiguring labor relations, reaffirms capitalist ones through discursive elements like social responsibility as we have already seen in the case of El Mercado. Another example of this is a startup described to me by Alejandra which employed low-income deaf-mute women as craft manufacturers. I accessed into their website to see how they presented themselves. The website showed a big picture and biography of its founder, a young traveler woman with an “enthusiasm for fashion and willingness to make a difference in the world”. Below, a picture of two her workers was shown with a brief description of them. The site also showed three symbols that functioned as marketing stamps which defined the identity of the business. There, “deaf-mute women” acted as stamp of approval along with “recycled” and “handcrafted”. This strategy reminds of what some philosophers and theorists of consumption have called the commodification of experience, or acts of consumption which do not limit to the mere acquisition of property and its use, but extend their value through an additional experience (See McCreanor et al. 2005; Zizek, 2009). In this case, doing a social good through the purchase of a handicraft.

Gender inequality has also been a problem that has been understood as a social issue that could be confronted with entrepreneurship. While doing fieldwork in El Salvador, El Diario de Hoy, one of the most renowned newspapers in the country, presented a special section called “30 women below 30” which showed thirty young women who owned a startup business. The logic expressed by such section was the same presented by hundreds of development programs around the world, “entrepreneurship is a great means for women’s empowerment” (See Elyachar, 2002; Roy, 2012). On a first

instance the problem with this logic is that it displaces the attention from more structural forms of oppression against women, and centers on a resilient and individualized form of liberation which discharges men and institutionalized unequal practices from their responsibility. In other words, women become responsible for their own liberation individually. On the other hand, it is still not even clear if entrepreneurship is an effective form of empowerment for the majority of people. As we will see, there is a big cost that comes with entrepreneurial labor which is for the most part hidden beneath an overly optimistic language, the decluttering of negative thinking, and cynical reasoning.

### **Outside the Matrix: Self-exploitation, Resilience, and Cynical Reason**

In entrepreneurship slang, there is a concept called “The Valley of Death” which refers to the first three years of the enterprise that usually determine if the startup is going to survive or not. The reason for such dramatic terminology becomes understandable when it is linked to the proportion of firms that perish within those years. The numbers on this matter in the Salvadoran context are not included in the Global Entrepreneurship Monitor. Nevertheless, when I asked several entrepreneurship consultants about the number of startups that survived for more than three years and achieved a more stable situation, they referred to a supposedly universal number of 5%. The accuracy of such number is highly questionable just by its extremely audacious categorization as “universal”. However, the lack of preoccupation for such matter contained an implicit message: some things are better left unsaid. While the high levels of failure seem to be an open secret among people who startup a business, the recognition of this issue is absent from the representation of entrepreneurship which entrepreneurs themselves as well as institutions project to the public in general. In fact, unsaid things are the characteristic of all the discursive material that constructs the charming image of entrepreneurship.

Optimistic images are everywhere, from the “30 women under 30” to the dozens of jobs created by entrepreneurship development programs announced in the news of which we rarely know what happens to them after initiated; the quantification regarding that matter is for the most part absent or at least not revealed. But the discussion should go beyond the mere number of enterprises created and destructed, and also focus on what happens within the valley of death since, for most entrepreneurs, this period would not reduce to three years but to an indefinite repetition of such process in the hope that this will someday be overcome. A description of this process was described by Mario in one of the interviews:

“The main point is to have the idea. Secondly, to have the desire to do the things, and to know, that everyone who wants, or enter the entrepreneurial path, they must pay a price. And not everyone wants to pay the price, because of their comfort, or their character. The price is to be short of money, to not have time for your friends, not to have a partner, for partner I mean a girlfriend or whatever. To not have time for that, and lots of time, to not have time for your family. Then this becomes a problem because people start to complain, to say ‘Hey! What’s going on? Where have you been? What are you doing? Are you pretending to be the important one?’ Your time then fragments in many parts of which you must... now all your investment of time and money have to go to success. Because here, it would be a philosophy of winning or losing, there’s no other thing. You have so few chances for hitting the goal, so you do either do that or you do that.”

While many middle-high income entrepreneurs, especially in the productive sector, outsource their labor to low-income groups, many others carry out most of the work themselves or in small groups. As a self-employment activity, the amount of labor

carried out by them is indefinite in terms of hours per day and not dispersed in a wide variety of activities: production, commercialization, advertising, etc. Valeria, who has been designing and producing clothing hand-dyed with indigo for three years claims to frequently work long hours because of all the tasks she does:

“Sometimes people stop believing you. They say ‘this one is crazy. She’ll get bored eventually’. You see, even now I still work until 1, 2, 3 in the morning. It is not like when you go to an office, you sit, work, and then at 4 you’re free. I start my work at 8 in the morning and then at 3 am I’m still working, of the next day.

The pattern was the same for all the entrepreneurs I interviewed and even more difficult for those who work another job while starting up a business. After listening such descriptions of the price of starting up a business the question became, how do entrepreneurs cope with such a labor intensive enterprise which not only entails a presumed 95% probability of failure but also jeopardizes their most intimate social relations and mental health? Motivational practices and optimistic discourse plays a crucial role in this matter. In the words of Fernando, without that it would be impossible to even start:

“I started reading books. There are books of entrepreneurship that are more technical, that they help you build your business plan. But before that it is necessary to read those that only change your mindset, that take away your fears of starting. There’s Kiyosaki , which you may already know. That guy is big bisnero . He is like a pastor Toby of business. I don’t... you see, he’s a big deal, because even his books are a business for him, selling dreams, etc. And he tells you things how they truly are, and he is right, that people always end up working for other people, and to accomplish others’ dreams, never yours. So I started changing the

mindset (...) One has to be deluded, you know. Reality is horrible. You would not be able to start if you don't dream that things are going to turn out well, because if not, you would back down, if you were to guide yourself only by the data. The majority would back down if they didn't have something. In addition to passion it is also about being deluded. To think that by work and grace of the universe everything is going to move so things turn out good for you, even though that's not the case for other people, to you it's going to turn out well because you're a good person or whatever."

This back and forth movement between optimistic and realistic attitudes remind of Peter Sloterdijk's notion of enlightened false consciousness in his Critique of Cynical Reason. There he states that cynicism can work as an ideological mechanism through which fantasies can be sustained through an acknowledged disavowal of the official rhetoric – in the form of "I know very well how things are, but even so I keep on doing it" (Sloterdijk, 2012; Eagleton, 2007). The acknowledgement of the overly optimistic and somewhat naïve character of entrepreneurship's official rhetoric is what allows some of them to venture into starting a business.

Nevertheless, sustaining this fantasy becomes a more difficult task as reality starts to move away from ideal expectations. Depression, or at least long periods of melancholic feelings, are a common experience faced by entrepreneurs which they claim not being able to express openly on the one hand due to the pressure to be optimistic among other entrepreneurs and an alleged incomprehensiveness of the rest of society. Fernando also touches upon this topic:

"You're alone because people don't understand. You say 'I'm going to resign from my job' and they go like 'What? You're crazy! What are you going to do?'"

(...) Sometimes your family are your first detractors, with good intentions but they hurt you because they want to have you in the comfort zone. They conduct you to conformism, and therefore you're a weirdo, mostly at the beginning. They don't understand you. You're a loser to people like that. They're like 'Poor guy! He is fucked up,' because you're fucked up. That's true, you are really fucked up. That's not a lie. And that depresses you. When you have your dreams, but you go out and realize that it wasn't that easy, that you start earning less than in your job. And then you see others doing okay in their jobs. There the system is in charge of indicating you that that was the right path, that of employment, and your career, etc. And you start seeing your friends, if you keep the contact with them is something toxic, because you're the only crazy one. And you notice that they start seeing you like 'This dude... who knows what the fuck he wants?'. Women see you the same way, unless they have the same entrepreneurial spark. (...) As I told you if you keep seeing your employed friends is toxic, because they want to see you well but not better than them. There's good friends but they are very few, very few. I have only one, maybe two."

In addition to tensions emerged in social relations, drinking and isolation were other expressions of Fernando's sense of depression:

"You see, I became a big drunkard, heavy man, in that period. Only there I would feel free. I would go to this chupadero , there in colonia San Luis. At 3pm they would open and there was I. I would barely collect my check and I would instantly go destroy myself, beer after beer. There I talked about business, with my other friend. There I would motivate myself that 'Yeah, it can be done!' And I won't deny that a lot of good ideas came out of there, from those drinking nights. I would stay until they closed and then to an after, to keep drinking in whatever

was open. Sometimes I would get home until noon, the next day. I isolated myself too. I erased a lot of people from my contacts, I didn't want to talk to anybody. And I got depressed. You give up. Sometimes you stop selling, like for two weeks. You're just at home, you don't even want to shower, a depression. And there, only the closer people would... in my case it was my mom, she always supported me. My mom had seen me fall in my two previous experiences, but she would tell me, 'well, the bad thing is to quit. Life is short.' She would support me a lot."

The decluttering of negativity is an essential coping mechanism for entrepreneurs. In the case of Fernando this went to the extreme of erasing people from his field of experience. In other words, reality had to be filtered in a way it only let reinforcing ideas like Fernando's mother's words come through. Furthermore, the responsibility of continuing in spite of hardship lied in entrepreneurs and their ability to master technologies of the self as opposed to changes in the environment that surrounds them. As Valeria states:

"To be an entrepreneur makes you grow. It makes you see life differently. Sometimes one feels bad but I think that's natural. That's how human beings are. No one is going to go and lift you up. You by yourself have bring up your mood (...) You don't have to lose your rhythm and have a discipline, that's something you learn also, to be disciplined. Because you have no one in your back who's going to be asking you 'is that going to be done soon?' but you yourself have to demand that."

This resilient attitude can take many forms and do not always fit the totally optimistic narrative. Similar way to Fernando's enlightened false consciousness,

resilience requires in many cases the acknowledgement of being aware of what is to come as an entrepreneur. Entrepreneurs like Laura went to the extent of claiming that fear and stress was the fuel of her work:

“You see, we always tell people, after talks and things like that, that if they’re going to start a business, and they are not afraid, that they shouldn’t even do anything. My recommendation is ‘kids, have fear’, and everyone goes like ‘why’? Well if you’re going to launch a business and you’re all the time sure of what you are doing and you feel comfortable, then don’t even try because that comfort is not going to get you anywhere. You’re always comfortable, and you don’t fight for things. But the fear that people’s going to judge you, the fear that something is going to go wrong, that’s the motor. That’s the fuel you know. So having fear is what you need to have.”

I asked if such condition was not an unbearable one, to which Laura excitedly responded,

“No! Because that’s the exciting part. You have fear when you have something bigger than yourself that you feel like you won’t be able to control, that’s going to go out of your hands, so that generates adrenaline, and that adrenaline is what I feel that makes you improve things. Eventually you stop having fear, like myself for instance, now I’m not scared because that’s why I feel like I’m stuck. ‘It’s okay now, it’s fine’. I need to go back to say, ‘No! this shit is go bankrupt if I don’t get a local’, which is what I’m trying to do again until getting the fucking local because I need it.”

This rhetoric is common among entrepreneurs. It is far from reaching a total coherence with which individuals fully identify. Nevertheless, the practical effect of such twisting and reworking of the official rhetoric is the maintenance of the fundamental

narrative professed by this one, which goes as follows: ‘if you work hard, everything is going to go well’. Rather than breaking up the initial fantasy, contradictions within a discourse reinforce this. This is exemplified by one last quote by Mario regarding entrepreneurship as an alternative for most people:

“The truth is that is not an alter... I know that maybe is not an alternative for everyone, but the main thing, and what I have learned is that, even if you don’t have money, buy you have the will and you want to give everything, like I told you, everything or nothing, just that. If you give everything, you can make it, you can make it. I’ve seen cases. There is a guy who saw the necessity that everyone had to work at call centers, and put an English academy named ‘English for Call Center’. He made his plan, he put a local and everything. The guy has a spark, has a spark. I don’t know if he got a loan or they lent him, but now he is a successful young guy, he has three branch offices. This is a country where they sell you hope, is country where they sell dreams. It happens with universities, it happens with family, it happens with entrepreneurship. They sell you the package of dreams, and you accomplish that all by yourself, on your own and that’s when reality hits. We step out of the matrix.”

## **Conclusions**

Entrepreneurship is a term whose reach has progressively permeated a wide variety of social spaces. In this chapter I have analyzed only one of them, occupied mostly by middle-income urban youth. Even though my research has been restricted to this small portion of the population, the term has shown the capacity to coopt a large multiplicity of individual demands and converge them around one social practice, that is: self-employment through business activity. Consequently, the term can be understood as

a floating signifier. As it has been shown, demands ranging from better employment and individual success up to social justice and the reconstruction of a national identity have been posed as goals that enterprising must take care of. Many of these demands are not inherent to entrepreneurship discourse itself. Rather, they correspond to longstanding anxieties inside the Salvadoran space such as economic exploitation and identity politics, thus giving entrepreneurship its regional form. Finally, the discursive mechanisms through which this process is carried out entails an important motivational component which does not follow a single optimistic and coherent narrative. Instead, this official rhetoric of entrepreneurship tends to be reworked by individuals to adjust it to their particular situations and to the image of themselves which they are trying to present.

## **Chapter 5: Conclusions - Consciousness, New Directions, and Contested Spaces**

It has been 45 years since Gabriel and Ernesto started their fumigation business. Today they are their early 70s, they are still working and although they no longer work together they remain friends. Each of them has accumulated a vast number of business experiences. In the two past decades, Gabriel has stuck with the business consulting project. Ernesto, on the other hand, is still starting new ones after being involved in numerous others like selling clothing, putting a carwash, a video rental, a barber shop, importing fruit, fertilizers, emergency lamps, candies, etc. The list goes on, and although he claims having moments of great abundance throughout all these years, today he is still starting new projects as a way to make a living in his old age, as he is one of the thousands of people in El Salvador without a pension. Of these two cases of business self-employment, Ernesto's is the most typical one.

All the young business owners I interviewed hold, in one way or another, the discourse of entrepreneurship as a means to cope with their situations and strive for their personal aspirations. Although their futures are not determined, the present does not look promising as it is filled with stories of business failure and self-exploitation. However, it is important to emphasize the fact that the reasons that drive people into the decision to start their own business are beyond the arrogant accusations from many progressive voices which condemn entrepreneurship as a simple hoax of capitalism. Most of the reasons I heard from young entrepreneurs which drove them to start their own businesses are legitimate, since many of them were simply looking for places where they did not feel exploited and without prospects. Furthermore, collective concerns regarding social justice should also not be dismissed as delusional aspirations. Rather, they should be an indicator of the anxieties lived among this sector of the population who is unable to accept the

current situation penetrating in their individual lives. In that sense, entrepreneurship can be seen, as in Žižek's formula: "the right step in the wrong direction".

Middle-income young entrepreneurs demonstrate an important level of consciousness in regarding the present occupational situation. While some of them fit the usual representation of the First World egotist and indifferent entrepreneur, most of them are not this individualistic subject entirely blind from the context that surrounds them, for the simple reason that they are escaping precisely from that context. As it has been noted before, many of them claimed that if they lived in a country with better working conditions and social services, they would not even think about starting a business. In other words, their initial reason to enterprise is one concerning the basic dignity of their livelihoods. Nevertheless, the implications that such escape entails constitute the disturbing part of the whole phenomenon known as entrepreneurship. Despite entrepreneurs' claims about workers' exploitation, their focus when it comes to the ways of confronting such problem were not so much about a necessary improvement of the general working conditions of people or the enforcement of labor laws protecting employees from working extra hours. Their answer instead seemed to be a resilient one, a response that involved adaptation rather than a confrontation with the institutions that enable the situation they stand against.

There are three ideological aspects that can be drawn out of this observation which can be topics for future researches on the intersection between entrepreneurship and politics. First, there is the strange sensation that entrepreneurship, given its resilient orientations, is one of the places where exploitation can be discussed without sounding outdated and stuck in a cold war discourse. Secondly, despite this account on labor exploitation, there seems to be a fixing of worker subjectivity as an unfortunately necessarily exploited subject; this in turn, is accompanied by the dismissal of State

institutions as a responsible entity for the regulation of this occupational aspect. Finally, the third aspect seems to be that the only way to escape from being a subject exploitation is to turn oneself into the subject who exploits. I will explain how these ideological implications are suggested from the picture of entrepreneurship portrayed in the previous chapters.

### **Exploitation and Governmentality**

Today, exploitation does not seem to be a concept present in official debates regarding labor relations. When it comes to the institutional debates transferred into the public space through development programs as well as through the press and other media, problems concerning labor relations are rarely framed in such terms. In fact, most of the discussions I saw in El Salvador treating the topic of labor relations reduced to issues of minimum wage. In a similar fashion, development programs promoting entrepreneurship treated business startups either as a solution for unemployment, *emprendedurismo por necesidad* (“entrepreneurship for necessity”), or as a means to achieve personal goals, *emprendedurismo dinámico* (“dynamic entrepreneurship”). Nevertheless, the exclusive use of these categories hides the fact that one of the main reasons for people to start a business is exploitation in the classic Marxist sense of the appropriation of surplus value. In the studied case, all the entrepreneurs I interviewed expressed a notion of undervaluation of their labor in previous employments reflected in low wages and long hours of work, thus making a strong case for the present validity of such category. This, in turn, served as the best justification to test their luck in business.

Unfortunately, cases like Fernando, Laura, Mario, and Valeria’s show that the results so far have not been an effective escape from exploitation, for the long hours and small returns remain. Whether this form of self-exploitation is temporary or not, that is

something beyond the scope of this research. However, a vast number of cases as well as their own understanding of the risks implied in business self-employment suggest that this is not the case. The probabilities of success of business startups is fairly small and the demands of work fairly high as it is acknowledged by its own literature. However, what seems to make such reality bearable is that it is experienced as working for oneself and one's own goals only, while in reality enterprising means working for the circulation of capital itself in a clear form of governmentality (Foucault, 1991). The returns obtained by these entrepreneurs does not seem to compensate the time and money spent in their daily routines, the money spent in their consumption of gasoline used to navigate the city from one meeting to another, or the minutes and data bought for their permanent use of their phones, or the continuous purchase of raw materials for their products. The summation of hundreds of small businesses, constantly emerging and dying, suggests the existence of an extensive machinery of consumption rather than an effective assemblage of production. Nevertheless, the experiential process through which the subjects of these units composing this machinery believe they are working for themselves is what keeps it running at increasing levels of intensity. This logic should be the object of future investigations in entrepreneurship.

### **Resilience and Depoliticization**

As it has been shown exploitation is a process which serves a legitimate justification for enterprising, although it is not usually framed in that way. The concept of exploitation, due to its association with Marxist organizations, connote to some extent a demand for confrontation with the structures that allegedly impose or enable it. The logic of entrepreneurship discourse, as expressed by the participants of this research, sees exploitation not as a process which needs to be necessarily confronted in a direct manner,

but rather as a common phenomenon which must be avoided through the search for individual alternatives; in other words, adaptation and resilience, rather than confrontation and resistance. The problem with this logic is that it implicitly characterizes exploitation as an unavoidable phenomenon and dismisses the institutions that have traditionally confronted such problems (e.g. unions and State regulatory entities) as a thing of the past. Nevertheless, the responsibility of this process cannot be assigned entirely to resilient subjects but rather, and more importantly, to the processes of structural adjustment like the flexibilization of labor. The alternative generated by entrepreneurship as a means to escape exploitation act as a complement of this one, indicating that: behind the optimism of entrepreneurial dreams, there is a fatalism that dignity at work and personal goals cannot be secured through any other way. The notions of State institutions as regulatory entities of working conditions are almost entirely dismissed as impossible by most of the participants in this research.

In a way, it is not strange to think of such terms about State institutions in El Salvador. In fact, it is fairly common to be highly skeptical of those given their ineffective past where harsh working conditions have also been the norm. However, the belief in the possibility of their effective work is not any more audacious than the belief in small businesses as an alternative for the exploited majority. The resilient logic promoted by entrepreneurship discourse points towards a process of depoliticization in which concerns are not centered in a confrontation with the relationships of power but in the development of technologies for an adaptation to those. The representation of employees expressed by the entrepreneurs of this research suggested a fixation of their identity as exploited subjects (e.g. “the trap of employment”), while business venturing represented the path to personal improvement and freedom, in other words, adaptation.

Consequently, this focus on the entrepreneurial technologies of the self (Foucault, 1988) has displaced the critical assessment of the relationships of power in labor relations towards a more “technical” approach which is seldom political. This is expressed in the dismissal of structural approaches to small businesses in favor of analyses dealing more with issues of education/training, bureaucracy/elimination of red-tape, and technology/newest management techniques. Inside the exclusive attention over these aspects there is an implicit belief that structural matters like the concentration of capital for investment and open market policies do not matter as much as the technical ones; a belief that paves the way for microeconomic utopias.

### **Micropopulism and Entrepreneurial Utopias**

Entrepreneurship discourse is characterized by an optimism that makes it prone to diverse type of fantasies or utopias. As it was shown in chapter four, these rely to a great extent on the other discourses and cultural forms that surround them. In the case of the interviewed participants, many of them expressed sentiments which corresponded to imaginaries of national identity and/or the social good. These, in turn, gave their personal struggles a higher purpose. Furthermore, it allowed for the convergence of a numerous amount of individual demands into a discourse holding the idea that entrepreneurship could help achieve the most desired individual and collective goals at the same time through business activity, in a microeconomic form of populism. However, there is a fundamental contradiction between packing higher-collective aspirations and personal goals together as an aim that can be achieved through business as we know it.

While many of the entrepreneurs showed a relative amount of concern for their country and the present social context, their individual aims seemed to go on a different direction. There was a tendency to aspire for a “freedom from work” ideal in which their

business was run on its own without them having to carry out any work. As the sociologist Daniel Fridman points out, these sort of fantasies do not take into account the fact that capital, or businesses in this case, do not work on their own; people do (2017). The unsettling part of this entrepreneurial utopia is that “helping the people of my country” not only coexists with their exploitation but implies it. This was suggested by the several cases mentioned of entrepreneurs seizing disadvantaged populations like low income deaf-mute women for their manufacturing processes and using them as source of symbolic capital. The limits of this research did not allow me to get into the details of these type of processes but they are certainly crucial points for further investigation.

### **Entrepreneurship as a Contested Space**

How should we make sense of entrepreneurship with respect to larger social structures? In a way, it is easy to see the correspondence between the economic theory implicit in structural adjustment policies and the promoters of entrepreneurship; in other words, between the configuration of macro-social arrangements and its techniques of government. Both presuppose the universal existence of an autonomous individual always searching for opportunities to improve and both presuppose that market mechanisms are the best strategy to achieve the goals of these individuals. Such positive correspondence may lead to the notion of an incredibly ingenious conspiratory plan from those who imposed the so-called neoliberal social policy. However, one should abstain from making such claims.

By looking at the genealogies of entrepreneurship, we can realize that the object to which such term refers, business self-employment, was not introduced by neoliberal policymakers or development promoters. It is a practice that has existed for a long time, in different forms, with different names, and mainly as a source of income. The whole

narrative regarding the self-reliant individual and the means to achieve that through exploitative relations is a significance attributed by entrepreneurship discourse and its assumed mode of enterprising. However, this significance is not entirely fixed. There are family businesses in El Salvador which in spite of being called examples of entrepreneurship do not fit the usual representation of the capitalist enterprise, showing once more the character of entrepreneurship as a floating signifier. It is this signifier of “entrepreneurship” what needs to be reworked, not only with the reconfiguration of its discursive elements but with the reshaping of the practices themselves. In other words, rearranging their modes of organization and association in a way that prevents the present forms of exploitation. Many of the concerns expressed by the entrepreneurs who participated in this study may in fact help to construct such new direction that turns entrepreneurship into a contested space as opposed to a mere neoliberal governmental tool.

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