BRASILIANA: JOURNAL FOR BRAZILIAN STUDIES

Situated Effectuation, Popular Economy and Territorial Identity in Rocinha: Between Necessity, Opportunity and Solidarity

Abstract

This article examines entrepreneurship in Rocinha, the largest favela in Rio de Janeiro's South Zone, as a theoretical and interpretative case for understanding productive inclusion in urban informal settlements. Rather than offering a new empirical census of contemporary entrepreneurship in Rocinha, the article identifies three analytical axes that can guide future fieldwork: the motivational continuum linking necessity- and opportunity-driven ventures; the alternation between causation and effectuation logics, here read as 'situated effectuation'; and the popular-solidarity economic infrastructure that supports entrepreneurial decision-making. The analysis draws on secondary evidence, including the PAC/EMOP business census for Rocinha, Pereira's 2014 study, census statistics, Global Entrepreneurship Monitor reports, case studies and government documents produced between 2010 and 2024. Because the most territory-specific business data for Rocinha predate both the pandemic and the subsequent expansion of platform-based and social-media commerce, national and city-level indicators are used cautiously as contextual evidence rather than as direct measurements of the favela's present economy. The article argues that ventures launched as survival strategies may integrate exploratory elements when investment-worthy niches emerge, while planning and improvisation often coexist under conditions of high uncertainty. It concludes that productive-inclusion policies must recognise institutional plurality and value reputation, reciprocity and social capital as core assets for local development.

Keywords: entrepreneurship, effectuation, solidarity economy, favela, Rocinha

1. Introduction

Rocinha is a large favela located in Rio de Janeiro's South Zone, an area that is both central and affluent within the city. Its presence in the corridor that links the two most highly valued urban areas, the South Zone and Barra da Tijuca, stems from a pattern of urban segregation characteristic of Rio, where poverty remained embedded in the metropolitan core rather than being pushed to distant suburbs as happened in industrial centres of the global North and even in São Paulo. According to the 2022 census of the Brazilian Institute of Geography and Statistics (IBGE)[i], with 72,021 residents and 30,371 households, Rocinha has a larger population than 91 per cent of Brazilian municipalities and exceeds 59 of the 92 municipalities in the state of Rio de Janeiro.

Rocinha's economy stands as a counterpoint to the peripheral pattern typical of industrial metropolises, intertwining with daily flows that connect to high-value areas such as the South Zone and Barra da Tijuca. The main territory-specific baseline used in this article is the PAC/EMOP business census for Rocinha, conducted in December 2009 and usually cited as the 2010 business census, which listed 6,145 open establishments, ranging from tiny bars tucked into alleys to franchises of national chains (Governo do Estado do Rio de Janeiro 2010, 18). This commercial vitality can be explained, first, by a population density that grew twenty-three per cent in the previous decade, four times the rate observed in the municipality as a whole (IBGE 2011). Another factor that boosts local commerce is Rocinha's strategic position on a major traffic artery, making the hill an obligatory passage between two of the most valuable real-estate markets in Rio (Pereira 2014). Evidence on digitalisation, however, must be read at a different scale. GEM Brazil 2023 reports that 77 per cent of nascent entrepreneurs in Brazil used, began to use or improved digital technologies to sell and promote products during the pandemic, and only 24 per cent stated that their businesses could function without such resources (GEM 2024). These figures do not measure Rocinha directly; they serve here as a national background against which future research should investigate how delivery-app sales, WhatsApp commerce and social-media marketing have altered the favela's post-pandemic entrepreneurial ecology.

Vitality coexists with an ambiguous occupational profile. Although 72 per cent of employed residents already had formal labour contracts in 2014 (Pereira 2014), average income does not exceed 791 reais, which forces many families to supplement earnings through autonomous activities (Pereira 2014, 68). Nearly 12 per cent of the economically active population already runs small businesses, forming a dense network of micro-enterprises that stretches from design studios to artisanal bakeries (Gonçalves et al. 2024, 43).

Pereira notes that half of these initiatives emerged in contexts of unemployment but in the short term began to exploit niches created by tourist flows and by robust internal demand within the community itself (Pereira 2014, 102-110). She describes the decision-making process as "efeituação situada" (situated effectuation), in which entrepreneurs draw on immediate resources (family reputation, informal credit, favours from neighbours), and adjust their course as external opportunities arise, a strategy that dialogues with Sarasvathy's effectual logic (2008) without requiring formal business plans.

On the territorial plane, Rocinha's identity becomes an economic asset. Fagerlande's study (2022) on tours run by collectives such as Rocinha Original Tour shows that community-based tourism channels a significant share of visitor spending to resident guides, craft workshops, street-food stands and small restaurants, consolidating it as one of the favela's main sources of supplementary income. The monetisation of "authenticity" confirms Singer's observation that the popular economy is a space of work and invention in which reciprocity and market intertwine to sustain social reproduction (Singer 2002). By converting stigma into value, Rocinha demonstrates that precariousness and creativity are not mutually exclusive but rather combine in hybrid arrangements that challenge linear categories of development.

Internal and external factors may explain why, despite this vitality, formalisation remains the exception. Pereira's survey (2014) indicates that 14.8 per cent of her interviewees cite lack of capital as the main barrier to registering a business, while 9.2 per cent mention licence requirements, sanitary standards or safety norms. More revealing, almost half see no immediate advantage in regularising, fearing costs, retroactive fines or excessive inspections. The contrast sharpens when one recalls that in the same decade official discourse sought to reposition Rio as the Latin-American “capital of entrepreneurship and innovation” (Silva, Figueira and Rocha 2025) and promoted the Individual Micro-entrepreneur regime as a universal solution to informality.

This dissonance shows that in Rocinha 'running a business' depends less on standardised business plans (Hisrich, Peters and Shepherd 2014) and more on reciprocity networks, everyday bricolage and material urgencies. The PAC/EMOP business census mapped 6,145 enterprises in Rocinha (Governo do Estado do Rio de Janeiro 2010), while Pereira's subsequent study showed that 50.4 per cent of the cases she examined had been opened by recently unemployed people seeking immediate subsistence and only 13.6 per cent resulted from a clear perception of market opportunity (Pereira 2014). International literature often frames such paths within the dichotomy of necessity versus opportunity entrepreneurship (Bosma et al. 2008). Classic ethnographies of popular neighbourhoods (Lomnitz 1977; Pereira 2014) reveal, however, an additional logic: decisions are taken on the basis of resources actually available, with calculations of acceptable loss and partnerships built on local trust, a dynamic that echoes Sarasvathy's effectual logic (2008).

Within this horizon emerges the PUC-Rio/Rocinha Knowledge Articulation and Research Centre (UNIR). The institutional presentation of UNIR describes it as a platform designed to articulate PUC-Rio's scientific community with organisations and leaders in Rocinha, integrating existing public data, administrative records and field research into a georeferenced knowledge infrastructure (PUC-Rio n.d.). My own experience at UNIR, together with recent writings on the subject, reinforces the hypothesis that global theories of entrepreneurship are adapted, displaced or even subverted by actors in the favela. Rocinha thus exhibits a hybrid economy that eludes canonical narratives of modernisation: it combines survival motives, capture of consumption niches and decisions guided by territorial reciprocity.

This article should therefore be read less as a fresh empirical diagnosis of entrepreneurship in Rocinha than as a theoretical synthesis built from uneven but suggestive secondary evidence. The most precise data on Rocinha's business fabric remain the PAC/EMOP business census and Pereira's fieldwork, both produced before the Covid-19 pandemic and before the acceleration of digital commerce in favelas. Broader data from Brazil or Rio de Janeiro are mobilised only to situate tendencies, not to replace missing territory-specific measurement. This limitation is also the article's point of departure: Rocinha offers a compelling terrain for future research precisely because existing evidence already indicates strong theoretical axes, while updated fieldwork is still needed to assess their contemporary configuration.

This distinction between territorial evidence and contextual evidence is especially important because entrepreneurship in favelas is not a stable object that can be inferred from national averages. A national rise in digital selling, for instance, does not automatically reveal how traders in Rocinha negotiate platform fees, unstable addresses, delivery routes, reputation, informality or relations with tourists and residents. Similarly, the presence of a large number of small businesses in the PAC/EMOP census does not by itself explain whether these ventures operate as survival devices, family projects, opportunity-oriented experiments or nodes in reciprocal networks. For this reason, the article treats Rocinha as a theoretically dense case rather than as a statistically exhausted case. Its aim is to organise the available evidence into a set of questions that can be taken back to the field with greater precision.

Against this background, the article is organised into four sections. The first revisits theoretical production on the categories of "necessity" and "opportunity", on effectual logic and on the foundations of the urban popular economy, highlighting convergences and gaps. The second develops an interpretative synthesis that relates these three fields, showing how they materialise in Rocinha. The third confronts this synthesis with secondary evidence gathered between 2010 and 2024—census statistics, Global Entrepreneurship Monitor[ii] reports, case studies and government documents—to demonstrate how the identified logics coexist, overlap and sometimes collide in the territory's everyday economy. By illuminating the dialectic between precariousness and inventiveness, the article seeks to contribute to the debate on how favelas produce singular forms of economic modernity and to offer clues for rethinking productive-inclusion strategies in cities marked by inequality.

2. Theoretical Axes of Entrepreneurship in Rocinha

Understanding Rocinha's mercantile vitality requires a lens able to capture, at once, individual motivations, decision-making rationalities and territorial ecologies. This section sets out to provide such a lens by weaving together three analytical threads.
The first revisits the necessity–opportunity dichotomy, a pillar of most global entrepreneurship statistics, yet one that demands more careful handling when explaining the specific trajectories typical of favela economies. The second thread explores the causation–effectuation dialectic, here reread as "situated effectuation" (Pereira 2014), which describes how entrepreneurs make choices under extreme uncertainty. The third thread places those choices within the broader fabric of the popular–solidarity economy, recognising that, in territories such as favelas, running a business also means stitching together reciprocity, culture and emerging forms of citizenship.
By interlacing these three theoretical fields, the chapter builds the interpretative base that will guide, later on, the reading of secondary evidence gathered between 2010 and 2024.

2.1 Entrepreneurship by necessity or by opportunity? A continuum rather than a dilemma

The necessity × opportunity axis gained visibility through the annual Global Entrepreneurship Monitor reports (Reynolds et al. 2002) and solidified as a quality marker separating "entrepreneurship to survive" from "entrepreneurship to innovate" (Bosma et al. 2008). Brazilian studies have problematised that dichotomy, showing that, in practice, the boundary between "necessity" and "opportunity" is blurred and crossed by multiple motives (Oliveira 2018; Vale et al. 2014).
Longitudinal data from Empreendedorismo no Brasil 2023 indicate that the share of nascent entrepreneurs driven exclusively by necessity fell to 38.6 per cent in 2023, after the expansion of micro-credit lines and formalisation programmes, suggesting motivational mobility across the

business life-cycle (GEM 2024).
Still in the quantitative strand, Oliveira (2018), using GEM micro-data from 2009 to 2015, notes that necessity entrepreneurship rises in years of higher unemployment and recedes only partially when the labour market begins to recover. The defensive pattern therefore does not disappear, indicating that occupational insecurity keeps the option of starting a business alive even in moments of mild economic rebound.

Qualitative research deepens this picture. Silva (2021) interviewed Rocinha entrepreneurs and found that many ventures arose as a response to income loss—selling home-cooked meals during the pandemic, for instance—yet soon explored niches linked to tourist flows and app-based sales, illustrating a move from defensive impulse to exploratory moves. Brazão (2015) documents equally mutable paths: Pedro turned the bar inherited from his father into a pet-shop and later added grooming services, while Leandro, after opening a LAN house for young gamers, diversified by letting part of the space to backpackers attracted by the favela's strategic location. These cases reinforce Vale, Corrêa and Reis's conclusion (2014) that motives such as financial security, personal fulfilment, creativity, family pressure, market gaps and social-network support often combine in flexible ways, so the necessity × opportunity dichotomy rarely appears in a pure state.

These findings converge toward the notion of a motivational continuum. Rather than sealed compartments, one sees a spectrum in which survival pressures, desire for autonomy and perception of niches vary with economic conjuncture, gender, human capital and, above all, the availability of support networks, an issue that gains prominence when moving from the individual to the relational dimension discussed in the next subsection.

2.2 Causation, effectuation and the logic of "situated effectuation"

The choice to undertake a venture involves, beyond the motives already discussed, the way the actor handles uncertainty. Sarasvathy (2001) contrasted two reasoning modes: causation, based on predefined goals and backward planning, and effectuation, in which objectives emerge from resources currently at hand.
A systematic review by Kogut, Mello and Skorupski (2023), after filtering thirty-eight empirical and theoretical studies published between 2001 and 2022, concludes that in unstable environments entrepreneurs combine causal and effectual logics to balance exploration, understood as the continuous search for new opportunities, and control, defined as the protection of invested capital and risk mitigation.

In Brazil, Faia, Rosa and Machado (2014) analysed 123 entrepreneurs and found evidence that causation and effectuation are not opposing approaches: the higher the entrepreneurial alertness, the greater the simultaneous adoption of formal planning practices and non-predictive experimentation, indicating alternation and overlap between the two logics.
Finally, the review "*Combining Effectuation and Causation Approaches in Entrepreneurship: a 20+ years review*" (Kogut; Mello; Skorupski 2023) reinforces the idea of a dual frame in which planning and improvisation are not mutually exclusive choices but poles that alternate or overlap according to micro factors (entrepreneur profile), meso factors (firm stage) and macro factors (institutional and situational context).

Transposed to Rocinha, Pereira (2014) coins the expression “situated effectuation” to describe the local adaptation of Sarasvathy’s principles to a territory marked by high relational density and material scarcity. In Rocinha the starting point (*bird-in-hand*) includes not only financial capital or technical knowledge but family reputation, neighbourhood trust and the non-monetary exchanges that sustain daily life, for instance receiving supplies on credit or relying on voluntary labour from relatives. The calculation of affordable loss goes beyond accounting values: losing money is serious, yet more damaging would be to “burn the name” within the community, as that would block future credit and sales partnerships. The *patchwork quilt* principle, which in classic effectuation describes stitching together contingent partnerships, materialises in collective work to refurbish a shop, rotating merchandise among street vendors at the end of a market day and sharing freezers or gas cylinders when cash is tight. Under such conditions, the future is not something to be forecast by linear models but a horizon co-constructed in each informal agreement, reinforcing that, in the favela, entrepreneurship means operating simultaneously with tangible resources and with the social capital that keeps trust circulating (Pereira 2014).

Studies outside the Rio–São Paulo axis corroborate this territorial adjustment. Kuyumjian, Souza and Sant’Anna (2014), for example, analysing Banco BEM[iii] in the Morro do Jaburu, Vitória (ES), observe that solidarity credit replaces real guarantees with social validation, allowing low-cost yet highly relational business experiments.

Linking decision-making in Rocinha to effectual logic is not limited to favela studies. International research on entrepreneurial expertise also signals that the key skill lies in transforming constraint into resource. In her extensive manuscript *Effectuation & Entrepreneurial Expertise* Sarasvathy (2008) argues that entrepreneurial mastery consists of spotting possibilities where others see scarcity, mobilising partners to reduce uncertainty and share risk. In contexts such as Rocinha, such possibilities are catalysed by trust networks and minimal infrastructure, elements that a purely causal perspective often underestimates.

In this light, the idea of situated effectuation shifts the debate: it is not merely a matter of alternating between prediction and improvisation but of recognising ways of shaping the future grounded in reciprocity, territorial reputation and the conversion of intangible assets into productive solidarity ties.

2.3 Popular–solidarity economy: the ground where decision becomes craft

The third strand situates motivations and strategies within a circuit that the literature calls the urban popular economy, a set of labour-intensive activities sustained by proximity networks and often developed outside state protection. This formulation is strengthened by authors who problematise informality, among them Paul Singer (2002), who emphasises the centrality of the “economy of work” in social reproduction, and Milton Santos (1996), who describes the “lower circuit” that coexists with the formal market in large cities. A recent mapping by the Solidarity Economy Information System, carried out in 2019 and analysed by Gaiger and Kuyven (2019), identified 22,600 active solidarity-economy enterprises in Brazil. Of this universe, 45 per cent are located in densely populated metropolitan areas, operate with an average of ten members per unit and adopt participatory management forms in which strategic decisions and surplus distribution are deliberated in collective assemblies.

Internal diversity led Anjos and Ramos (2024) to outline four profiles of solidarity workers: traditional, social reconversion, income-oriented insertion and collective enterprise. Those authors argue that credit instruments, training programmes and marketing channels must be calibrated to such differences. These arrangements also perform a political function, converting material shortages into public issues and translating demands for infrastructure and financing into repertoires capable of dialoguing with state institutions.

Turning to sectoral initiatives, Lima, Gama and Bernardo Júnior (2024) analyse cultural micro-enterprises and find that these ventures combine income generation with symbolic affirmation, activating local artistic value chains and contributing to regional development in socially and economically sustainable ways. Silva, Figueira and Rocha (2025) show that, by repositioning Rio de Janeiro's urban image as a capital of entrepreneurship and innovation, projects such as Web Summit Rio and Porto Maravalley attract visitors, reinforce territorial identity and project the city brand to external publics, indicating that culture allied to technology operates as a regional development vector.

From a financial standpoint, Kuyumjian, Souza and Sant'Anna (2014) report that Banco Comunitário BEM, based in Morro do Jaburu, released R$ 793,607.56 in micro-credit to residents and small local traders between 2005 and 2012. The bank records residual default sustained by community-based evaluation mechanisms, far below averages observed in conventional micro-credit programmes. The authors attribute this performance to social validation: neighbours themselves vouch for the borrower, a process that heightens social alignment and reduces monetary risk, in keeping with the effectual principle of affordable loss.

At the national scale, the dossier Dimensions and Trends of the Solidarity Economy (Gaiger and Kuyven 2019) shows that, between the 2009 and 2019 SIES censuses, female participation in registered solidarity enterprises rose from 53 per cent to 63 per cent, signalling that gender has become a structuring axis of the sector in Brazil.

Finally, Diniz's article *Possibilidades da economia popular e solidária no Brasil contemporâneo* (2019) argues that these arrangements should be understood through the lens of a plural economy in which market, state redistribution and community reciprocity overlap without hierarchy. This plurality helps explain why Rocinha hosts, side by side, domestic micro-lodgings listed on Airbnb, non-monetary exchange networks and recycling cooperatives that capture environmental value.

The evidence gathered in this chapter shows that Rocinha's mercantile vitality rests on three intertwined analytical layers. On the motivational plane, undertaking by necessity or by opportunity forms a malleable continuum, sensitive to the economic cycle, credit policies and family biographies. On the decision-making plane, the logic of situated effectuation shows that, in high-uncertainty environments, predicting and improvising are not exclusive choices: entrepreneurs combine available resources, acceptable-loss calculations and partnerships grounded in territorial trust. On the macro-social plane, the popular–solidarity economy supplies the infrastructure that makes those decisions viable: community credit networks, cultural cooperatives and reciprocity circuits that convert fragility into resilience. Together, these three strands set up the interpretative frame through which, in the next chapter, we examine secondary evidence produced between 2010 and 2024, assessing how these elements manifest, converge and at times clash in Rocinha's everyday economy.

3 Motivations, decision processes and territorial ecology: an interpretative stitch

The entrepreneurial mosaic of Rocinha resists any framing locked in dichotomous typologies or linear modernisation schemes. Drawing on the three theoretical strands revisited in the previous chapter—the necessity-opportunity continuum, the causation-effectuation alternation and the popular-solidarity infrastructure—this chapter offers a continuous narrative that shows how these axes intersect in the territory.

3.1 From defensive impulse to exploratory potential

Global Entrepreneurship Monitor figures in GEM Brasil 2023 indicate that 45 per cent of new Brazilian entrepreneurs cite both financial pressure and the perception of market niches as reasons for starting a venture (GEM 2024). Analysing GEM micro-data for 2009-2015, Oliveira (2018) shows that self-declared "necessity" expands during the recession years of 2014-2015 and retreats only partially in mild recoveries, remaining a relevant motive even when GDP starts to grow. In Rocinha, the post-Olympic period coincided with the city's repositioning as a "capital of entrepreneurship and innovation", a process that, according to Silva, Figueira and Rocha (2025), increased global visibility for popular areas. Interviews analysed by Pereira (2014) reveal strong motivational elasticity. Natália Melo, a former internet-café employee, took over the shop when the owner decided to sell and within months added photocopy and convenience services, moving from immediate subsistence to digital niches. Ana Márcia Silva, who began selling soups door to door to pay overdue rent, turned the initiative into the Centro Gastronômico Barraca das Baianas, opened a new branch and used Facebook for promotion. These trajectories show that a defensive impulse may launch a business but, as promising niches emerge, entrepreneurs reformulate products, channels and clientele, relocating along the necessity–opportunity continuum.

3.2 Decisions under uncertainty: the logic of "situated effectuation"

If motivation is ambiguous, the mode of deciding is equally so. In Sarasvathy's proposition (2001), effectual reasoning revolves around three core ideas: start with resources already in hand, limit the amount one is willing to lose and define goals in dialogue with partners and customers. Pereira (2014, 132) shows that, in Rocinha, initial resources include family reputation, reciprocal favours and informal credit; therefore, "acceptable loss" is not only monetary, since burning one's name with neighbours can block future credit. As ventures mature, however, routines typical of causation arise. Do Carmo (2005), studying the VivaCred micro-credit programme, found that each loan renewal requires the borrower to record sales, purchases and expenses in a "prompted balance sheet", forcing a separation between personal and business finances and introducing basic controls. National data from *Empreendedorismo no Brasil 2023* indicate that 49 per cent of entrepreneurs who access micro-credit or become Individual Micro-entrepreneurs (MEI)[iv] already issue invoices and keep simple accounts to satisfy financiers and avoid fines (GEM 2024). The finding suggests that even in favela micro-businesses the entry of external capital introduces accounting practices aligned with causal logic, though still anchored in local trust networks. Faia, Rosa and Machado (2014), following the Alerta Empreendedor programme, observed a similar movement in university-based start-ups: rapid experimentation persists, yet formal accounting is adopted to secure later investment rounds.

Situated effectuation, therefore, does not eliminate planning; it precedes and then coexists with it in a complementary arrangement. In contexts where electricity fails, input prices fluctuate and tourist flows are seasonal, this overlap between initial improvisation and later formal management tends to provide resilience without sacrificing the flexibility that gave rise to the venture.

3.3 Popular-solidarity weave: commodity, reciprocity and territorial citizenship

The practices described rest on an ecology of multiple exchanges in which mercantile circuits, self-managed initiatives and neighbourly relations intertwine in ways scarcely captured by conventional statistics. The 2019 SIES census registered 22,600 urban solidarity enterprises in Brazil, 63 per cent led by women and 44 per cent by Black people (Gaiger and Kuyven 2019). These are national figures, not Rocinha-specific measurements. In Rocinha, the available evidence points instead to concrete but dispersed arrangements: craft associations connected to tourism circuits, recycling collectives, informal rotating credit among neighbours and local cultural institutions such as the Museu Sankofa, which convert memory, belonging and local reputation into organisational resources. These examples indicate how the popular-solidarity economy may operate less as a separate sector than as a territorial infrastructure linking product sales to social inclusion and stronger neighbourhood ties.

Paul Singer (2002, 29-35) interprets this universe as an 'economy of work', a set of cooperative networks that, rather than maximising profit for individual owners, aim to guarantee the expanded reproduction of life, that is, household income, solidarity bonds and collective investment in common goods. The Dicionario Internacional da Outra Economia (Cattani et al. 2009) deepens the notion of a plural economy, reminding us that market, state redistribution and community reciprocity can coexist without rigid hierarchy. In favela contexts, this plurality is visible when a resident guide sells a tour, a neighbour advances merchandise on trust, relatives lend unpaid labour to refurbish a shop and a community institution transforms local memory into cultural value. The same operation may therefore be simultaneously commercial, reciprocal and political.

This articulation offers a key to understanding Rocinha's apparent paradox: available estimates suggest a dense and partly informal business fabric, yet ethnographic studies (Pereira 2014) report high inventiveness and repeated capacity for adaptation. Resilience arises, for example, when neighbouring vendors rotate stock at the end of the day to avoid unsold losses; when small food businesses share freezers, gas cylinders or delivery contacts; when informal credit is granted because the borrower is known by family name; and when tourism-related ventures rely on local guides, craft workers and home-based food production to distribute visitor spending across several households. Such practices reduce transaction costs because they replace formal collateral with reputation and proximity. They also absorb external shocks by spreading losses across a network rather than concentrating them in one isolated firm. In this sense, the idea of territorial citizenship, close to Holston's argument on insurgent citizenship, helps clarify why economic arrangements are not only income-generating mechanisms: they can also transform needs into public claims, expanding collective capacity to negotiate credit, infrastructure, culture and tourism policies suited to the territory.

Concrete examples clarify this mechanism. A small food vendor who lacks cash to buy stock may obtain ingredients on credit from a neighbour, repay after the weekend flow of clients and preserve access to future supplies through reputation rather than collateral. A shopkeeper may share a freezer, a gas cylinder or delivery contacts with relatives and nearby traders, lowering fixed costs that would otherwise make the business unviable. During low-demand periods, merchandise, labour and information circulate through kinship and neighbourhood ties: one person lends space, another helps with repairs, another recommends clients or alerts the group to inspection risks, tourist movement or changes in prices. These arrangements are not outside the market; they are ways of making market participation possible under conditions in which formal credit, legal security and infrastructure are uneven. Holston's argument on insurgent citizenship helps to name the political dimension of this process: everyday practices of housing, work and local organisation can generate claims to recognition, services and rights even when they begin as pragmatic solutions to scarcity. In Rocinha, therefore, reciprocity does not simply soften poverty. It can also transform economic cooperation into a language of territorial legitimacy.

3.4 Territorial identity as economic and political capital

If the motivational, decisional and solidarity axes explain why and how people undertake ventures, place identity reveals where these processes gain specific density. In market terms, community-based tourism converts that identity into an economic asset. The mapping by Mendonça et al. (2024) contacted 72 community-tourism initiatives in Rio de Janeiro state and, after screening, validated 18 consolidated experiences. Rocinha appears among the projects interviewed, through initiatives such as Rocinha Original Tour and Museu Sankofa, although it was not included in the final list of consolidated cases. This position indicates a potential still in consolidation, placing the favela alongside experiences such as Santa Marta and Vidigal in the competition for visitors seeking off-circuit urban experiences. The flow monetises curiosity for authenticity and stimulates forms of local rebranding: resident guides organise walking routes, community museums convert memory into cultural value and small food or craft businesses connect products to the favela's symbolic economy. Such strategies align with Silva, Figueira and Rocha's analysis (2025) that rebranding initiatives linking local culture to innovation narratives expand the favela brand and attract new audiences, connecting territorial experiences to global consumption circuits.

Symbolic capital is not limited to income; it also strengthens public claims. The same singularity narrative that attracts tourists is deployed in municipal hearings to demand sanitation upgrades, tailored credit lines and improved road safety, demands that Gonçalves et al. (2024) describe as “belonging policies”. Thus, territorial identity operates doubly: it creates market differentials and legitimises the transformation of shortages into negotiable collective issues. In that intersection, the motivational continuum finds expansion paths, situated effectuation incorporates new partners—tourists, NGOs, universities—and the popular-solidarity economy gains visibility and revenue, closing the analytical triangle that sustains Rocinha’s mercantile vitality.

4 Concluding points

The integrated reading of motivations, decision processes and the popular-solidarity economy shows that the chief contribution of this article is theoretical rather than census-based. The evidence currently available for Rocinha is valuable but temporally uneven: the business census and Pereira's study remain central references, yet both predate the pandemic and the acceleration of digital commerce. What the article demonstrates, therefore, is not a complete empirical portrait of contemporary entrepreneurship in Rocinha, but the analytical usefulness of three axes for future research on productive inclusion in favelas.

Three effects deserve emphasis. First, the necessity versus opportunity dichotomy proves insufficient once we note that defensive pressures, the quest for autonomy and the perception of niches coexist within the same trajectories. Second, the local adaptation of effectuation enlarges the notion of acceptable loss by including family reputation and neighbourly trust, dimensions that are crucial where social capital is scarce yet valuable. Third, the interplay of market, state redistribution and reciprocity challenges the idea that informality is merely backwardness, since in Rocinha it can sustain networks that generate economic value, cultural visibility and political legitimacy.

Recognising these dynamics does not romanticise scarcity; it means accepting that any development proposal ignoring motivational elasticity, the alternation between effectual and causal logics and institutional plurality is likely to fail. The results presented here rest on secondary evidence and selected case studies; they lack longitudinal revenue series, systematic comparisons with other favelas and updated fieldwork on platform work, WhatsApp commerce and post-pandemic tourism. These limitations should be made explicit rather than hidden, because they define the next research agenda. Future studies should combine a new business census, interviews with entrepreneurs, mapping of digital sales channels and comparison with other peripheral territories. Such an agenda would allow researchers to test the theoretical axes proposed here and to move from a paradigm of correcting informality to one that negotiates institutional plurality, allowing public policies and global theories to be traversed by the reciprocity, reputation and creativity that flourish in Rocinha's peripheral modernity.

A further implication concerns policy design. Productive-inclusion programmes that focus only on formal registration, taxation or individual training risk missing the relational infrastructure through which many favela businesses actually survive. Formalisation may be desirable, but it cannot be treated as a magic threshold separating backwardness from modernity. In territories such as Rocinha, a policy capable of producing durable effects would need to connect legalisation, credit, digital infrastructure, sanitation, mobility and local cultural economies. It would also need to recognise residents not merely as beneficiaries of inclusion, but as producers of knowledge about the risks, routes, reputations and forms of cooperation that structure the local economy. The theoretical axes proposed in this article are useful precisely because they make this policy problem visible: entrepreneurship appears not as an isolated individual act, but as a situated practice shaped by uncertainty, trust and territorial identity.

5 References

Anjos, E.G. dos & Ramos, C.E.C. de O. 2024. 'Um estudo tipológico baseado nos atributos dos trabalhadores(as) da economia solidária para o aperfeiçoamento das políticas públicas de geração de trabalho e renda', Cadernos EBAPE.BR, 22(3), e2023-0025.

Bosma, N., Jones, K., Autio, E. & Levie, J. 2008. Global Entrepreneurship Monitor: 2007 Executive Report. Babson Park, MA and London: Babson College and London Business School.

Brazão, F.A.-C.A. 2015. Empreender em favelas? Vantagens e desvantagens na perspectiva de empreendedores da Rocinha. Undergraduate dissertation, Pontifícia Universidade Católica do Rio de Janeiro.

Carmo, M.L. do 2005. O microcrédito como tentativa de democratização do acesso ao crédito, no contexto da economia popular e solidária: estudo de caso comparativo do VivaCred-Rocinha. MSc thesis, Universidade Federal do Rio de Janeiro.

Cattani, A.D., Laville, J.-L., Gaiger, L.I. & Hespanha, P. (eds) 2009. Dicionário internacional da outra economia. Coimbra: Edições Almedina.

Diniz, S.C. 2019. 'Possibilidades da economia popular e solidária no Brasil contemporâneo: apontamentos', Nova Economia, 29(3), 963-985.

Faia, V. da S., Rosa, M.A.G. & Machado, H.P.V. 2014. 'Alerta empreendedor e as abordagens causation e effectuation', Revista de Administração Contemporânea, 18(2), 196-216.

Fagerlande, S.M.R. 2022. 'Turismo de base comunitária no estado do Rio de Janeiro: um olhar sobre as atividades nas cidades litorâneas', Revista Movimentos Sociais e Dinâmicas Espaciais, 11, 1-18.

Gaiger, L.I. & Kuyven, P. 2019. 'Dimensões e tendências da economia solidária no Brasil', Sociedade e Estado, 34(3), 811-834.

Global Entrepreneurship Monitor (GEM). 2024. Empreendedorismo no Brasil 2023. Coordinated by S.M.S.S. Greco. [S.l.]: ANEGEPE and SEBRAE.

Gonçalves, R.S., Firmino, A.C. & Freire-Medeiros, B. 2024. Rocinha: uma favela em bibliografia [e-book]. Rio de Janeiro: Editora PUC-Rio.

Governo do Estado do Rio de Janeiro. 2010. Complexo da Rocinha: Relatório Final – Censo Empresarial. Rio de Janeiro: EMOP/PAC.

Hisrich, R.D., Peters, M.P. & Shepherd, D.A. 2014. Empreendedorismo. 9th edn. Porto Alegre: AMGH.

Holston, James. 2008. Insurgent Citizenship: Disjunctions of Democracy and Modernity in Brazil. Princeton: Princeton University Press.

IBGE (Instituto Brasileiro de Geografia e Estatística). 2011. Censo Demográfico 2010: aglomerados subnormais – resultados do universo. Rio de Janeiro: IBGE.

IBGE (Instituto Brasileiro de Geografia e Estatística). 2023. Censo Demográfico 2022: população e domicílios – primeiros resultados. Rio de Janeiro: IBGE.

Kogut, C.S., Mello, R.D.C. de & Skorupski, R. 2023. 'Combining effectuation and causation approaches in entrepreneurship: a 20+ years review', REGEPE Entrepreneurship and Small Business Journal, 12(3), e2226.

Kuyumjian, R., Souza, E.M. de & Sant'Anna, S.R. 2014. 'Uma análise a respeito do desenvolvimento local: o empreendedorismo social no Morro do Jaburu — Vitória (ES), Brasil', Revista de Administração Pública, 48(6), 1503-1524.

Lima, T.A.C., Gama, H.A.C.A. & Bernardo Júnior, R. 2024. 'Contribuições do empreendedorismo cultural para o desenvolvimento regional', Interações – Revista Internacional de Desenvolvimento Local, 25(2), e2523911.

Lomnitz, L. 1977. Cómo sobreviven los marginados. Mexico City: Siglo XXI.

Mendonça, T.C.M., Moraes, E.A., Santos, R.O. & Nunes, A. de S. 2024. 'Mapa de significados, elementos socioespaciais e políticos do Turismo de Base Comunitária no estado do Rio de Janeiro', Caderno Virtual de Turismo, 24(1), 126-148.

Oliveira, V.R. de 2018. 'Empreendedorismo de necessidade, empreendedorismo de oportunidade e ciclo econômico'. In: Anais do 46º Encontro Nacional de Economia, Rio de Janeiro: ANPEC.

Pereira, I.N. 2014. Efeituação situada: redes e empreendedorismo na Rocinha. PhD thesis, Pontifícia Universidade Católica do Rio de Janeiro.

PUC-Rio. n.d. 'UNIR – Centro de Pesquisa e Articulação de Conhecimento PUC-Rocinha'. Rio de Janeiro: Pontifícia Universidade Católica do Rio de Janeiro.

Reynolds, P.D. et al. 2002. Global Entrepreneurship Monitor: 2001 Executive Report. Babson Park, MA; London; Kansas City, MO: Babson College, London Business School and Kauffman Center for Entrepreneurial Leadership.

Santos, M. 1996. A natureza do espaço: técnica e tempo, razão e emoção. São Paulo: Hucitec.

Sarasvathy, S.D. 2001. 'Causation and effectuation: toward a theoretical shift from economic inevitability to entrepreneurial contingency', Academy of Management Review, 26(2), 243-263.

Sarasvathy, S.D. 2008. Effectuation: elements of entrepreneurial expertise. Cheltenham: Edward Elgar.

Silva, A.V.D.H. 2021. Empreendedorismo na favela: faces da Rocinha. Undergraduate dissertation, Pontifícia Universidade Católica do Rio de Janeiro.

Silva, E.R.A., Figueira, A.R. & Rocha, G.G. 2025. 'Rebranding Rio: de cidade maravilhosa a capital do empreendedorismo e inovação', Revista de Administração Contemporânea, 29(1), e240103.

Singer, P. 2002. Introdução à economia solidária. São Paulo: Fundação Perseu Abramo.

Vale, G.M.V., Corrêa, V.S. & Reis, R.F. 2014. 'Motivações para o empreendedorismo: necessidade versus oportunidade?', Revista de Administração Contemporânea, 18(3), 311-327.

---

[i] See more on: https://g1.globo.com/rj/rio-de-janeiro/noticia/2024/11/08/rocinha-maior-favela-do-pais-segundo-censo-possui-mais-habitantes-que-municipios-do-rj.ghtml

[ii] International research consortium created in 1999 by Babson College (USA) and London Business School (UK) that conducts annual surveys of representative samples of the adult population (18–64 years) in more than fifty countries, measuring entrepreneurial activity rates, motivations (necessity × opportunity) and ecosystem conditions, and publishing comparable global and national reports.

[iii] Banco BEM Community Bank: a solidarity-finance institution created in 2005 in Morro do Jaburu, Vitória, Espírito Santo. It offers micro-credit lines at social interest rates, backed by a revolving fund supported by partnerships with Vitória City Hall, the Municipal Housing Fund and community contributions. It also issues the social currency "BEM", circulating only within the neighbourhood to encourage purchases from small local shops.

[iv] MEI stands for Individual Micro-entrepreneur, a simplified legal regime created in Brazil by Complementary Law No. 128/2008. It enables self-employed workers to formalise their businesses as long as their annual revenue remains below a specified limit, giving them access to social-security benefits and reduced taxation through the Simples Nacional system.