

An analysis of neoliberal small entrepreneurship through the concepts of hegemony and governmentality

Hegemonya ve yönetimsellik kavramları ekseninde neoliberal küçük girişimciliğin analizi

AYLA EZGİ AKYOL¹ 

ABSTRACT

The rise of small-sized enterprises, which was prompted by a change in the regime of accumulation in late capitalism, heralds not only the emergence of a new form of business management that increases the efficiency of production, but also the birth of a new form of subjectivity. Situated within capitalist social relations, small-sized enterprises play an important role both in facilitating the control of labor power and in abstracting labor from its social content to define it at the individual level according to the singular qualities of subjects. In this article, small-sized enterprises and the ideological determinations and technologies of power underlying them are discussed in relation to Michael Foucault's concept of "governmentality" and Antonio Gramsci's concept of "hegemony". It is argued that small-sized enterprises essentially serve to socialize the logic of "entrepreneurship", one of the main instruments of power of neoliberalism, through both the conduct of conduct as Foucault states and the articulation of common sense in the context of Gramsci's conceptualization.

Keywords: Governmentality, Hegemony, Small-sized Entrepreneurship.

Jel Classification: Z10, H11, J21.

ÖZ

Geç dönem kapitalizmde birikim rejiminin değişmesine bağlı olarak öne çıkan küçük işletme olgusu, sadece üretimdeki verimliliği artıracak yeni bir iş yönetiminin değil, aynı zamanda yeni bir öznellik biçiminin doğuşunun da habercisidir. Küçük işletmeler, kapitalist toplumsal ilişkiler içinde var olduğu ölçüde, hem emek gücünün kontrol altına alınmasını kolaylaştırmada hem de emeğin toplumsal içeriğinden soyutlanarak bireysel düzeyde ve öznenin tekil vasıflarıyla tanımlanır hale gelmesinde önemli bir rol oynamaktadır. Bu makalede küçük işletmeler ve onun gerisindeki ideolojik belirlenimler ve iktidar teknolojileri Michael Foucault'nun "yönetimsellik" ve Antonio Gramsci'nin "hegemonya" kavramlarıyla ilişkili olarak tartışılmaktadır. Küçük işletmelerin, hem Foucault'nun ileri sürdüğü gibi güdülerin güdülenmesi (conduct of conduct) hem de Gramsci'nin kavramsallaştırdığı anlamda ortak duyunun eklenmesi yoluyla, neoliberalizmin asli iktidar araçlarından biri olan "girişimcilik" mantığını toplumsallaştıran ve içselleştiren yapılar oldukları ileri sürülmektedir.

Anahtar sözcükler: Yönetimsellik, Hegemonya, Küçük Girişimcilik.

Jel Sınıflaması: Z10, H11, J21.

DOI: [10.47934/tife.11.02.07](https://doi.org/10.47934/tife.11.02.07)



BU ESER CREATIVE COMMONS ATIF 4.0
ULUSLARARASI LİSANSI İLE LİSANSLANMIŞTIR.

1. Arş. Gör., İstanbul Üniversitesi Siyasal Bilgiler Fakültesi Siyaset Bilimi ve Kamu Yönetimi Bölümü, İstanbul.
ORCID: 0000-0002-5448-7016

SORUMLU YAZAR / CORRESPONDING AUTHOR

Ayla Ezgi Akyol,
İstanbul Üniversitesi Siyasal Bilgiler Fakültesi
Siyaset Bilimi ve Kamu Yönetimi Bölümü,
İstanbul.

E-mail: ezgi.akyol@istanbul.edu.tr

BAŞVURU / SUBMITTED: 03.09.2022

**REVİZYON TALEBİ /
REVISION REQUESTED:** 04.12.2022

**SON REVİZYON /
LAST REVISION:** -

KABUL / ACCEPTED: 16.12.2022

Atf / Citation: Akyol, A.E. (2022). An analysis of neoliberal small entrepreneurship through the concepts of hegemony and governmentality. *Trakya Üniversitesi İktisadi ve İdari Bilimler Fakültesi e-Dergi*, 11(2), 202-213,
<https://doi.org/10.47934/tife.11.02.07>

1. Introduction: Late Capitalism and Small Enterprises

Small-sized enterprises have emerged as an important model of enterprise in late capitalism. Small-sized enterprises have been defined as the economic units in which i) management is independent and the task of management is generally executed by the owner, ii) ownership and capital belong to an individual or small group, iii) operations are carried out locally (Scott and Bruce, 1987: 45-46). Considered as technologically backward, conservative and having little impact on the economy in the 1950s, they started to be seen as dynamic and innovative actors capable of significantly contributing to the economy by the 1970s (Johnson, 2007: 76). This shift in perspective has to do with the fact that small-sized enterprises were in tune with the changing regime of accumulation in two respects. On the one hand, these enterprises better matched the flexible mode of production that emerged in the context of the post-Fordist “new regime of accumulation”. Compared to large-scale enterprises, small enterprises are better suited to adjust their production and organization to the policy of reducing labor costs, increasing competitiveness, responding to changing demands, and increasing product diversity (Jennings and Beaver, 1997:64; Keskin and Şentürk, 2010:129). Meanwhile, it was also found that they are able to integrate new production technologies into their production processes rapidly and less costly thanks to their flexibility (Sak and Taymaz, 2021:4).

On the other hand, small-sized enterprises provide a working place that facilitates to introduce flexible employment policies and exert control over labor. Due to their small number of employees, small-sized enterprises have eliminated trade unions that might otherwise pose a risk to capital accumulation (Rannie, 1985:150). In advanced industrial countries such as Japan, where small enterprises use technology more intensively and labor has become qualitatively flexible, i.e., the qualifications of labor have become diversified, control over labor in small enterprises can be achieved by involving workers in the management and thus increasing “worker autonomy” within the enterprise (Piore and Sabel, 1984). In peripheral countries, on the other hand, where i) technology is used to a lesser extent and labor intensity is higher, ii) labor is quantitatively flexible, i.e., in terms of working hours and contract duration, and iii) small-sized enterprises are mostly subcontracted to large firms or enterprises (Müftüoğlu, 2000; Taymaz and Sak, 2021), labor control can be achieved through simple methods of control that are not determined by a specific employment contract and formal hierarchies of work, but by the informal and direct authority of the employer (Edwards, 1979:34-35).

Thus, following the change in the regime of accumulation in late capitalism, small enterprises have emerged as a model that directly caters to the needs of capital. Promoted by the neoliberal policies of the new right in advanced capitalist countries and included in the structural adjustment programs that envisaged that “Third World Countries” should repay their debts through micro-credit assistance, small-sized enterprises rose to prominence all around the world in the 1970s, being praised as a way out of the crisis that capitalism was experiencing back then. In developed economies such as of Europe and North America, small enterprises and small entrepreneurship have been introduced like an alternative to the corporate downsizing and a solution for the unemployment that rose dramatically in 1980s mainly due to the increasing global competition. Especially in the UK, France and the Netherlands the respective governments have pursued an employment policy which promoted small entrepreneurship and supported small enterprises, both financially and technically. This has become more prominent in Turkey where the culture of self-employment has already been dominant (Marcén, 2014) and small enterprises have been the main form of formal and informal employment from past times until today (Suğur,1995).

It can be argued that in late capitalism, small enterprises, either individually or through subcontracting and outsourcing, fulfill a critical function in terms of both capital accumulation and labor control; and that the logic of “entrepreneurship” which underlies small enterprises is the basic logic of neoliberalism. This, however, raises two basic questions: First, how did this need to materialize? And

second, how did it become socially legitimized? It can be argued that this was essentially accomplished in two ways: first, through the state's redefinition of its relationship with capital as a social relation; and second, by winning social consent and shaping the actions, thoughts, and behaviors of individuals.

Mobilizing Antonio Gramsci's concept of "hegemony" and Michael Foucault's concept of "governmentality", this article aims to discuss the prominence of small enterprise and small entrepreneurship in late capitalism in the context of the change of state-capital relations in neoliberalism and the creation of social consent and legitimacy. To this end, we will first address the methodological differences between Foucault and Gramsci with respect to their use of the concepts of governmentality and hegemony. We then move on to examining how small enterprise can be understood within Foucault's concept of neoliberal governmentality. Finally, we employ Gramsci's concept of hegemony to discuss the function of small-sized enterprises. Apart from theoretical analyses, we will also present statistical data both from some of the prominent Western countries that foster small enterprises and Turkey.

2. Governmentality and Hegemony: Foucault and Gramsci

There are different approaches in the social sciences as to whether neoliberalism is a hegemonic restructuring project of late capitalism or whether it indicates the emergence of a new governmental rationality (Springer, 2012:136-137). Ultimately, it can be said that the dominant tendency is to oppose these two approaches. In the sense that they deal with the processes by which a set of power practices carries domination into society, thus universalizing and naturalizing it, Foucault and Gramsci start from similar questions (Demirovic, 2004: 15). However, the simplistic juxtaposition of both thinkers in a manner of "Foucauldizing Gramsci" or a "Gramscianization of Foucault" that we see with neo-Gramscian and post-structuralist approaches (Sum, 2004) is bound to hit a methodological wall. The methods of Gramsci and Foucault are based on certain irreconcilable presuppositions that should hold us from identifying analogies between the two authors or reducing them to one another.

In Foucault's analysis of liberalism and neoliberalism, the main object of research is not capitalism but governmentality. The main reason for this is that in Foucault's method, there is no distinction between an ontologically defined "essence" and a "phenomenon" that would be the manifestation of this essence. In Foucault's thought, there is no material and pre-existing truth: Truth is always being constructed. The fact that truth is being constructed does however not mean that it is a mere phenomenon. In other words, truth is not constructed as a distorted, vitiated, and covered up form or expression of a true essence. From the moment truth is constructed, it exists as the only valid and experienced material truth. For this reason, Foucault does not include any conceptualization of ideology in his analysis.

According to Foucault, ideology is too abstract a notion to explain the real effects of power relations in society (Daldal, 2014:166). Foucault argues that the notion of ideology should be used with caution for three reasons:

"The first is that, like it or not, it [ideology] always stands in virtual opposition to something else which is supposed to count as truth. Now I believe that the problem does not consist in drawing the line between that in a discourse which falls under the category of scientificity or truth, and that which comes under some other category, but in seeing historically how effects of truth are produced within discourses which in themselves are neither true nor false. The second drawback is that the concept of ideology refers, I think necessarily, to something of the order of a subject. Thirdly, ideology stands in a secondary position relative to something which functions as its infrastructure, as its material, economic determinant, etc." (Foucault, 1980: 118).

In this context, for Foucault, capitalist relations of production do not correspond to a material truth, nor does liberalism function as the ideological appearance/form of these relations. Liberalism is a constructed truth without any primordial essence other than itself, and at the source of this truth is the development of the art of government between the 16th and 18th century, which sought to answer the question of how to bring the economy into the sphere of political practice.

“To govern a state will therefore mean to apply economy, to set up an economy at the level of the entire state, which means exercising towards its inhabitants, and the wealth and behavior of each and all, a form of surveillance and control as attentive as that of the head of a family over his household and his goods.” (Foucault, 1991: 92)

Foucault emphasizes the objectification of individuals through the power applied to their bodies rather than their mental enslavement (Daldal, 2014: 167). In this context, Foucault understands governmentality as affecting, shaping, and guiding the conduct of individuals, that is, the ‘conduct of conduct’, and he states that, in this sense, it would precede the state (Gordon, 1991: 2).

Since Foucault does not accept that there is a real essence behind things, neither the state nor the development of capitalist relations of production constitutes an essential truth, a starting point for him. According to Foucault, the source of power should not be sought in the nature of the state, in its institutions, in the relations of production, or in the laws, but in the practices of power. Therefore, his analysis focuses on governmentality. The practices related to governmentality emerge at the moment government and economics, as two formerly independent entities, become integrated: Foucault’s main emphasis is on how economics rationalizes government through the incorporation of knowledge processes such as calculation and statistics, signaling a transition from a state of justice to a state of administration. Foucault defines this kind of governmentality, which develops in the 18th century, as

“[t]he ensemble formed by the institutions, procedures, analyses and reflections, the calculations and tactics that allow the exercise of this very specific albeit complex form of power, which has as its target population, as its principal form of knowledge political economy, and as its essential technical means apparatuses of security” (Foucault, 1991: 102).

In Foucault’s work, the functioning of power is basically associated with the successful and rational management of populations. For this, power needs to reach the movements, attitudes, and daily behaviour patterns of individuals, in other words, it needs to become embodied. His analysis conceives of the subject as constructing itself within this process, that is, power governs the subject within the latter’s construction of itself. In a sense, the subject disappears as an agent, becomes anonymous in the population, and is imprisoned in a political body. Therefore, in Foucault’s thought, power is understood as a top-down phenomenon.

Gramsci, on the other hand, unlike Foucault, considers the material relations of production as the essence and ideology as the form/appearance taken by these relations. For Gramsci, capitalist relations of production are the truth, the unconstructed reality underlying their ideological forms. However, in Gramsci’s analysis, the “realm of the superstructure”, made up of civil society, which he defines as the realm of hegemony or ideologies, and political society, which he defines as the realm of repression/force, is not a simple and direct reflection of the material relations of production in the “core”. The superstructure -the political and ideological spheres- is a complex sphere in which the laws governing the development of the economic structure are interpreted. Political activity can therefore not be mechanically reduced to the economic structure.

Gramsci most notably differs from Foucault in his analysis of the agency of the subject. According to Gramsci, the subject has the power to change the objective reality (the relation of exploitation arising

from capitalist relations of production), which is external to and in opposition with itself, through a collective will. Gramsci's approach to the subject can be clearly seen in his early writings:

"This thought sees as the dominant factor in history, not raw economic facts, but man, men in societies, men in relation to one another, reaching agreements with one another, developing through these contacts (civilization) a collective, social will; men coming to understand economic facts, judging them and adapting them to their will until this becomes the driving force of the economy and moulds objective reality..." (Forgacs, 2000:33)

In Gramsci's thought, the human being is not a passive being imprisoned in the political body, whose attitudes, behaviors, and actions are directed through various technologies of power such as surveillance and isolation, but as a being possessing a philosophy of its own, capable of contemplating and executing its own actions. This presupposition explains why Gramsci chooses to discuss power in relation to hegemony rather than a notion like governmentality. This is also why the "subject" occupies a fundamental place in his analysis. The subject is located within different categories such as the ruling class, the hegemonic class, and the subaltern class, and articulated to the political and ideological spheres through the struggle and compromise between these categories.

Since the economic structure does not directly translate into the sphere of politics and ideologies, the contradictions in the capitalist relations of production are not always reflected as contradictions in the superstructure. In other words, the thinking and acting of the subject are not always in line with its interests in material relations of production. What creates this dissonance is the fact that in the ideological struggle, the ruling class conjoins and articulates the interests and discourses of the subaltern classes, thereby gaining the consent of social segments opposed to itself and establishing its hegemony in civil society. This hegemony can be abolished if the subalterns make an effort to establish a counter-hegemony through their intellectuals and position themselves ideologically in civil society.

This shows that for Gramsci, the realm of ideologies is not of secondary importance to the base, as Foucault would suggest. On the contrary, Gramsci defines the realm of ideology, understood as a phenomenon, as the primary area in which subjects become conscious of or are deceived about their duties. Obviously, both theorists employ quite different methods and they do not reach the same conclusions. However, they converge at the idea that power, by employing different means, shapes the subject. For Gramsci, this is made possible by gaining the consent of individuals as thinking and acting beings, whereas Foucault focuses on the conducting of subjects.

3. Small Entrepreneurship and Neoliberal Governmentality

In the first section of this article, we mentioned the fact that small-scale enterprises and small entrepreneurship gained importance within the post-Fordist regime of accumulation. In the US, this took the form of policies forbidding any state intervention in the competition between enterprises, regardless of their scale, whereas in the European Union member states and the countries on the periphery of the EU, the state was envisaged to intervene in the economic sphere to support small-scale enterprises (Storey, 2003: 485-486). Self-employment assistance programmes such as the Unemployed Entrepreneurs Programme in France and Enterprise Allowance Scheme in Britain were adopted in 1980s in order to encourage the job seekers to create their own employment (Staber and Bögenhold, 1993: 129). According to Foucault, this is related to the development of a new understanding of governmentality that implies a different kind of involvement on the part of the state in its relations with the economy that deviates from the tenets of classical liberal thought. Foucault calls this new governmentality neoliberal governmentality, arguing that its main difference from liberal governmentality is that the state is positioned within, rather than outside the market. Thus, the classical liberal argument that the state should not restrict the economy disappears from the picture. The state abandons its role as a public authority, which was based on the notion of public interest, as interest is

redefined at the level of individual interest. The state plays a regulatory role not against a market as imagined by the physiocrats but by intervening directly to the society on behalf of the competitive mechanisms of the market (Foucault, 2008: 145). Following Foucault, Alp Yücel Kaya (2011) emphasizes the main characteristics of the neoliberal governmentality as follows:

“The relationship is no longer based, as in liberalism, on the reciprocal delimitation of spheres between the economy and the state. There no longer is a play of the market to be given free rein to, nor a space for the state to intervene. For pure competition, which is the essence of the market, can only be generated by active governmentality. While the government chaperons the market economy, the market economy should in turn not withhold anything from the government, but rather act as the guide to the rule that defines administrative practices. Rather than limiting government, the market now brings it into existence. To put it another way, rather than “governing in spite of the market”, it now becomes necessary to “govern for the market”, and the technology of government constructed in this way is, according to Foucault, a complete reversal of 18th century liberalism” (Kaya, 2011: 224).

Such a transformation also underpins state’s policies to support small enterprises. Policies to support small-scale enterprises are included as the main national employment strategy of the European Union (Hofstede et al, 2004); state microcredit programs emerge as a fundamental strategy to reduce poverty. The widespread use of micro-credit as a solution to poverty means that the state transfers its responsibility for employment to the market. The increase in the number of entrepreneurs in the market is naturally expected to increase employment opportunities. The cost of unemployment and poverty that arise when the market fails to solve the employment problem within its own movement is expressed as the personal failure and laziness of individuals. The main action of neoliberal governmentality here is to provide the framework for the emergence of the market.

This framework is not limited to the supportive and facilitative activities of the state within the market. In the context of neoliberal governmentality, the state and civil society are also responsible for establishing the moral framework that enables the formation of the subjects of the market. Therefore, it can be argued that state-market relations are redefined on two levels. The best example of this is the Thatcher government’s policies to support small businesses. Coming to power in the UK in 1979, one of the primary goals of the Thatcher government was to create an “enterprise culture” and to change the social behavior of the UK population. Small entrepreneurship was presented as a new program to overcome the “dependency culture” where workers were subordinated to large organizations and the state was responsible for creating jobs. One wanted to resolve this dependency culture by letting it evolve into an enterprise culture, with citizens creating their own employment through the establishment of their own businesses.

To achieve this, public policies such as tax reductions and incentives as well as programs aimed at influencing the behavior of the young population towards founding their own businesses were developed especially in continental Europe. For example, the Shell Technology Enterprise Programme (STEP), which was launched in the UK during this period, aimed to raise awareness regarding entrepreneurship by giving young individuals who were still going to school the opportunity to work in a small business during the summer (Storey, 2003:477-478). As a result of state policies, the rate of self-employment in the UK rose from 9% to 12% between 1981-1987 (Staber and Bögenhold, 1993: 126). However, it should be noted that these developments were not limited to the UK. In the US, small firms created 1.3 million new jobs between 1976-1986 and 5.8 million between 1987-1992 while large companies recorded a net loss of 2.4 million jobs in the same period. (Audretsch and Thurik, 2000: 25-26). In Netherlands, 56 percent of 973,000 new jobs between 1990-1994 were coming from newly born small firms (ibid: 27). According to date of Eurostat, in the years between 2011-2020, the number of newly born micro enterprises increased from 18,930,696 to 21,851,492 (Eurostat, 2022).

Turkey too was also included in the neoliberal agenda. In Turkey, in the 1990s, the Small and Medium Enterprises Development Organization (KOSGEB) was established as a public institution in order to support small and medium-sized enterprises. Its duties were defined to include a range of tasks such as creating an enterprise culture, ensuring university-industry cooperation, ensuring the technological development of small enterprises, and providing support to increase employment opportunities.

The policy of creating an enterprise culture corresponds to the rise of the entrepreneurial society, which relies on the model of the *homo œconomicus* as understood by Foucault. Foucault interprets neoliberalism as a return to the *homo œconomicus*, while pointing out that this *homo œconomicus* differs markedly from the classical conceptualization. Whereas classical liberalism conceives of the *homo œconomicus* as a partner in the process of exchange motivated by personal benefit, the *homo œconomicus* of neoliberalism is not a partner of exchange but the source of his/her own earnings, the entrepreneur of his/her own capital, his/her own producer (Foucault, 2008: 225). In other words, *homo œconomicus*, in neoliberal governmentality, points to the definition of the human being, not in the context of exchange and consumption, but in the context of enterprise and production (Kaya, 2011). Thus, Foucault argues that there is a shift from a governmentality centered on managing people as populations to a governmentality in which people become self-governing subjects as entrepreneurs.

If we consider Foucault's approach in terms of the questions posed in the first section, we see that capital's need concerning small-scale enterprises in late capitalism is legitimized through the positioning of the state within, rather than against the market and through the creation of the entrepreneurial subject. The entrepreneur clearly differentiates from pre-existing capitalist in terms of subjectivity by taking risks and encounter uncertainty during his economic activity (Johnson, 2007:21).

The main emphasis in Foucault's analysis is on the regulatory feature of neoliberal governmentality. A different picture emerges if this regulatory feature is viewed from a Gramscian perspective. It becomes clear that the creation of the entrepreneurial subject is not only the direct result of an art of government that permeates society from the top down, but at the same time coincides with a series of historical-cultural codes that run from the bottom up.

4. Hegemony and Small Entrepreneurship

Gramsci sees economic relations as part of a complex "historical block" rather than as a determinant economic base. According to Gramsci, given form of production is reciprocally conditioning and conditioned by a particular political framework, a particular culture, ideology, morality and behaviour (Forgacs, 2000: 275). In this respect, it is possible to interpret neoliberalism's post-Fordist regime of accumulation in relation to a certain cultural, ideological, moral, and behavioral framework. Gramsci's approach seems close to Foucault's notion of neoliberalism, which the latter analyzes in the context of a shift in governmentality and its connection to a moral framework based on the entrepreneurial subject. However, in Gramsci, the chances of this cultural, ideological, moral, and behavioral framework gaining consent and becoming hegemonic depend on its ability to take up certain elements in the already existing common sense and conjoin and articulate these elements to transform them into ideology. Analyzing the current post-Fordist regime of accumulation from the perspective of the neo-Gramscian regulation approach, Jessop states that the economy encompasses both economic and extra-economic factors, and that economic relations are always embedded in the social (Jessop, 2005: 302).

What Jessop refers to as "social embeddedness" means that in order for an economic project to become inclusive/integral, it has to articulate certain elements in the historically and culturally formed worlds of meaning of the subaltern classes, thus ensuring the compatibility of new codes created with

these elements in order to achieve its own naturalization. From this perspective, neoliberalism will succeed in becoming a hegemonic, popular philosophy to the extent that it finds a place for itself within the culture formed by the stacked layers of all the previous philosophies, which Gramsci refers to as the “stratified deposits in popular philosophy” (Gramsci, 1971: 324). Accordingly, Thatcherism became hegemonic by detaching elements of common sense from their historical meaning and integrating them into a new ideology (Harris, 1992:18).

From this point of view, it can be argued that small enterprises are part of the hegemony of neoliberalism. Embedded in society, in this context made up of certain elements contained in the historically stratified common sense, they have the ideological function of naturalizing neoliberalism. This is most clearly expressed in studies on the increasing importance of small enterprises during Turkey’s transition to neoliberalism. Işık and Pınarcıoğlu argue that the post-1980 structural adjustment process in Turkey was, in a sense, realized through the already existing small-scale enterprises and their informal relations (Işık and Pınarcıoğlu, 2011: 61). In a similar vein, Arif Geniş (2006) argues that in the post-1980 period in Turkey, the average size of enterprises shrank, while the share of wage laborers working in small enterprises continued to rise, and that the already prevalent small enterprises, far from disappearing, became more integrated with big domestic and foreign capital.

Therefore, the entrepreneurial subject described by Foucault within the scope of neoliberal governmentality is not a completely new phenomenon when considered in terms of countries that experienced a late and/or dependent transition to capitalism. Here, it obtains validity by giving a new content to pre-existing economic and social relations. In other words, the historical methods of labor control are found articulated within today’s wage labor relations (Quijano, 2000: 535).

In relation to this, Sencer Ayata draws attention to two seemingly contradictory phenomena in “Third World” countries’ transition to capitalism. On the hand, traditional crafts were replaced by factory production between the 18th and 20th centuries, which was made possible by the export of industrial products from the industrializing European countries to the Third World. On the other hand, there was a rapid increase in the number of small-scale enterprises in these countries, especially in the last thirty to forty years (Ayata, 2000:34). In Turkey, for example, the number of micro industrial enterprises (1-9 employees), which had been 63,185 in the 1927 industrial census, reached 170,479 in 1970 (DİE, 1969, 1976).

Table 1. The number of the micro enterprises in the manufacturing sector (1927-1980)

Year	Number of total establishments in the manufacturing sector	Number of the micro enterprises	Percentage
1927	65.245	63.185	96,8
1964	160.771	157.759	98.1
1970	175.299	170.479	97.2
1980	182.346	177.034	97

Source: Devlet İstatistik Enstitüsü (DİE).

What needs to be emphasized in respect of these two seemingly contradictory phenomena is that small enterprises moved from the production of artisanal products to the production of commodities, indicating a change in the content, rather than the form of economic activity (Aktar, 1990: 435-436). Such a change in the content is also observed in the process of transition to neoliberalism. As stated in Işık and Pınarcıoğlu’s above-mentioned analysis, the already prevalent small enterprises and the informal relations embodied by them in a sense coincided with the informal economy that became widespread under neoliberalism and the informal class relations and entrepreneurship phenomena determined by it, thus contributing to neoliberalism becoming a hegemonic project. This coincidence in the form does not mean that the content remains the same. In other words, the entrepreneurial subject

of neoliberalism has differentiated from the previous entrepreneurial subject. The main theme in the cultural codes of neoliberalism is “wealth” and universalizing life chances (Hall, 2012: 11); the main motivation of the entrepreneurial subject of the neoliberal time is to get rich. However, this new code can only be hegemonic in civil society to the extent that it is harmonized with the pre-existing cultural codes.

In the Turkish context, self-employment operates as a longstanding basic cultural code. Statistical data shows that self-employed persons constituted the majority of the working segment of the population until recently in Turkey. According to the 1927 industrial census, 79% of the working population consisted of self-employed persons, enterprises employing less than three workers and unpaid family workers (DIE, 1969: 11). In 1965, this share was 76%, but by 1975, it had fallen to 68%. Between 1980 and 2000, the number of self-employed persons increased from 4.3 million to 5.2 million (Koç, 2010). Furthermore, according to the data published by Turkish Statistical Institute (TUIK), more than 500,000 micro-enterprises employing less than 10 workers have been born between 2009-2019 (TUIK, 2020).

Table 2: Number of micro enterprises between 2009-2020

Year	Number of Establishments	Year	Number of Establishments
2009	2,467,529	2015	2,628,851
2010	2,495,772	2016	2,654,664
2011	2,524,232	2017	2,737,053
2012	2,559,813	2018	2,904,649
2013	2,586,592	2019	2,979,417
2014	2,602,475	2020	3,035,095

Source: Türkiye İstatistik Kurumu (TUIK).

All these statistics show that entrepreneurship is perpetually influential within the society from past to present. On the other hand, considering the long history of self-employment, the previous entrepreneurial subject might best be characterized by its rejection of proletarianization, dispossession, and subordination to capitalist time and discipline as a cultural code. Today’s neoliberal entrepreneurial subject, however, adapts this time and discipline to itself and tries to acquire property within this regime. What is at stake here is the emergence of new cultural codes from within pre-existing forms that they transfigure in order to become hegemonic.

5. Conclusion

When small enterprises’ growing importance following the transformation of the regime of accumulation in late capitalism is interpreted regarding to Foucault’s analysis, it becomes clear that these enterprises are part of neoliberal governmentality on two levels. They assume a critical function in transforming the state’s position vis-à-vis the market as a representative of the public interest by turning the state into an element within the market itself, and in turning individuals into entrepreneurs in order to naturalize individual interest. Therefore, neoliberal programs transfer the employment role of the state to the market through privatization, assuming that the employment problem is an intra-market problem that can be solved by increasing the number of entrepreneurs in the market, which is achieved by shaping the attitudes and actions of the subjects. Considering the post-1980s policies of both promoting enterprise culture and supporting small enterprises economically and bureaucratically, it is seen that small enterprises function as part of a top-down governmentality. However, especially in social structures that underwent a dependent transition to capitalism and where small enterprises already resembled the dominant form of economic activity, this governmentality emerges on a historical and cultural ground. Here, it needs to be connected to the existing cultural structure to achieve social validity. From this perspective, small enterprises also play an important role in the conversion of the top-down neoliberal governmentality into social consent that occurs as a result of its encounter with the

common sense at the bottom. Therefore, supporting small entrepreneurship is not only a projection of a governmental rationality, but also a part of neoliberalism's struggle for hegemony.

Peer-review: Externally peer-reviewed.

Conflict of Interest: The authors have no conflict of interest to declare.

Grant Support: The authors declared that this study has received no financial support.

References

- Aktar, A. (1990). *Kapitalizm, az gelişmişlik ve Türkiye'de küçük sanayi*. İstanbul: Afa Yayınları.
- Audretsch, D.B. & Thurik, A.R. (2000). Capitalism and democracy in the 21st Century: from the managed to the entrepreneurial economy. *Evolutionary Economics*, 10, 17–34. <https://doi.org/10.1007/s001910050003>
- Ayata, S. (2000). *Sermaye birikimi ve toplumsal değişim*. Ankara: Gündoğan Yayınları.
- Daldal, A. (2014). Power and ideology in Michel Foucault and Antonio Gramsci: A comparative analysis. *Review of History and Political Science*, 2(2), 149-167. Retrieved from <http://rhpsnet.com/journals/rhps/Vol 2 No 2 June 2014/8.pdf>
- Demirovic, A. (2015). The politics of truth: For a different way of life. In D. Kreps, (Ed.), Gramsci and Foucault: A reassessment (pp. 11-30). United Kingdom and USA: Ashgate.
- Devlet İstatistik Enstitüsü (1968). *Sanayi Sayımı: İmalat Sanayii 1964* (Yay. No: 547). Başbakanlık Devlet İstatistik Enstitüsü Ankara.
- Devlet İstatistik Enstitüsü (1969). *Sanayi Sayımı 1927* (Yay. No: 584). Başbakanlık Devlet İstatistik Enstitüsü, Ankara.
- Devlet İstatistik Enstitüsü (1976). *Sanayi ve İşyerleri Sayımı İmalat Sanayii, Büyük İmalat Sanayi (Türkiye Tabloları) 1970* (Yay. No: 782). Başbakanlık Devlet İstatistik Enstitüsü, Ankara.
- Devlet İstatistik Enstitüsü (2003). *Küçük Ölçekli İmalat Sanayi İstatistikleri (1-9)* (Yay. No: 2778). Başbakanlık Devlet İstatistik Enstitüsü, Ankara.
- Edwards, R. (1979). *Contested terrain: The transformation of the workplace in the twentieth century*. New York: Basic Books.
- Eurostat (2022). Annual enterprise statistics by size class for special aggregates of activities. Retrieved from <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>
- Forgacs, D. (Ed.) (2000). *The Gramsci reader: Selected writings 1916-1935*. New York: New York University Press.
- Foucault, M. (1980). Truth and power. In C. Gordon (Ed.), *Power/knowledge: Selected interviews and other writings 1972-1977* (pp. 109-133). New York: Pantheon Books.
- Foucault, M. (1991). Governmentality. In G. Burchell, C. Gordon & P. Miller (Eds.), *The Foucault effect: Studies in governmentality* (pp. 87-104). Chicago: University of Chicago Press.
- Foucault, M. (2008). *The birth of biopolitics: Lectures at the College de France 1978-1979*. New York: Palgrave Macmillan.
- Geniş, A. (2006). *İşçi sınıfının kıyısında*. Ankara: Dipnot Yayınları.

- Gordon, C. (1991). Governmental rationality: An introduction. In G. Burchell, C. Gordon & P. Miller (Eds.), *The Foucault effect: Studies in governmentality* (pp. 1-52). Chicago: University of Chicago Press.
- Gramsci, A. (1971). *Selections from Prison Notebooks* (Q. Hoare & G.N. Smith, Eds). Newyork: International Publishers.
- Hall, S. (2012). The neoliberal revolution. *Cultural Studies*, 25(6), 705-728. <https://doi.org/10.3898/136266211797146828>
- Harris, D. (1987). *From class struggle to the politics of pleasure: The effects of Gramscianism on cultural studies*. London: Routledge.
- Hofstede, G., Noorderhaven, N.G., Thurik, A.R., Uhlaner, L.M., Wennekers, A.R.M. (2004) Culture's Role in Entrepreneurship: Self-Employment Out of Dissatisfaction. *University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship*. Retrieved from <https://ssrn.com/abstract=1496783>
- Işık, O., Pınarcıoğlu, M. (2011). *Nöbetleşe yoksulluk: Sultanbeyli örneği* (8.bs.). İstanbul: İletişim Yayınları.
- Jennings, P. & Beaver, G. (1997). The performance and competitive advantage of small firms: A management perspective. *International Small Business Journal*, 15(2), 63–75. <https://doi.org/10.1177/0266242697152004>
- Jessop, B. (2005). *Hegemonya, post-fordizm ve küreselleşme ekseninde kapitalist devlet* (A. Özkazanç ve B. Yarar, Ed. ve Çev.). İstanbul: İletişim Yayınları.
- Johnson, P. (2007). *The economics of small firms: An introduction*. London and New York: Routledge.
- Kaya, A.Y. (2011). Michel Foucault'nun ekonomik düşünce tarihi: Liberal ve neoliberal yönetim rasyonalitelerinde ekonomi politik. E. Eren ve M. Sarfati (Eds.), *İktisatta yeni yaklaşımlar* (s. 197-240) içinde. İstanbul: İletişim Yayınları.
- Keskin, H., Şentürk, C. (2010). The importance of small and medium-sized enterprises (SMEs) in economies: Swot analysis of the SME sector in Turkey and Albania. *Niğde Üniversitesi İİBF Dergisi*, 3(2), 116-132. Retrieved from <https://dergipark.org.tr/tr/pub/niguiibfd/issue/19746/211352>
- Koç, Y. (2010). *Türkiye işçi sınıfı tarihi: Osmanlı'dan 2010'a*. Ankara: Epos Yayınları.
- Marcén, M. (2014). The role of culture on self-employment. *Economic Modelling*, 44 (1), 20-32. <https://doi.org/10.1016/j.econmod.2013.12.008>
- Müftüoğlu, B. (2000). İstanbul Gedikpaşa'da Ayakkabı Üretiminin Değişen Yapısı ve Farklılaşan İşgücü. *Toplum ve Bilim*, 86, 118-138.
- Piore, M. & Sabel, C. (1984). *The second industrial divide: Possibilities for prosperity*. New York: Basic Books.
- Quijano, A. (2000). Coloniality of Power, Eurocentrism, and Latin America. *Nepantla: Views from South*, 1(3), 533-580. <https://doi.org/10.1177/0268580900015002005>
- Rannie, A. (1985). Small firms, big problems: The political economy of small business. *Capital and Class*, 9(1), 140-168. <https://doi.org/10.1177/030981688502500107>
- Sak, G., Taymaz, E. (2021). How flexible are small firms? An analysis on the determinants of flexibility. *Ekonomik Yaklaşım*, 32(118), 1-25. <https://doi.org/10.5455/ey.17106>

- Scott, M. & Bruce, R. (1987). Five Stages of Growth in Small Business. *Long Range Planning*, 20(3), 45-52. [https://doi.org/10.1016/0024-6301\(87\)90071-9](https://doi.org/10.1016/0024-6301(87)90071-9)
- Springer, S. (2012). Neoliberalism as discourse: between Foucauldian political economy and Marxian poststructuralism. *Critical Discourse Studies*, 9(2), 133-147. <https://doi.org/10.1080/17405904.2012.656375>
- Staber, U. & Bögenhold, D. (1993). Self-employment: a study of seventeen OECD countries. *Industrial Relations Journal*, 24(2), 126-137. <https://doi.org/10.1111/j.1468-2338.1993.tb00666>.
- Storey, D.J. (2003). Entrepreneurship, small and medium sized enterprises and public policies. In Z.J. Acs and D.B. Audretsch (Eds.), *Handbook of entrepreneurship research* (pp. 473-511). Great Britain: Kluwer Academic Publishers.
- Suğur, N. (1995). Small firms in a developing economy: a social and economic case study of the OSTIM Industrial Estate at Ankara, Turkey [Unpublished doctoral dissertation]. The University of Bristol.
- Sum, N. (2015). Rethinking the Gramsci–Foucault interface: A cultural political economy interpretation oriented to discourses of competitiveness. In D. Kreps (Eds.), *Gramsci and Foucault: A reassessment* (pp. 31-56). United Kingdom and USA: Ashgate.
- Türkiye İstatistik Kurumu (2020). Kobi istatistikleri raporu (2009-2019). Retrieved from <https://www.tuik.gov.tr/indir/duyuru/kobi-istatistikleri-raporu.pdf>
- Türkiye İstatistik Kurumu (2021). Küçük ve Orta Büyüklükteki Girişim İstatistikleri. Retrieved from <https://data.tuik.gov.tr/Bulten/Index?p=Kucuk-ve-Orta-Buyuklukteki-Girisim-Istatistikleri-2020-41129>