

THEMATIC ARTICLE

Peripheral businesses and Miltonian thought: approaches and possibilities for organizational studies

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Abstract

In this theoretical essay, the general objective is to identify how the approximation between the notion of peripheral business and the Miltonian thought can add, in the theoretical aspect, to the field of organizational studies. The specific objectives are to establish theoretical approximations between the notion of peripheral business and Miltonian thought and to analyze the viability of using the notion of peripheral business as a theoretical and methodological basis for the dialectical historical materialist analysis anchored in Miltonian thought. A theoretical triangulation was carried out between the notion of peripheral business, elaborated by Márcio Sá and other researchers, and the theory of the two urban circuits of underdeveloped countries, structured by Milton Santos and based on Marxist notions. It is pointed out that there are no theoretical incompatibilities between the notion of peripheral business and Miltonian thought, and that the approximation between these perspectives tends to add to the field of organizational studies by enabling the performance of empirical analyses based on dialectical historical materialism about how organizations and subjects located in one or both of the circuits relate to each other.

Keywords: Peripheral business. Organizations. Circuits. Milton Santos. Marxism.

Negócios periféricos e o pensamento miltoniano: aproximações e possibilidades para o campo dos estudos organizacionais

Resumo

Neste ensaio teórico, tem-se como objetivo geral identificar de que formas a aproximação entre a noção de negócio periférico e o pensamento miltoniano pode agregar, no aspecto teórico, ao campo dos estudos organizacionais. Como objetivos específicos, buscou tanto estabelecer aproximações teóricas entre a noção de negócio periférico e o pensamento miltoniano quanto analisar a viabilidade da utilização da noção de “negócio periférico” como base teórica e metodológica para a análise materialista histórico-dialética, ancorada no pensamento miltoniano. Para tanto, recorreu-se a uma triangulação teórica entre a noção de negócio periférico, elaborada por Márcio Sá e demais pesquisadores, bem como à teoria dos dois circuitos urbanos dos países subdesenvolvidos, estruturada por Milton Santos e aportada em noções marxistas. Não há incompatibilidades teóricas entre a noção de negócio periférico e o pensamento miltoniano, e a aproximação entre as perspectivas tende a agregar ao campo dos estudos organizacionais, por possibilitar análises empíricas, com base no materialismo histórico-dialético, sobre como organizações e sujeitos localizados num dos circuitos ou em ambos se relacionam.

Palavras-chave: Negócio periférico. Organizações. Circuitos. Milton Santos. Marxismo.

Negocios periféricos y pensamiento miltoniano: enfoques y posibilidades para el campo de los estudios organizacionales

Resumen

En este ensayo teórico, el objetivo general es identificar de qué manera la aproximación entre la noción de negocio periférico y el pensamiento miltoniano puede aportar, en el aspecto teórico, al campo de los estudios organizacionales. Se adoptó como objetivos específicos tanto establecer aproximaciones teóricas entre la noción de negocio periférico y el pensamiento miltoniano como analizar la viabilidad de utilizar la noción de negocio periférico como base teórica y metodológica para el análisis histórico-dialéctico materialista anclado en el pensamiento miltoniano. Para ello, se utiliza una triangulación teórica entre la noción de negocio periférico, elaborada por Márcio Sá y otros investigadores, y la teoría de los dos circuitos urbanos de los países subdesarrollados, estructurada por Milton Santos y basada en nociones marxistas. Se señala que no existen incompatibilidades teóricas entre la noción de negocio periférico y el pensamiento miltoniano, y también que la aproximación entre las perspectivas tiende a enriquecer el campo de los estudios organizacionales al posibilitar la realización de análisis empíricos, basados en el materialismo histórico dialéctico, sobre cómo se relacionan organizaciones y sujetos ubicados en uno de los circuitos, o en ambos.

Palabras clave: Negocio periférico. Organizaciones. Circuitos. Milton Santos. Marxismo.

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INTRODUCTION

With regard to the production of knowledge on social theory in Brazil, there is a primacy coming from the central countries, which indicates a scenario of intellectual domination as well, resulting, to a certain extent, in the erasure of the production of Brazilian thinkers and theoretical perspectives based on the national reality in the most diverse areas of knowledge in which they work (Ouriques, 2014).

Among other researchers, Milton Santos stood out for his concern to develop theories and perspectives that would make it possible to analyze the reality of territories in peripheral and semi-peripheral regions. According to Santos (2004), this was helped by the fact that he himself was from the so-called third world, as well as having traveled to and studied various countries located in the global south. To this end, the geographer developed the concept of “socio-spatial formation”, which, according to Corrêa (1996), has the main merit of explaining, in the theoretical sphere, that it is only from space that a given society reaches concreteness and that, furthermore, space is only understandable if it is anchored in society.

Based on this concept, Santos (1979, 1996) structured the theory of the two urban circuits of underdeveloped countries, which, based on historical-dialectical materialism and the notion of space, made it possible to analyze these regions by dividing the cities into two circuits: the upper and the lower. This theoretical perspective would only be finalized at the end of the decade and presented mainly in the book *O espaço dividido*, in 1979.

In the field of administration, in general and similarly, there is a scenario of subordination to exogenous thinking, since, among other aspects, the forms of management characteristic of organizations in peripheral and semi-peripheral regions tend to be pointed out as imperfections of those originating in the global North, a scenario strengthened by a series of mechanisms present in Latin America that aim to marginalize locally produced knowledge. In this way, researchers in the region have had to choose between resisting these mechanisms or giving in, which has meant that some scholars have accepted the uncritical absorption of concepts and ideologies from the global North, often resulting in a polite silence about the real local problems (Ibarra- Colado, 2006).

In administrative studies in Brazil, more precisely in the field of organizational studies, researcher Marcio Sá has dedicated himself since 2007 to empirically analyzing the concrete reality of small businesses, with a focus on urban fairs. In 2020, based on these experiences in the field and with other researchers, he developed the notion of peripheral business, which is understood as a theoretical-epistemic instrument that, according to the authors, in addition to being able to guide the effort to analyze such phenomena, has the potential to serve other research initiatives with similar biases, with an emphasis on peripheral and semi-peripheral global regions (Sá et al., 2020).

We opted for the notion of peripheral business in this research, to the detriment of other possible notions and concepts, such as counter-hegemonic organizations (Zilio et al., 2012), ordinary management (Barros & Carrieri, 2015; Carrieri et al., 2018) and other organizations (Couto et al., 2019), as it is a recent theoretical perspective that is in full development, in addition to the fact that the notion of peripheral business is directly related to the emphasis on peripheral and semi-peripheral global regions, more precisely to the “periphery of the periphery” (Sá et al., 2020), which we believe better dialogues with the proposal of this essay and allows a wider range of use for other researchers.

Still on the subject of peripheral businesses, the aforementioned notion was only presented in the form indicated here in 2020, at the XLIV Meeting of the National Association of Graduate Studies and Research in Administration (Enanpad, 2020), which shows, to a certain extent, that the notion of peripheral business still lacks greater depth in terms of its characteristics and application. We therefore recommend that this essay be added to other studies (Sá, 2020, 2021; Sá et al., 2020) so that greater conceptual depth can be achieved, based on the theoretical interweaving that will be carried out in this essay.

In this article, we use Milton’s thought in its second phase, which began in 1964 with the coup in Brazil and ended in 1977, when he was in exile in France – the country where he had completed his doctorate decades earlier – and which was marked, in addition to his prolific production, by his critical epistemological deepening, with rapprochements with Marxism (Spósito, 1999).

Here, the general objective is to identify how the approximation between the notion of peripheral business (Sá et al., 2020) and Miltonian thought can add, in the theoretical aspect, to the field of organizational studies. In order to respond to the general objective, two specific objectives were outlined: to establish theoretical approximations between the notion of

peripheral business (Sá et al., 2020) and Miltonian thought, focused on the theory of the two circuits of the urban economy of underdeveloped countries (Santos, 1979, 1997); and to analyze the theoretical viability of using the notion of peripheral business as a theoretical and methodological basis for dialectical analysis, guided by historical materialism and the theory of the two circuits of the urban economy of underdeveloped countries (Santos, 1979, 1996).

In carrying out this essay, we take the position also adopted by Couto et al. (2019), which starts from the assumption that organizations do not follow generic, neutral, and supposedly universal models, but can and should be captured within the locality in which they take place, as in the case of peripheries and semi-peripheries. We agree with Ramos (1996), since we understand that there is a need for foreign scientific production to be merely subsidiary to local analysis. Thus, both understandings presented in this paragraph guide this essay.

This essay adds to the theoretical aspect by deepening the notion of peripheral business (Sá et al., 2020) and intertwining it with the theory of the two circuits of the urban economy of underdeveloped countries (Santos, 1979), as well as making it possible to update it to current times in the field of organizational studies, which can add to both scholars in this area and other researchers who seek to analyze business in peripheral and semi-peripheral regions from the perspective of space, including those in geography, the area of knowledge in which Milton Santos was inserted.

Although in this essay we seek to interweave theoretical perspectives from geography – especially the thinking of Milton Santos in his second phase, anchored in Marxism, as previously indicated – and the notion of peripheral businesses, which is unprecedented, there is a tradition of Marxist thinkers in the field of administration in Brazil, who have dedicated themselves, among other things, to analyzing practices, theories and epistemologies in the area of knowledge of administrative science, both in the academic sphere and in the market, from the perspective of this current of thought (Cunha & Ferraz, 2018; Cunha & Guedes, 2017; Faria, 2009; Misoczky, 2022).

The next section will cover the topics considered relevant by these authors so that the proposed objectives can be achieved. In this way, we discuss economic-social formation (Marx, 2008) and socio-spatial formation (Santos, 1977), introduce the notion of peripheral business (Sá et al., 2020) and interweave the theoretical bases presented.

ECONOMIC AND SOCIAL FORMATION AND SOCIO-SPATIAL FORMATION

According to researchers such as Alves (2020) and Machado (2016), in order to develop the concept of socio-spatial formation, Santos turned to Engels and Marx, especially the category of economic-social formation (ESF)¹. In fact, as he himself explains in his work, in the search to structure a theory considered valid about space, the use of the Marxist category ESF proved to be the most appropriate (Santos, 1977). Therefore, before addressing the concept developed by the geographer, we believe it is pertinent to contextualize this category.

Although different Marxist scholars – such as Althusser, Hobsbawm and Poulantzas, to name a few – have worked with the ESF category, with discussions about its theorization and application, focusing on its genesis, which refers to Marxist thought, “in all forms of society there is a determined production, superior to all others, and whose situation points to its position and its influence on the others” (Marx, 2008, p. 266). Thus, the use of ESF enables analysis aimed at understanding the development of a society from the totality of history, with the relations of production as the basis of the explanation (Bastos & Casaril, 2016).

Drawing on Marxian thought, Lenin systematized the ESF category and applied it to the analysis of Russia at the turn of the 19th to the 20th century in order to explain its backward historical reality, given that the nation at the time combined characteristics of a capitalist society in communion with social relations that had not yet been fully absorbed by capitalism (Martins, 1996).

¹For further information on how Santos (1978) understood the ESF, we refer you to the article “Society and Space: Social Formation as Theory and Method”.

For Espíndola and Silva (1997), it is from this moment that the ESF category acquires an empirical basis anchored in localized historical and geographical formations, in other words, socio-spatial formations, which, for Santos (1977), is fundamental, since the thinker understood that it is impossible to talk about social and economic transformations without including the category of space.

For Santos (1977), ESF allows for the analysis of a given society, either in its entirety or in its fractions, as long as it is always at a specific moment in its evolution. In this way, the category is characterized by three central aspects (Bottomore, 1983; Sereni, 2013): it is inseparable from the concrete, refers to the differential evolution of societies and has a dialectical aspect between the unity and totality of the various spheres – economic, political, and cultural – and is of fundamental importance to Marxist thought.

Based on the ESF category, Santos elaborates the concept of “socio-spatial formation”, which, according to Whitacker (2019), can be understood as a theory of mediation between the concrete reality of peripheral regions and the social theory of space, which, in practice, allowed a rapprochement between critical geography and Brazilian social thought.

Still in relation to the elaboration of socio-spatial formation, according to Reis (2000), Santos uses dialectics to formulate this concept, since he starts from the observation of the absence of space in the ESF category (thesis); he explains that this category requires the spatial dimension (antithesis); and finally, he structures the socio-spatial formation itself (synthesis).

Thus, for Santos (1996), based on dialectics and historical materialism, it is socio-spatial formation, rather than SSF, that plays the analytical role of mediating between the internal forces of a given society and the forces exogenous to it, as well as between the world and a region. Regarding the relevance of the category “space” and its relationship with totality for the concept of socio-spatial formation, the geographer says:

Space reproduces the social totality insofar as these transformations are determined by social, economic and political needs. In this way, space reproduces itself within the totality when it evolves according to the mode of production and its successive moments. But space also influences the evolution of other structures and therefore becomes a fundamental component of the social totality and its movements (Santos, 2014, p. 35).

Therefore, since space and totality are directly related, there is no way of understanding space² and society as separate things, since the latter only becomes concrete from the former, just as the former is only intelligible from the latter (Corrêa, 1996).

For Bastos and Casaril (2016) and Mamigonian (1996), although the socio-spatial formation was developed by Santos with a view to being used on a national scale, this aspect was not configured as a paradigm. They believe that this concept can also be applied to the analysis of regional and local scales.

According to Mamigonian (1996), *Society and Space: Social Formation as Theory and Method*, in which Santos uses the concept of socio-spatial formation for the first time, is considered to be the geographer’s most important theoretical study and a milestone in the renewal of human geography.

In this way, the regional question in Brazil can be determined and apprehended using socio-spatial formation as a fundamental category of analysis, since, from it, we can understand the relations between production and productive forces, in their unequal speed in the process of capitalist accumulation, which contrast the areas of small mercantile production and latifúndia – the latter representing the socio-spatial totality (Bastos & Casaril, 2016).

² For Santos (2014), the notion of space is directly related to the social and the product of social relations of production. For Santos, there is no non-spatial society; space itself is social.

THE NOTION OF PERIPHERAL BUSINESS

There are other contemporary Brazilian thinkers who have dedicated themselves to the study and analysis of the concrete reality of individuals and organizations in peripheral and semi-peripheral regions, such as Márcio Gomes de Sá, a lecturer at the Federal University of Paraíba (UFPB) and participant in research groups that study, among other things, businesses from peripheral regions (Sá, 2020, 2021).

Based on his empirical research experience in the field, which began in 2007 (Sá, 2020) – and, more recently, with a focus on small handicraft businesses located in the *agreste* region of Pernambuco – the researcher developed the notion of “peripheral business” (Sá et al., 2020), understood as a theoretical-epistemic instrument that, according to the authors,

Has the potential not only to guide the effort to understand the phenomenon studied here, but also to inspire and even serve as a heuristic for other research initiatives on types of business that have “family resemblances” to those researched here (Sá et al., 2020, p. 14).

Thus, we believe that this notion, guided by the empirical contribution of its first author, from the field and over the years, as well as having the potential to guide other research into other peripheral businesses, can be further developed based on other ontological and epistemological perspectives. To this end, it is necessary to discuss the genesis of this notion.

In order to develop the notion of peripheral business as a theoretical-epistemic tool, the authors started from the “ideal type”, a Weberian notion which, according to the creator, is obtained by considering one or more points of view based on the correlation between large numbers of diffuse social phenomena (Weber, 2004).

When using the ideal type, the aim is not to exhaust all possible and diverse interpretations of concrete reality, since each social phenomenon has the possibility of developing various ideal types and, therefore, the aim is to achieve two objectives: to provide an unequivocal concept that facilitates the classification, analysis, and comparison of empirical facts; and to serve as a basis for the causal explanation of historical facts (Monteiro & Cardoso, 2002).

In addition to not exhausting the various possible interpretations of concrete reality, the definition of an ideal type is not and should not be immune to the social changes that occurred during a given historical period, given that, for Weber (2004), the history of the social sciences is characterized by the constant alternation between attempts to elaborate concepts and the need to build new notions from the basis modified by the broadening of the scientific horizon. Thus, the conceptual repertoire of a given era must be taken into account.

According to Monteiro and Cardoso (2002), another relevant aspect of Weberian thinking, in relation to the ideal type, is the understanding that, although society is not structured based on the pure will of the subjects, they are not mere victims of macro-determining aspects, given that they are individuals with distinct wills, i.e., there is no mere submission on their part in relation to social structures.

Returning to one of the basic notions of this essay, Sá et al. (2020) indicate that the use of the ideal type comes from the authors’ need to analyze artisanal modes of production and commercialization which, despite being part of capitalism, have their own significant specificities in relation to standardized commercial companies, so that it was necessary to elaborate the notion of peripheral business. The authors sought to analyze the phenomenon in a way that did not use a standardized marketing vision or an isolated particularism, since such businesses, although peripheral and local, may have similarities with others in related situations in peripheral and semi-peripheral global regions (Sá et al., 2020).

The notion of peripheral business should be understood as a theoretical instrument, as it enables the confrontation between the concrete phenomenon and the cognitive and interpretative work of the researcher, as well as an epistemological instrument, considering that it guides the approach to the phenomenon (Sá et al., 2020).

Thus, Sá et al. (2020) point out that the notion of peripheral business is used to refer to an organization that differs from the conventional-central company – which, in general, has formal registration, hierarchization, accounting, some level of disconnection from family relations, and therefore operates according to the conventional logic of capitalism – and which presents these characteristics:

The owner's life trajectory is linked to the working classes; management is based on incorporated practical knowledge (and not technical/specialized/legitimate knowledge); marginal position in the market in which it operates; informality, in hiring workers for example, and precarious working conditions; intentionality more focused on generating income/subsistence than on growth and capital gain; and inseparability/difficulty in dissociating the owner and their family members from the business (Sá et al., 2020).

Analyses of peripheral businesses in Brazil must take into account both the colonial past and the continued preponderance of big business when defining what is meant by entrepreneurship, in view of a majority narrative about this practice in the country, which is sympathetic to the strengthening of meritocratic ideology, structural racism and the increase in socioeconomic inequalities between classes (Oliveira et al., 2021).

APPROXIMATIONS BETWEEN THE NOTION OF PERIPHERAL BUSINESS AND MILTONIAN THOUGHT

As presented in this essay, Santos' main objective when he developed the concept of socio-spatial formation in the first half of the 1970s was to structure a theory that he considered valid and pertinent about space in countries that were then known as underdeveloped. To this end, he used the ESF category, originated in Marxian thought and considered by the scholar to be the most appropriate for this purpose (Santos, 1977). This theoretical perspective would only be finalized at the end of that decade, when the theory of the two circuits of the urban economy of underdeveloped countries emerged, explained mainly in the 1979 book *O espaço dividido* (Divided space).

In this theory, it is pointed out that in peripheral and semi-peripheral global regions³, terminologies that are more widely accepted today, urban space is ordered based on a global matrix and guided by interests that are exogenous to the region. However, the forces stemming from these motivations act in different ways in different areas, because the resistance generated by local populations is equally different (Santos, 2003).

It analyzes the economic reality of individuals and organizations in cities located in peripheral and semi-peripheral regions of the world³, such as Brazil. These cities should be understood as being structured by two circuits of production, distribution, and consumption in society: the upper and the lower, which can be isolated and identified (Reolon & Souza, 2005).

For Santos (1979), the emergence and maintenance of the upper circuit is a direct result of technological modernization, characterized by being made up of organizations directly or indirectly related to global and exogenous companies. The lower circuit, on the other hand, is characterized by being mostly made up of small organizations guided by local rationality. Box 1 shows other characteristics of the upper and lower circuits.

³ The division of countries into central, semi-peripheral and peripheral comes from Immanuel Wallerstein's theory of the world system, which is formed on the basis of the function and global capitalist productive order that each nation exercises (Martins, 2015).

Box 1
Characteristics of the upper and lower circuits

	Upper circuit	Lower circuit
Technology	Capital intensive	Labor-intensive
Organization	Bureaucratic, structured	Primitive, unstructured
Capital	Important	Scarce
Labor	Limited	Abundant
Regular salaries	Prevalent	Not required
Stocks	Large quantity and/or high quality	Small quantities and/or low quality
Prices	Fixed (in general)	Negotiable between the parties
Credit	Banks, institutional	Personal, not institutional
Profit margin	Small by unit, but large by quantity	Large by unit, but small in quantity
Relationship with customers	Impersonal	Direct, personalized
Fixed costs	Important	Neglectable
Advertising	Necessary	None
Reuse of goods	None (waste)	Frequent
Reserve capital	Essential	Not essential
Government aid	Important	None or almost none
Dependence on foreign countries	Large; exterior orientation	Little or none

Source: Santos (2003).

The upper and lower circuits are divided into two categories: verticalities and horizontalities. The former are related to the upper circuit, encompassing the actions of hegemonic groups that act to maintain the global functioning of society and the capitalist economy indifferently to their surroundings, guided by a rational global capitalist logic. The latter, on the other hand, are formed by the local, although they are also influenced by the aims imposed from outside, the verticalities, which does not configure them as conformist; on the contrary, they are simultaneously places of blindness and discovery, complacency, and revolt (Santos, 1996).

In Miltonian thinking, organizations play a fundamental role in the tensions in territories in peripheral and semi-peripheral regions, since large companies, located in vertical areas, tend to promote dependent and alienating decisions based on hierarchical interdependent relationships, since they follow orders that are usually foreign to the place and oriented from distant areas – in certain cases, even if they are national, considering the growing international financialization of large private Brazilian capital (Rocha, 2013). On the other hand, small, local businesses, as well as the subjects related to them, often function as responses to exogenous impositions and are considered irrational, from the perspective of hegemonic and global reason, because they do not keep up with the exogenous speed which, based on big capital, wants everything (Degrandi & Silveira, 2013; Santos, 2014). Governments are often considered a public facet of the upper circuit (Salvador, 2012; Silveira, 2011).

Still on the subject of circuits, they are in constant interaction, with the higher ones constantly responsible for creating obedient contexts and disciplines in the lower territories, based on a rationality considered to be more advanced and on hegemonic discourses (Santos, 1996). This implies, in practice, the generation of relations of dependence between the lower and higher spaces, which can only be overcome when the current system of production, based on the incessant search for profitability, is replaced by another that seeks social productivity (Santos, 1979).

Cataia and Silva (2013) point out that in the current century, in which new information technologies are increasingly becoming part of the reality of the lower circuit, as well as the expansion of credit which has enabled the poorest sections of society to have more access to technological consumption, there has been a greater dependence of this circuit on the upper circuit.

Although some of the characteristics set out in table 1 need to be updated for the present, we understand that it is in the lower circuit that subjects and organizations encompassed by the notion of peripheral business (Sá et al., 2020) are located, since fairs – the type of business analyzed by the authors –, made up almost exclusively of peripheral businesses (Sá et al., 2020), tend to be considered members of the lower circuit (Nobre et al., 2014; Silva, 2019), tend to be considered members of the lower circuit (Nobre et al., 2014; Silva, 2019) and survival spaces for the poorest populations in relation to the market composed of the dominant classes (Mascarenhas, 1991).

Thus, this is one of the aspects in which these theoretical perspectives come closer and meet, given that the characteristics of peripheral businesses (Sá et al., 2020), previously presented in this research, and that of individuals and organizations allocated to the lower circuit (Santos, 2003) are close, the latter being more in-depth, in the detail of its characterization, in relation to the former, although with exceptions, such as the non-mention of the participation of family members.

Even though there are characteristics in relation to peripheral businesses and those classified as part of the lower circuit, we cannot ignore the fact that different onto-epistemological premises were used in their elaboration – Weberian thought for the notion of peripheral business, and Marxian thought for socio-spatial formation and the theory of the two circuits of the urban economy of underdeveloped countries – but they are not mutually exclusive.

Although Marxist thinkers, such as historian Eric Hobsbawm, have pointed out that Weber's thinking is radically opposed to Marxism (Hobsbawm, 1986), especially for political and methodological reasons (Löwy, 2014), there are various possibilities for dialog (Hobsbawm, 1986), and there is even a current in Marxism called "Weberian Marxism" (Löwy, 2014).

Regarding the formulation of the notion of peripheral business, with the authors using the Weberian ideal type as a basis, it is assumed that, as in Weberian thought, there is no mere submission on the part of the subjects who own and are members of such businesses to the social structures in which they are inserted (Monteiro & Cardoso, 2002). This understanding is in line with Milton's thinking, since the thinker argued that individuals encompassed by the lower circuit and horizontality, guided by a counter-rationality and called slow men (Santos, 2014), because they are not considered able to keep up with the fast pace of the upper circuit, tend to create their own forms of rationality, which allow them to escape, to a certain extent, hegemonic rationality. For this reason, these slow men have more tangible possibilities of developing a struggle, guided by the local subjects themselves, from which it is possible to produce redefinitions for the current forms of economic relations guided by capitalism (Grosfoguel, 2009).

Another point worth highlighting is the perception of Sá et al. (2020) that, although peripheral businesses absorb and are absorbed by capitalism, they have specificities in relation to the models pointed out in the main administrative theories about how organizations are and should be, from the point of view of scientific rationality (Rodrigues et al., 2012). These specificities have been presented previously in this essay, such as the owner's life trajectory linked to the working classes, management through incorporated practical knowledge – and not technical/specialized/legitimate knowledge –, a marginal position in the market in which it operates, informality, among others (Sá et al., 2020).

Analyzing this aspect based on Miltonian thinking, more precisely anchored in socio-spatial formation and, consequently, in dialectical historical materialism, we suggest that peripheral businesses impact and are impacted by space, and are also responsible for its evolution, when this advance is a function of the mode of production. Therefore, these specific characteristics enable a dialectical relationship between production systems and productive forces, in their unequal speed in the process of capitalist accumulation, which contrasts the areas of small-scale commercial production – linked to the lower circuit and integrated almost entirely by peripheral businesses – and those guided by big capital, with these two formations representing socio-spatial totalities (Bastos & Casaril, 2016).

Also in this regard, Sá et al. (2020) point out that when analyzing the phenomenon of peripheral businesses, one should not resort to a standardizing market vision or an isolated particularism, since these businesses, although peripheral and local, may have similarities with others in similar situations in different peripheral and semi-peripheral global regions. Santos, discussing small businesses and individuals located in the lower circuit, points out that their concrete reality, i.e., that of underdeveloped countries, and their specificities must be taken into account, while these characteristics tend to present similarities, in a broader aspect, between the regions mentioned (Santos, 2014).

Cities in peripheral and semi-peripheral countries are marked by overlapping divisions of labor and verticalized, hegemonic relations, as well as slow, counter-hegemonic times. They are a large structure in which various agents are in constant dialectical interrelationship and display different ways of producing and consuming space (Silveira, 2007). Thus, Santos (1996) points out that the territory is a constant stage for conflicts of interest guided by capital and the relations of production, so that the local and the global – centered on an ideological reason of exogenous origin and which demands servitude from each region based on its norms – are in constant tension.

Having demonstrated that there are no theoretical inconsistencies between the notion of peripheral business and Miltonian thought, we believe that the appropriation, with the necessary adjustments for the present time, of the characteristics elaborated by Santos for the lower circuit, for the purposes of the notion of peripheral business, is a facilitator for other types of peripheral business – and therefore located in peripheral and semi-peripheral regions – to be analyzed through the theoretical interweaving of both perspectives, stimulating the potential for this notion to be useful for research into businesses that have similarities to fairs (Sá et al., 2020) are studied, as indicated by the authors.

We argue that the theoretical rapprochement between the two perspectives, as well as their use for research analysis in the field of organizational studies in Brazil and in other peripheral and semi-peripheral regions, enables the concrete reality of peripheral businesses to be analyzed, as well as the way in which they relate to organizations and subjects located in the upper circuit, can be analyzed, an analysis guided by dialectical historical materialism, making it possible to look beyond intra-organizational aspects, which we understand was the focus of Marcio Sá and the other creators of the notion when they analyzed the businesses of market traders in their research.

This communication makes it possible for an emphasis on organizational aspects to be used when resorting to the theory of the two circuits of the urban economy of underdeveloped countries, a scenario that has not occurred to date, which is natural, given that this theory was developed by a geographer, with research interests other than those in the area of organizations.

In this way, the approach to the notion of peripheral business, linked to the theory of the two circuits of the urban economy of underdeveloped countries, joins a series of studies, each with its own specificities, in which different researchers have sought to develop analyzes of the particularities of local businesses and which differ from the more usual understandings of organizations usually pointed out in studies in the area of administration, such as counter-hegemonic organizations (Zilio et al., 2012), ordinary management (Barros & Carrieri, 2015; Carrieri et al., 2018) and other organizations (Couto et al., 2019). However, it is the only one that outlines a path for a materialist and historical-dialectical analysis of the relationships between peripheral businesses, part of the lower circuit and businesses located in the upper circuit.

FINAL CONSIDERATIONS

Returning to the general objective of this essay, we argue that the proposal developed here has theoretical and methodological relevance because it structures a genuinely national path for empirical analysis based on the concrete reality of peripheral businesses, from a historical, materialist and dialectical perspective, and also because it brings the theory of the two circuits of the urban economy to the field of organizational studies, which is mostly used by researchers in the field of geography (Batista & Costa, 2014; Farias, 2020; Oliveira, 2020), whose research interests are different from those of researchers in the field of organizations.

We point out the practical and social relevance of this essay, as it is a study that aims to enable future research to analyze the reality of businesses located in the lower circuit, anchored in a critical perspective, in a scenario in which the country has recently reached the mark of approximately 41% of the active population in informality (Neder, 2021).

Finally, this research is an initial effort to bring the aforementioned theoretical bases closer together, as it deals with subjects and organizations in peripheral and semi-peripheral regions, as well as a recent conceptual basis – the notion of peripheral business – which needs to be further developed. Milton's thinking needs to be updated for current times, so that empirical research, using the interweaving presented here, is necessary both to analyze the concrete reality itself and to improve the theoretical perspectives studied here.

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DATA AVAILABILITY

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