

BRAZIL: ETHNIC AND SOCIAL ORIGINS OF THE INDUSTRIAL ENTREPRENEURS

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Abstract. Research among Paulista industrialists demonstrates that, contrarily to the dominant view at that time that Brazilian entrepreneurs originated from the semi-aristocratic Brazilian families of coffee planters, they are mostly descendants of immigrants: middle class immigrants.

The strategic role of the entrepreneur in promoting economic development became clear after Schumpeter's classic analysis. It was Marx who initially gave adequate emphasis to technological progress in economic development. But it was Schumpeter who observed, as far back as 1911, that the essential function of transforming technological development into reality, of putting into practice new combinations of production factors, of developing new products, of discovering and creating new markets, in short, that innovation defined the entrepreneurs.¹

By means of innovation and also of the decision on new investments entrepreneurs promote economic development. If we had no entrepreneurs or, at least, no entrepreneurial activity, if individuals - were not undertaking innovations and not assuming responsibility for the accumulation of capital, there would be no development. In socialist states, the role of the entrepreneur is performed by groups of officials. In the advanced capitalist countries, the activity of the entrepreneur in the large enterprise is being more and more the responsibility of professional managers.² In the developing capitalist countries, the figure of the entrepreneur remains central.

Brazil is one of these countries. Its industrial revolution, the acceleration of its development, the establishment of a solid industrial complex, are facts which took place in recent decades, especially after 1930. From approximately this decade on, Brazil underwent a profound economic, political and social

¹ Joseph Schumpeter, *The Theory of Economic Development*, New York: Oxford University Press, 1961, first edition: 1911.

² Arthur H. Cole, *Business Enterprise in its Social Setting*. Cambridge, Mass.: Harvard University Press, 1959

transformation which had, as its mainspring, industrialization, and, as its protagonist, the industrial entrepreneur.

Thus a greater knowledge of the Brazilian entrepreneur is very important. An economic history of Brazil can hardly be written without discussing the ethnic and social origins of the men who have promoted the Brazilian industrialization; knowing their origins, their behavior can be better understood. Moreover, this knowledge will be valuable for determining the conditions of emergence of a class of industrial entrepreneurs in a country. From this standpoint, we undertook a survey in São Paulo, the great Brazilian industrial center, to determine, the ethnic and social origins of its industrial entrepreneurs.³ Our purpose was to discover their country of origin and of their parents and grandparents, and the social class from which they proceeded. We also obtained related information concerning their education and that of their parents, their profession, the period when the enterprise was founded, etc. Looking for the social origins of the entrepreneur, we were, at the same time, developing basic data to determine their social mobility. In this article we have limited ourselves to summarize the main results achieved by the survey.

The Universe

The survey was undertaken during 1962. The universe was defined as consisting of national industrial enterprises with more than 100 employees and situated in Greater São Paulo, comprising the municipalities of São Paulo, São Bernardo do Campo, São Caetano, and Santo André. Since these four municipalities comprise the core of the Paulista industrial development, and, therefore, of the Brazilian industrial development, the limitation of the universe to this geographical area is justified, although, clearly, considerations of a practical nature influenced this decision. By industrial enterprises we mean enterprises in the extractive industries in manufacturing and in construction.

Limitation to industrial enterprises was essential to the survey because its purpose was to determine the origins of the industrial entrepreneurs which promoted the Brazilian industrial revolution, directly participating in the process

³ The survey was planned and initiated by Professor Zaíra Rocha Awad and by the author under the auspices of Centro de Pesquisas e Publicações da Escola da Administração de Empresas de São Paulo da Fundação Getúlio Vargas. However as Professor Zaíra Rocha Awad, left Brazil while the investigations were in the field work stage, it fell to the lot of the author to complete the survey. This would not have been possible without the valuable co-operation of the following persons: Professor Dole A. Anderson, joint chief of the Centre de Pesquisas e Publicações referred to above, who greatly helped both in the planning and the execution; Professor Claude Machline, who gave guidance in the statistical problems of the sample; Professor Heinrich Rattner, whose contribution was extremely useful in the phase of the field work and in the tabulating of the data; and all the students of the EAESP who worked on the survey. To all, the author expresses his profound gratitude.

of launching the development of the country and of establishing its industrial base. We were interested in determining the origins of these entrepreneurs that, especially since 1930, transformed the Brazilian economic structure; we were not concerned with the origins of entrepreneurs in general (among whom we could include commercial, financial and agricultural entrepreneurs).

On the other hand, the limitation of the universe to enterprises with more than 100 employees is explained by the decision we took to exclude the small enterprises. The criterion of classifying an enterprise according to its size is undoubtedly arbitrary. What is a large enterprise, a medium one or a small one? It is not possible to define an objective criterion to distinguish them with precision. A good criterion is the consensus, the general opinion. An enterprise in a determined country or region could be called small, medium or large when it is considered to be such by the majority of persons with whom it maintains relations. We decided, therefore, to make a survey among the participants of two groups of the XX Executive Development Course of the São Paulo Business School of Getúlio Vargas Foundation, to determine what, in terms of number of employees, characterized at that moment in São Paulo a “small”, a “medium”, and a “large” business enterprises. Other criteria (sales volume, amount of capital, branch of industry, etc.) could have been adopted; however we preferred the criterion which seems the simplest. In each group, calculating the average of the replies, the result was exactly the same: the enterprises in São Paulo with no more than 100 employees were considered, in general, small; with 101 to 500 were considered medium; and with over than 500 were, considered large.

Limiting the universe to enterprises with more than 100 employees, we were excluding those which, in São Paulo, at time of the survey, were considered small. In this way we would reduce the risk of not encountering genuine entrepreneurs in the universe. Although nothing prevents there being entrepreneurs in small enterprises, there is more certainty of their being encountered in the larger enterprises whose development was already basically consolidated.

Secondly, it would permit us to obtain data about a more homogeneous universe. The entrepreneurs of enterprises of 100, 500 or more employees do not essentially differ, given that they manage enterprises of a basically bureaucratic nature. The same cannot be said of the director or owner of an enterprise of 5, 10 or a few more employees. It is quite possible that they still participate directly in the production activity. Probably the administrative apparatus of such an enterprises is extremely reduced. Even though he might deserve the title of entrepreneur, his activity is so different from that of the entrepreneurs of the larger enterprises.

By excluding the small enterprises with less than 100 employees, we limited our survey to the most significant section of the Paulista enterprises.

According to the 1960 census the larger enterprises were responsible for more than 70% of the value added by Paulista industry.⁴

Finally, the limitation of the universe to national enterprises is easily explained. We wanted to determine the ethnic and social origins of those Brazilian entrepreneurs who originated the industrial development of the country. Therefore there would be no meaning in including foreign enterprises. National enterprises were defined as enterprises controlled by national capital; national capital was considered to be that which belonged to persons permanently resident in Brazil, irrespective of their nationality.

The Sample

The universe, comprising national industrial enterprises with more than 100 employees situated in Greater São Paulo, summed up total 712 enterprises. To determine the size of the sample we established, as an objective, a safety level of 95% and a margin of error of 5% for the results which would appear in the proportion of 50% for p and q respectively. The sample comprised, in this manner, 257 enterprises, corresponding to 36.1% of the universe. For greater safety we stratified the universe into two groups: one with enterprises having 100 to 500 employees, and the other with enterprises of more than 500 employees. Within these two strata, the names of 257 enterprises were taken of random, but maintaining the same proportion verified in the universe of enterprises having more and less than 500 employees.

Interviews by students with pre-tested questionnaires resulted in 204 usable responses. In 11 cases the enterprise refused to reply and in 42 cases we gave up in view of the difficulties encountered in obtaining an interview as, the person sought "was not in" or "was busy" and requested our return at a later date. We had good reason to believe that the 53 unsuccessful interviews would have presented approximately the same results as the 204 successful interviews. Strictly speaking, we had only 11 refusals, and the enterprises where we had these refusals were of a most varied nature, indicating that the refusals were not based on common reasons for acting so. Therefore, it does not seem that the refusals and withdraws introduced a bias in the results of the survey. In order to test this hypothesis in a more definite manner, we tried to obtain interviews after a lapse of one year. Among these 53 enterprises we easily obtained 20 new interviews. Comparing the results of certain key questions we confirmed that, in fact, no bias has been introduced into the survey. For example, in the actual survey we verified, as will be noted later on, that 15.7% of the Paulistas enterprises were of Brazilian origin, and that 84.3% were of foreign origins. In the small inquiry that we later undertake, we verified that the respective percentages were 15% and 85%.

⁴ - IBGE, Censo Industrial do Estado de São Paulo, São Paulo, 1963 - page 2.

Having made this safeguard regarding the refusals, we introduced the correction factor $257/204 = 1.26$, and calculated the possible margins of error for different proportion of p and q indicated in table 1.

Table 1: Margins of Error and Safety Levels			
proportions		safety levels	
		68%	95%
p	q	margins of error	
50%	50%	3,15%	6,30%
60%	40%	3,08%	6,16%
70%	30%	2,88%	5,76%
80%	20%	2,51%	5,02%
90%	10%	1,88%	3,76%

The Operational Concept of the Entrepreneurs

We can define the capitalistic industrial entrepreneurs as the individual who, in his own name or in the name of the shareholders, directs an enterprise, innovating and accumulating capital. The entrepreneur is director and executor of innovations, of reorganizations of production factors. He does not need to be owner of the enterprise. We must not confuse the entrepreneur with the capitalist, although many times, especially in the early phases of capitalism, one figure is identified with the other. There is also no necessity that he be an inventor. Innovate is not the same as to invent. Innovate is to put into practice one's own inventions, or those of others.

However, it is important to note that is not sufficient to direct an enterprise to be an entrepreneur. In Brazil, in recent times, the term "entrepreneur" became fashionable. Used very freely, it tended to be transformed into synonym of the "businessman" or "business executive". It must be clear that we are not using the term "entrepreneur" in its wider sense. To deserve the "entrepreneur", the director of the enterprise must not only command the investment process, but must also be an innovator, in the same sense that he reorganizes production factors, contributing through his activity to the increase in productivity and, as such, to economic development. This was the theoretical concept which we adopted in our survey. Although it could have been slightly amplified (since it can be applied to those who imitate in a successful manner as well), it is the same concept as Schumpeter's.

Nevertheless, it is clear, that, apart from a theoretical definition, we required a definition of a more operational nature so as to be able to determine, as simply as possible, who was the entrepreneurs in the enterprise. The interviewer could do not try to determine by protracted questioning whether a particular individual was or was not an innovator, or whether he did or did not possess the

spirit of an entrepreneur. We needed a simple form of defining the entrepreneur for this survey. Arriving at the enterprise, the interview simply asked: Among the people who directed this enterprise is it possible to distinguish someone, dead or alive, who, having founded or not, it can be considered the principal responsible for its development and consolidation? It is preferable that this person be the one who founded the firm. If the organization had more than one entrepreneur, one succeeding the other, the first should be chosen). So, it was possible to establish an operational concept of the figure of the entrepreneur. Someone could be defined as an entrepreneur provided that, whether or not having founded the enterprise, he had decisively developed it in such a manner that he could be considered the main responsible person for its growth and consolidation.

Clarification is necessary concerning the term "dead or alive" which we used and the recommendation that if there was more than one, successively, the first should be chosen. The purpose of this survey was not to determine the ethnic and social origins of the present Paulista entrepreneur, but of those entrepreneur who had initiated the Brazilian industrial revolution, i.e., who had been responsible for the Brazilian take-off (to use Rostow's terminology), economic development, which occurred principally beginning in 1930. Since these entrepreneurs, rather than their successors, performed a strategic role in Brazil's economic development, our survey was phased on them.

Table 2 - Type of Activity of the Paulista Entrepreneurs

Type of activity	N.	%
Founded and developed the enterprise	169	82,8
Decisively developed the enterprise	34	16,7
Did not reply	1	0,5
Total	204	100

In practice, since Brazilian industrial development was in 1962 a recent phenomenon, the great majority of entrepreneurs for whom data were then gathered are still alive and active. Some, however have died or have retired since performing their crucial roles. In these cases the successors might also be considered entrepreneurs but we were not interested in obtaining data about the latter but only about those who could be considered, individually and chronologically, the first entrepreneurs in their respective organizations. Even so, the reader will observe in Table 2 - the fact of having found the enterprise was not, nor could it be, an essential condition for characterizing the entrepreneur (as he might have encountered the enterprise already established, but unimportant and, thanks to his work, developed it in a decisive manner) - we had in the sample 34 entrepreneurs (17%) who merely developed their enterprises to their present form, without having founded them.

Ethnic Origins

To determine the ethnic origins of the Paulista entrepreneurs, we merely aimed at knowing with precision their country of origin and of their ancestors. We were not interested in other ethnic aspects such as race and religion. We adapted the widely accepted hypothesis that immigrants had participated in large scale in the Brazilian industrialization process, and we wished to gauge this participation.

To determine the origin of the entrepreneurs we had to know:

In the first place, their country of birth. Thus, we, verified, as will be noted from Table 3, that 49.5% of the Paulista entrepreneurs were immigrants.

In the second place, the country of origin of their ancestors. At this stage it became necessary to decide how far back to go in the preceding generations. We decided to research up to the second preceding generation, that is, the grandparents. When the entrepreneurs were Brazilian for three or more generations, that is with Brazilian parents and grandparents, we would consider them - to be of Brazilian origin, independent of the nationality of their great grandparents. We then verified, as will be seen in the same table 3, that only 15.7% of the entrepreneurs are of Brazilian origin; that 23.5% are Brazilians but sons of immigrants; that 11.3% are Brazilians but grandsons of immigrants; and that, as we have already stated, 49.5% - practically half - are themselves immigrants. We therefore noted that 84.3% of the entrepreneurs who initiated the Brazilian industrial development are either immigrants or of foreign origin. We expected a high percentage of immigrants and of their immediate antecedents; but we must confess that the actual number surprised us, with its revelation of the immense importance which immigration had in Brazilian industrial development. It is significant to note that against the 49.5% of immigrants entrepreneurs, we had, in the population of São Paulo State, respectively 23.8%, 30.4%, 20.7% and 12.2% of immigrants for the census of 1890, 1900, 1920 and 1940.

Apart from determining the country of birth of the entrepreneurs and of the parents and grandparents, a third step had to be taken. When the parents and grandparents were not originated in the same country it was necessary to establish a criterion to determine their origin. We initially considered a numerical criterion. The origin of the entrepreneurs could be defined by the number of parents or grandparents originating from a given country. However, this criterion, besides being arbitrary, would create difficulties. For example, he could have two Italian grandparents, two Swiss grandparents and two Brazilian parents. We finally decided on a patriarchal criterion, which, even if arbitrary, would at least avoid doubts. Therefore, we defined the entrepreneurs of Brazilian and foreign origin:

. Entrepreneur of Brazilian origin: he whose father and paternal grandparents were Brazilian.

. Entrepreneur of foreign origin: he whose father or paternal grandparent were foreigners.

Table 3 - Ethnic Origins of the Paulista Entrepreneurs				
Origins	N.		%	
Brazilian (for 3 generations)		32		15,7
Foreigners:		172		84,3
Brazilian, grandchildren of immigrants	23		11,3	
Brazilian, children of immigrants	48		23,5	
Immigrants	101		49,5	
Total	172	204	84,3	100

Table 4 – Specific Ethic Origin of the Paulista entrepreneurs

Country of origins and large ethnic groups	N.		%
1 - Italy		71	34,8
2 - Brazil (for 3 generations)		32	15,7
3 - Germany		21	
Austria	5	26	12,8
4 - Portugal		24	11,7
5 - Lebanon		13	
Syria		5	
Armenia	2	20	9,8
6 - Russia		6	
Poland		2	
Checoslovacia	1	9	4,4
7 - Switzerland		5	
Hungary		3	
Spain		3	
Denmark		2	
France		2	
United States of america		2	
Great Britain		2	
Uruguay		2	
Greece		1	
Rumania	1	23	10,8
Total		205	100

According to Table 4, entrepreneurs of Italian origin, as expected, dominated the picture with 34.8%. Following them are those of Brazilian origin with 15.7%; those of German and Austria origin with 12.7%; those of Portuguese descendency with 11.8%; those originating from the middle East (Lebanese, Syrians and Armenians in that order) with 9.8%; those of more typically Slavic

origin (Russian, Poles and Czechoslovacians) with 4.4%. We may add the 5 Swiss to the German-Austrian group, giving a percentage of 15.2% for this group. We could also form Latin countries (Italy, Brazil, Portugal, Spain, France Rumania and Uruguay) which would give a percentage of 65.7% equivalent to 134 entrepreneurs.

Social Origins

The determination of the social origins of the entrepreneurs presents far greater difficulties than those of their ethnic origins. The problems that appeared are of two types.

In the first place, there were difficulties common to all types of classification of society into social classes. Classes do not appear in a clear and defined form, fully distinct one from the other. There is no alternative but to classify elements that appear on the social scale in a more or less continuous manner. As a result there are many ambiguous cases. There is always a hazy area between the different classes comprising elements which could belong either to one to the other class.

In the second place, there is the difficulty which derives from the characteristics of our survey. We were interested in determining, not the social class within the entrepreneurs is presently found but the social class to which he belonged at the time of his infancy and adolescence. Only in this way we could determine the social origins of the entrepreneur. It is already difficult to obtain the data necessary for the determining of the present social class of a particular person - imagine the difficulty in obtaining the data for a period 20, 30 or 40 years back.

Recognizing the limitation which these two types of problems cause to the results achieved we believe that we found a satisfactory solution for both of them.

In relation to the first problem dealing with general difficulties of classification of social classes owing to the existence of undefined areas between them, we divided the society as precisely as possible into six different social classes. Thus, having previously defined the social classes, we had merely to verify which entrepreneurs belonged to which class.

Our classification was based on the classical work of Lloyd Warner, published in the *Yankee City Series*.⁵ Nevertheless, we modified Warner's classification to adapt it to the necessities of the survey. We maintained Warner's two upper classes and introduced a third middle class (middle-middle class)

⁵ W. Lloyd Warner and Paul S. Lunt. *The Social Life of a Modern Community*, vol I, *Yankee City Series*, New Haven: Yale University Press, 1941. See, also, W. Lloyd Warner, Marchia Meeker and Kenneth Eels, *Social Class in America*, New York, Harper, 1960.

between the upper middle class and the lower-middle class; so, we used only one lower class. These modifications are explained by the fact that we were surveying the social origins of the entrepreneurs which revealed to be originating mainly from the middle class, and thus requiring a more detailed classification of this class. Apart from this, as already pointed out, due to the limitations of the data, we did not possess information to distinguish the two lower classes.

As to the second problem, we endeavored to predetermine what data would be supplied by the entrepreneurs or by their successors (in a few cases where the entrepreneurs had already died the information was furnished by successors, usually his sons), would allow us to determine the social class of the subject at the time of his childhood and adolescence. Finally, we decided for the following information: economic situation of the family at the time his childhood and adolescence; father's profession; education's father of the entrepreneur's father; age at which he began to work; his ethnic origin; whether his family was tied to coffee planters and other landowners. Other data could have been very useful for the social classification such as type of residence, the residential area, opinion of the people who knew the family, and the opinion of the entrepreneur himself. It is clear, however, that this could not be obtained for this survey. In any event those criteria seemed to be basically sufficient for the purpose.

Having established the seven basic criteria for social classification, we define the six social classes as follows:

- . Upper-upper class - comprising the old families of the great landowners and exporters, the so-called Brazilian aristocracy, the traditional families, the "Paulistas of 400 years";

- . Lower upper class - the wealthy, but not aristocratic families; the distinctive characteristic of this class is wealth; the profession of the father is generally that of a powerful merchant or industrialist, with the son starting to work, as a rule, at a relatively advanced age, and usually high school the education for both the father and the son;

- . Upper-middle class - mainly characterized by the high education of father and son; the father almost invariably exercising a liberal profession; however he could also be a military official, a high public servant, a university professor or an average industrialist or merchant: the economic situation of the family is average.

- . Middle-middle class - comprising, in its majority, average merchants and industrialists; the economic situation of the family is modest; the father's education comprises generally high schools.

- . Lower-middle class - mainly constituted of small merchants, industrialists and farmers; teachers, sergeants, minor civil servants are also included; the father's education is elementary or secondary; the family economic situation is medium; the entrepreneurs start working early in life.

. Lower class - comprising workers and farm laborers whose education is at the maximum merely elementary; the family's economic situation is one of poverty; children very early start working life.

Having thus defined the social classes, we established a point system for each of the seven criteria and, as a function of the definitions of the social classes, the respective grouping of points. On this summary presentation of the principal results of the survey a discussion of the "rationale" for the point and groupings given is not necessary. We limit ourselves to state that wherever possible we adopted the point system in the process of the tabulation of the survey so that it would meet the above definitions of social classes. For example: we considered the fact of being directly connected with the great old landowners and exporters as the most important indication that the family of the entrepreneurs belonged to the Brazilian aristocracy, and therefore should be included in the upper upper class. In view of this, we gave the greatest number of points to the positive answer of the corresponding question and, also gave the same number of points to the fact that the father's profession was that of a great landowner or exporter. The system of points and groupings we used was the following:

Directly connected with the great old landowners and exporters:

15 points - yes

no points (0) - no

Father's profession:

15 points - great landowner or exporter;

10 points - great industrialist or merchant;

06 points - liberal profession, medium-sized merchant or industrialist, military official, university professor, high civil servant;

04 points - merchant or industrialist (medium to small), civil servant;

02 points - minor merchant or industrialist or farmer, teacher, sergeant, trader;

00 point - worker, farm labourer.

Family's economical situation:

10 points - wealthy

05 points - average

00 point - poor

Father's education:

09 points - university

03 points - secondary

00 point - elementary

Education of the entrepreneur:

04 points - university

02 points - secondary

00 point - elementary

Ethnic origin of the entrepreneur:

- 02 points - Brazilian (for 3 generations)
- 01 point - son or grandson of a foreigner
- 00 point - foreigner

Age at which the entrepreneurs:

- 04 points - more than 24 years
- 03 points - between 21 and 24
- 02 points - between 16 and 20
- 01 point - between 11 and 15
- 00 point - up to 10 years

Grouping of points for the social classification:

- from 39 to 60 points - upper-upper class
- from 28 to 38 points - lower-upper class
- from 23 to 32 points - upper-middle class
- from 16 to 22 points - middle-middle class
- from 10 to 15 points - lower-middle class
- from 00 to 09 points - lower class

Observe that between the lower-upper class and the upper-middle class there is an overlapping one between 28 and 32 points. Whenever an individual obtained the number of points between these two limits, he could either be placed in the higher or lower of the two classes. How did we classify the entrepreneur? To obtain these points, he must have had at time of his infancy and adolescence a rich family and a father who was a great merchant or industrialist, or who had a university education. As we have already pointed out, in the first hypotheses, the economic situation of wealth is the distinctive feature of the lower-upper class, and the entrepreneur would be classified in such class. In the second, superior education being the distinctive feature of the upper-middle class, the latter would be indicated as his class. No cases occurred where, having between 28 and 32 points, the entrepreneur had at the same time a rich family with the father being a great merchant or great industrialist and also with a superior education; in fact this could not occur in view of the system of grouping of points.

The upper-upper class, exclusively limited to the traditional families of the old Brazilian aristocracy, presented the smallest participation: merely 3.9% of the Paulista entrepreneurs originate in this class.

Table 5 shows the classification according to social classes of the Paulista entrepreneur according to our conclusions.

Table 5 - Social Origin of the Paulista Entrepreneurs		
Social Class	N.	%
Upper-upper	8	3,9
Lower-upper	44	21,6
Upper-middle	16	7,8
Middle-middle	44	21,6
Lower-middle	58	28,4
Lower	34	16,7

The upper-middle class follows with 7,8%, an expected result, for even though this class does not have the traditional character of the previous class, it is only distinguished from the other for its lesser income. Actually, the customs, value-system, and beliefs of this class are very similar to the upper-upper class.

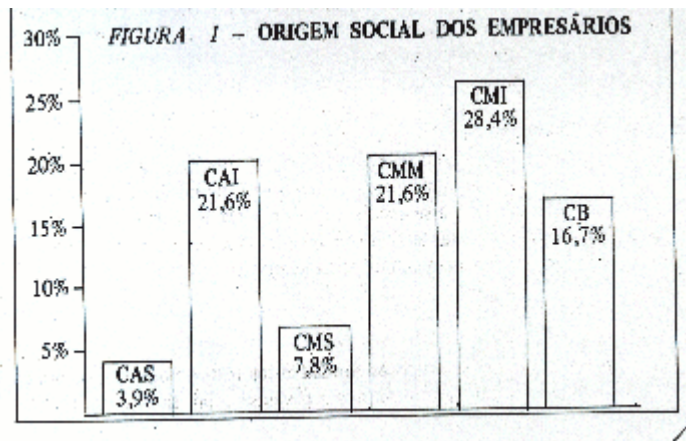
Then the lower class follows, with 16.7%, revealing on the one hand that the general belief that the industrial entrepreneur of our days "started with nothing" is false, and on the other hand that a large quantity of them relatively did start from the bottom.

Then we have two social classes: the middle-middle and the lower-upper classes. The last one, as already stated, comprises essentially the rich. The parents of the entrepreneurs originated from this class were generally great merchants and industrialist.

Finally, we verify from table 5 that the origin of the Paulista entrepreneurs is principally in the lower-middle class.

Let us now observe Figure 1. The distribution according to the social classes is irregular. Half of the entrepreneurs originate in the lower-middle class and the middle-middle class. The hegemony of the middle class however seems to be split to a certain extent when we note that there is a much larger number of entrepreneurs originating in the lower-upper class than in the upper-middle class. How can we explain this fact? Would it not be expected to have a more normal distribution with the entrepreneurs concentrated in the middle classes and reducing the number towards the upper or lower classes? Would this not reveal a greater homogeneity in relation to the social origin of the entrepreneurs? Upon further analysis we are lead to conclude that this relative homogeneity of origin is not broken by the results.

The entire problem rests on the fact that a greater number of entrepreneurs originate most in the lower-upper class than in the upper-middle class. Nevertheless the problem would be solved if the affinity of the upper-upper class with the upper-middle class were to be greater than with the lower-upper class, and the latter were to be nearer to the middle-middle class and the lower-middle class than the upper-upper class. In many respects this is exactly what happens.



The approximation of the upper-middle class to upper-upper class occurs for many reasons:

Firstly, the social contact of the upper-middle class with the upper-upper class keep closer mainly because of it is characterized by superior education of both father and son.

Secondly, when the surveyed entrepreneurs were at their infancy or adolescence, the relative union existing today between the upper-upper and lower upper classes did not exist. The latter was still in a state of formation and had not yet been accepted by the former. The immigrant and his descendants economically well established, were just beginning to be accepted by Brazilian society. Thus it was with the upper-middle class that the upper-upper class maintained contact. The sons of the great landowners were found in the universities together with the representatives of the upper-middle class, and in many occasions they would go to work together in the liberal professions or in politics.

Thirdly, as one can easily observe today, a great number of traditional São Paulo families - "Paulista of 400 years" have fallen into economic decadence, losing requisites of associating in the upper-upper class and descended directly to the upper-middle class.

Finally, it is necessary to emphasize that the lower-upper class, especially during the period of the infancy and adolescence of the surveyed entrepreneurs, were probably distinguished from the middle-middle class mostly for a question of income than for any other reason. And these two classes had in common a very important fact. As it can be observed from Table 6, both (and also the lower middle class and the lower-class) comprised, in their great majority - (always more than 80%), entrepreneurs of foreign origin. While the upper-upper class (by definition) were only Brazilians. On the other hand, the number of Brazilian-origin entrepreneurs in the upper-middle class was considerably higher (43.7%) than the average, especially taking into account that in general 84.3% of the entrepreneurs were of foreign origin.

Table 6 - Ethnic Origin of the Paulista entrepreneur According to their Social Origin **

Ethnical Origin \Social Class	CAS		CAI		CMS		CMM		CMI		CB	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Foreigner	-	-	40	90,9	9	56,3	36	81,8	55	94,8	32	94,1
Brazilian	8	100	4	9,1	7	43,7	8	18,2	3	5,2	2	5,9
Total	8	100	44	100	16	100	44	100	58	100	34	100

** For the percentages presented in this table, the margins of error and corresponding statistical safety levels presented in Table 1 are not valid, as these details refer to partial results in which 100% corresponds to a number smaller than the size of the sample.

Conclusion

In this paper I have presented the methodological bases and the main results obtained from a survey of the ethnic and social origins of the Paulista entrepreneurs. Realized through a process of sampling at random, we observe that this survey affords statistically accurate results. The data show, that the entrepreneurs have principally Italian ascendancy (34.8%); that merely 15.7% of the entrepreneurs are of Brazilian origin.

In relation to the social origin, 50% of the entrepreneurs originate in the middle-middle and lower-middle class; 21.6% have their origins in the lower-upper class, which, just as in the two former classes, is predominantly composed of entrepreneurs of foreign origin. The entrepreneurs of Brazilian origin appear in a larger number in the upper-upper and upper-middle classes, within which, however, only 11.7% of the entrepreneurs have their origin.

In conclusion, therefore, we may state that the Paulista entrepreneurs have a reasonably homogeneous origin. They are generally of foreign origin and, in the majority, from middle-class families.

These facts may serve as the foundation of a theory to explain the conditions which give origin to the emergence of a group of entrepreneurs in a country. The significance of this theory is found in the strategic role which the industrial entrepreneur plays in capitalist development. It also helps us to understand better the behaviour of the Paulista entrepreneur. In any event, we have relatively precise information about the men who, in the area of the private enterprises, were responsible for the Brazilian Industrial Revolution between 1930 and 1966. We know that they were principally immigrants or their descendants, proving once more, the importance of immigration in Brazilian industrial development.

We know, moreover, that they were principally men from the middle class who founded their enterprises without having large amount of capital at their disposal. And knowing who was responsible for the Brazilian Industrial Revolution we know also who was not responsible. Our attention is drawn to the fact the entrepreneur of Brazilian origin is in the minority. From the results we know that the number of entrepreneurs who had their origin in the traditional

Brazilian families, the old rural aristocracy, is extremely small. Although controlling the majority of the capital during the period the country initiated its industrial revolution, the representatives of the upper-upper class were either not capable of transforming themselves into industrial entrepreneurs or did not wish to do so.