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Elsa Vivant

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Rejection, adoption or conversion: the three ways of being a young graduate autoentrepreneur

- 9 Elsa Vivant
- 10 Elsa Vivant is an Assistant Professor in Urban Planning and Urban Studies at the Ecole
- d'Urbanisme de Paris, Université Paris-Est Marne-la-Vallée, France.

ABSTRACT

This article is based on the results of a survey on the use of the new French fiscal regime for small scale business: the Auto-entrepreneur plan. The survey focuses on young graduates entering the job market by enrolling in this plan. It investigates how they adapt to their new situation, and finds that auto-entrepreneurs have ambivalent feelings that expose the plan's ambiguities: does it support business creation (and entrepreneurship) or just provide training in entrepreneurial labour? The analysis of the respondents' discourse and the accommodations they make reveals the multiple uses and meanings of the Autoentrepreneur plan as graduates create identities for themselves and for others in the process of navigating a path through employment, activity, independence and professionalism. Three ideal-typical patterns of the young graduates' social uses of the Auto-entrepreneur plan are identified and discussed: the 'independent salaried worker', the 'entrepreneurial unemployed worker' and the 'convert entrepreneur'. This categorisation sheds light on the processes of what appears to be a conversion to entrepreneurial labour, prior to entrepreneurship. Entering the workforce through the Auto-entrepreneur plan promotes a learning and internalisation of new standards of working behaviour, those of entrepreneurial labour (self-promotion, availability, self-learning, adaptation to market

- 1 constraints, autonomy and accountability) that result in accepting a high degree of
- 2 insecurity and loss of rights. Faced with this entrepreneurial mandate, each young
- 3 graduate reacts differently: rejection, adoption or conversion.

4 Introduction

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5 There is a tradition of studying entrepreneurial labour in the fields of the creative industries

6 where project-based production led the way to new management practices and discourses

7 (Boltanski & Chiapello, 1999) based on values associated with artists: imagination, uniqueness,

8 self-commitment, vocation or passion. Behind the glamorous image of the creative worker, and

setting aside cool after-work parties and casual dress codes, the real everyday life of workers in

the creative industries is more ambiguous. As many authors have shown, in creative activities,

where the winner takes all, workers have to face precariousness and uncertainty by deploying an

entrepreneurial ethos based on compulsory networking, permanent self-staging, continuous

upgrading of skills, multi-tasking, individual competition and inter-individual ranking and

comparisons, a boundary-less career, and portfolio and reputation management (Leadbeater &

Oakley, 1999; McRobbie, 2002; Menger, 2002; Prichard, 2002; Neff, Wissinger & Zukin, 2005;

Storey, Salaman & Platman, 2005; Gill & Pratt, 2008; Ross, 2008; Taylor & Littleton, 2008;

Rambach & Rambach, 2009; Hesmondhalgh & Baker, 2010). This article highlights the spread

of this entrepreneurial labour into other knowledge-based activities (urban planning) through the

uses of a new fiscal and regulatory plan for very small businesses: the French Auto-entrepreneur

plan launched in 2009. Based on liberal principles, it was presented as a means to lower the

bureaucratic and fiscal hurdles to entrepreneurship in order to promote business creation and

foster a spirit of entrepreneurship, as well as the pursuit of ancillary activities, and thus to

promote economic growth. The plan modifies an existing small scale business regime.

Registrants under this plan pay lower social security contributions and business taxes (calculated

on turnover, not profits) and are exempted from VAT (value added tax). Administrative

26 procedures are simplified (with no compulsory registrations to bodies like chambers or

commerce or guilds, and with, free online application¹). The annual turnover has to remain

below a threshold (set at €33,000 for intellectual services), implying that it is only intended to

¹http://www.lautoentrepreneur.fr/.

apply to individual businesses. The *Auto-entrepreneur* plan has been quite contentious (Abdelnour, 2012). Analysing the legal framework of the plan, Levratto and Serverin (2009, 2012) argue that it does not support business growth. According to these authors, instead of promoting business creation and entrepreneurship, it just encourages self-employment. Other are worried that the argument of lowering barriers hides the reality of business creation (the entrepreneurial work; Giraudeau, 2007)² and promotes entrepreneurship as a necessity rather than a choice (Fayolle & Pereira, 2012). Stevens adds that the name of the plan, 'entrepreneur' occludes the reality of increasing precariousness through the use of a neoliberal narrative and an 'artistic critique' of the wage system (Stevens, 2012). Professional guilds argue that it gives an unfair advantage to certain privileged economic actors and provides fraudulent access to social security benefits. According to trade unions, it allows employers to circumvent labour laws. Reports note the modest revenues of *auto-entrepreneurs* and their limited market share in the economy (Barruel et al., 2012; Deprost et al., 2013).

The existing statistics do not make it possible to answer certain questions, particularly those regarding the misappropriation of wages and undeclared work. An analysis of the practices and uses under this plan confirms these potential problems. Its single-purpose facade hides the ambiguous identities of *auto-entrepreneurs* and their designated title does not describe what they actually do. Indeed, the *auto-entrepreneurs* themselves are confused about how their work is perceived and understood. Is the plan intended as a start-up tool for creating a business or just training in entrepreneurial labour? Is enrolling in the plan enough to consider oneself an entrepreneur?

This article presents the results of a survey of a population that is particularly vulnerable to a re-definition of employment standards in the context of a tight labour market and economic crisis: young graduates entering the job market (Supiot, 1999; Fondeur & Minni, 2004; Calmand & Mora, 2011). The survey consisted of semi-structured interviews with 27 students and recent graduates (master's and PhD level) in the social sciences (urban planning, political sciences and communication) who were enrolling in the *Auto-entrepreneur* plan. Most of them were working

²Giraudeau uses the term 'entrepreneurial work' to refer to all the tasks required to create and develop a business, including relational work and pricing. In the literature quoted above, 'entrepreneurial labour' refers to behaviour observed in creative industries that turn the worker into the entrepreneur of him-self.

as consultants in the field of urban planning. First, this research focused on working conditions, within the frame of the author's wider research interests in the organisation of work and production in the field of private urban planning consultancy. The interviews were organised around several topics: academic study, entry into the plan, description of duties and working conditions, opportunities and challenges that had been encountered, professional goals and their concept of entrepreneurship. The analysis of the interview transcripts revealed more complex feelings and behaviours than expected.

In the past, graduates in this field have usually become salaried staff (sometimes civil servants) in local government, public corporations or private consultancies. Recent surveys showed that 4% of young graduates in urban planning enrolled in the Auto-entrepreneur plan in 2014 (twice as many as in 2010) while 70% had a salaried job in the field three months after graduation (Collectif National des Jeunes Urbanistes [CNJU], 2011, 2015). A minority of these graduates will typically set up their own business after a couple of years of working experience. Studying those enrolled in the plan opened up the novel opportunity to study the conversion process to entrepreneurial labour and entrepreneurship in a situation where none of the respondents had previously planned to set up a business directly after graduation.

The respondents registered in the Auto-entrepreneur plan in order to gain employment, without any prior working experience or training in how to start a business³. Their transition to the professional world has become a double learning experience: they have learned the trade (what they learned in their initial training is put to test) and acquired business management skills (relations with administrators and customers, accounting, market research, etc.) on the job. They have had to deal with a situation at odds with their original career plan of becoming an employee and have been tested by several challenges such as mastering administrative language, business time management (last-minute commitment and late payment), learning how to set prices and

Another study (Walter, Parboteeah & Walter, 2013) underlines the weak effects of entrepreneurship training on

graduate intentions, which are also, gendered.

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³In this way, the population of graduates studied differs from the one usually observed in the literature on entrepreneurship, trained in business schools or specialist entrepreneurship courses. The effects of such training are more complex than expected. On the one hand, it opens new perspectives for those who had not considered entrepreneurship before; on the other, it may discourage those who initially had it mind (Fayolle & Gailly, 2015).

estimate costs, and the negotiation of informal contracts (<u>Vivant, 2014a, 2014b</u>). In trying to understand how these young graduates adapt to their new situation, the survey reveals that autoentrepreneurs have ambivalent feelings that expose the ambiguities inherent in the plan.

Analysis of the respondents' discourse and the accommodations they make reveals the multiple uses and meanings of the *Auto-entrepreneur* plan. These vary depending on the physical, relational, financial and legal conditions under which the work is carried out, the nature of the duties (integrated, of varying lengths and ad hoc), the content of the activity (whether or not it is linked to particular qualifications) and individual professional goals (to expand the company or become employed). Young graduate *auto-entrepreneurs*' relationship to entrepreneurship is more ambiguous than the plan suggests. Although all respondents are in a situation of professional insertion, officially independent, but dominated by contract givers, has all have made individual adjustments to the work, the employment, the entrepreneurial labour and entrepreneurship based on their specific personal experiences and differing professional socialisation and learning processes. These graduates have thus created an identity for themselves and for others (<u>Dubar, 1998</u>; <u>Faure-Guichard, 1999</u>) as they navigate their particular paths to activity (to work), employment (to work in an organisation), independence (to work for oneself) and professionalism (to be recognised at work).

In analysing these diverse pathways, three ideal-typical patterns of the young graduates' social uses of the *Auto-entrepreneur* plan were identified and these are discussed below: the 'independent salaried worker', the 'entrepreneurial unemployed worker' and the 'convert entrepreneur'. This categorisation helps understand the processes involved in what appears to be a conversion to entrepreneurship. It highlights how the graduates have resisted, adapted and even embraced changes in the rules of the game, whereby entrepreneurial work may gradually replace the wage system. This makes it possible to address the question of how registration into the *Auto-entrepreneur* plan contributes to the development of an entrepreneurial ethos among young graduates. The article explores how young graduates, unwitting *auto-entrepreneurs*, adopt (or fail to adopt) an entrepreneurial identity. In the next three sections, we first describe how members of the first group, the 'independent salaried workers', reject this injunction to entrepreneurship. It then goes on to discuss the second group, who adopt entrepreneurial behaviour in order to find a job as an employee. Finally, it presents the third group, who have

- actually been converted to entrepreneurship through their unexpected experience as auto-
- 2 entrepreneurs.

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The independent salaried worker

- 4 Members of the first group of *auto-entrepreneurs* in this typology typically deal with one client
- 5 at a time and carry out long-term assignments (with a duration of several weeks or even months),
- 6 even though they generally have no contract or engagement letter specifying the scope of the
- 7 activity. They are not looking for new customers or to grow their businesses, which, it should be
- 8 noted, are more profitable than those reported by other respondents⁴. They work on their clients'
- 9 premises; and their duties match their qualifications and provide the means to build their
- 10 professional identity. The processes they follow in carrying out such assignments reveal their
- subordinate position and are perceived as such.

12 An advantageous early professional career

Most respondents in this category said that they were invited to start their own business instead of being offered an employment contract with a potential employer, during a job interview or at

the tail end of an internship⁵. In this case, registration into the *Auto-entrepreneur* plan allows the

young graduates to continue with their current assignment and, in effect, skirt the internship time

limits, without gaining the employee status that would significantly increase labour costs for the

employer. After the intern has successfully passed the test of in-house training, the employer can

show his or her appreciation by extending the assignment and, in so doing, keep the young

20 graduate on, but in a precarious situation⁶.

⁴Their average monthly turnover was €1,733, compared with a median of €1,375, with a minimum of €950.

⁵In the French academic system, most graduate programs include an internship of 3–6 months within a company or a public institution. Immersion within a professional environment is regarded as a training method to raise students' employability. Interns are paid (a third of the minimum wage) and supervised. They are not supposed to replace a permanent worker. But many abuses had been observed: companies tend to consider interns not as trainees but as a low-cost skilled workforce, while employers increase their demands for internship experience as preconditions for recruitment (Glaymann & Grima, 2010).

⁶Not all the employers who resort to such practices are small businesses, floundering or facing an uncertain growth potential; some are public institutions, ministries and well-established companies. Within the framework of a

After six months of internships, everything went well from the professional perspective. Then as my boss could not afford to hire a full-time salaried person, he offered me the chance to start as an *auto-entrepreneur*. (Mathieu, working in an architecture office)⁷

The fact that graduates agree to register cannot be explained solely by a lack of alternatives or financial needs. None of the members of this group clearly described their registration as an alternative to unemployment, nor did they evoke increased self-worth through this experience. The quality of their previous work relationship convinced them to further the collaboration despite the financial risks and legal complexities of an altered employment relationship. It was the employer's difficulties, whether real or not, that led them to accept precarious working conditions. Their interests in the proposed assignment, and, to a lesser extent, the perceived prestige of the client-employer, were the main justifications for their conviction that in accepting such a degraded employment relationship, they could begin their professional career with a rewarding experience.

A subordination revealed by material conditions

Behind an unwritten contractual relationship, working as an *auto-entrepreneur* hides a subordinate relationship that is revealed by an analysis of their working conditions: they work full-time on the premises of their clients-employers⁸ who provide their computer equipment (and expensive licences); their schedules are determined by their clients-employers and meet their guidelines; and they cannot look for new customers. These *auto-entrepreneurs* explicitly feel this subordination; they are aware that their working conditions are similar to those of salaried employees and that they are subject to the client-employers' authority over them and their work.

Objectively, I work nearly as a salaried employee: working every day at the office, with schedules, with the flexibility of the work in an architecture office. Like a salaried employee [...] It is like salary-work without the employer's contribution. (Mathieu)

general revision of public policies, some contract staff were encouraged to register in the *Auto-entrepreneur* plan in order to convert non-permanent jobs to an entrepreneurial service delivery model (<u>Abdelnour, 2012</u>).

⁷Due to the difference of the fiscal regimes, for the same revenue, the full cost of a salary is 20% more than that of an *auto-entrepreneur*. But this difference implies, for the worker, different social insurances and protections. All the quotations are translated by the author.

⁸Most of the respondents of this group referred to their client as their 'boss'.

But unlike employees, the *auto-entrepreneurs* have no certainty about the duration of the assignment or the remuneration for the tasks performed, and do not have the social rights that employees typically have (such as unemployment insurance). Despite similar working conditions, working side by side with salaried workers reveals differences between employees and *auto-entrepreneurs*.

In the office where Mélanie works, nothing distinguishes her work from that of an employee in the division of labour or in the labour relations. Yet uncertainties as to her position (and her professional identity) trigger very material questions: Who will pay for her business cards? What is her job title? How can the end customers (her client-employer's customers) identify her as working for the agency P. while being independent? How can she get an @agencyP.com email address? The client-employer himself exacerbated the ambiguity within the firm when he summoned all of the independent workers (of which there are many in the organisation, with different legal statuses) to a year-end assessment interview, which is common practice for regular employees.

Gilles, who is engaged in the same activity as during his internship, expresses a confusion that neither he nor his superior, nor his interlocutors can clarify: is he an intern, a contractor or an entrepreneur? Because of his long history of working for the company and the high approval rating for his work and skills that led to his renewed assignment as a contractor, he no longer wishes to be considered an intern. Yet he does not feel he has the right to introduce himself as a consultant, like those with whom he works and who already have a large portfolio. He also rejects the label of entrepreneur, which he sees as a joke. So who is he? What is his place and role in the company? All this confusion makes him 'damn uncomfortable.'

Resisting downgrading and distancing

Rather than choosing to become entrepreneurs or becoming entrepreneur by necessity, members of this group feel that the *Auto-entrepreneur* plan, and thus entrepreneurship, has been imposed on them. Unlike other respondents who, at times, have considered setting up their own businesses, these young workers never imagined starting a business one day. A salaried position was the model they envisaged for their entry into professional life and also for the future. Their

reservations about entrepreneurship stem from their personal belief in the protective framework of salaried employment. Far from being resigned, they are more assertive than others, viewing their situation from a critical and political point of view. They deplore the loss of the social rights associated with salaried work and the impropriety of undeclared work. They are aware of the political and ideological issues related to the degradation of their working conditions. For them, any discussion regarding the plan is diversionary, hiding its original purpose for the profit of employers.

This is a very free-market way of working: no protection, precariousness. From the boss's point of view, it is absolutely rational to work with *auto-entrepreneurs*. But this is a compromise imposed on workers. At a national level, the way it was presented is petty. It is not supposed to be like permanent salaried job. But in reality, it is. Politically, I think it is not defendable. (Mathieu)

They compare their situation with that of interns: being an *auto-entrepreneur* is perceived as an additional test in the long obstacle course that constitutes young graduates' entry into the labour market. Just as they know that doing a series of internships can trap graduates in a precarious situation (Glaymann & Grima, 2010), they are afraid of triggering a vicious circle that will prevent them from joining the salaried workforce. They are not entitled to unemployment benefits and are particularly vulnerable because they cannot afford not to work. Their political awareness manifests itself in various forms of resistance, such as a lack of interest in the plan and its specificities and constraints. Using passive resistance, they make more mistakes than others, pretend they do not understand their rights and ignore the administrative duties connected with auto-entrepreneur status. Unlike other respondents, they do not make a virtue out of necessity: they do not try to play up their experience and introduce themselves as enterprising individuals. They reject the label of 'entrepreneur' which the name of the plan implies. Denis makes fun of the term 'enterprise' used to describe his business activity. He makes light of his situation 'rather than showing pride' by presenting himself as 'leader of his auto-enterprise'. Similarly Gilles, who is 'not a fan of this entrepreneur thing' and was never 'too seduced by the entrepreneurial myth', jokes with his friends and makes fun of his position as 'the boss who turned coats'.

For these *auto-entrepreneurs*, this plan does not offer support to start one's own business. Their experience exposes a rather different purpose: the employer-client's circumvention of labour laws. They are very critical of an employment relationship that they consider degraded (relative to the salaried force) and unusual. They nevertheless accept this situation because their

- 1 work, namely their assignments and business conditions, contribute to their professional
- 2 socialisation, learning their craft, and developing their professional identity. They reject the
- 3 entrepreneur label and their self-identity is that of employee, yet their employment relationship
- 4 continues to blur the boundaries between employee and independent worker. A hybrid identity
- 5 for emerges: that of the independent salaried worker.

6 The entrepreneurial unemployed worker

- 7 The second group of graduates is made up of those who, having looked for a job for several
- 8 months, enrol in this plan either at an employer's request or on their own initiative, hoping that
- 9 becoming an auto-entrepreneur will provide them with a label that gives them entry into the
- 10 labour market. Members of this group accept occasional subcontracting jobs for one or more
- 11 clients. They perform specific tasks (such as mapping and writing) without having being
- 12 involved in the previous development of the projects. These contracts do not generate enough
- income to live on, and these *auto-entrepreneurs* are forced to take on multiple jobs⁹.

14 An alternative to unemployment

- 15 Enrolling in the Auto-entrepreneur plan seems to these graduates, more than it does to other
- respondents, to be a necessary precondition 'to work'. They expect that registering in the Auto-
- 17 entrepreneur plan will make them more employable, thinking that the issue is to adapt to the
- 18 financial and administrative constraints that weigh (or supposedly weigh) on their employer-
- 19 clients.

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It bugs her to have employees because it is complicated. It is a lot of paperwork, a lot of administrative duty. While now, she just has to pay my fee. (Sandrine, who does short assignments for different clients)

Because they show more flexibility and submissiveness, they themselves carry the market risks: fluctuation and uncertainty in orders, revenue and commitment. In a sense, they merely act as an adjustment variable in the organisation of production. After several months of unsuccessful job seeking, Sylvain plans to enrol in the *Auto-entrepreneur* plan to enter a job market that he considers closed. He is hoping to show his abilities and gain experience in order to convince a

⁹Their average monthly turnover is low (€900) with amedian of €500.

potential employer to recruit him. Rather than providing a new service or bringing a specific expertise to the market, he offers his low-cost labour power in a loosely regulated framework. Sylvain sees the plan as the means to build an identity as an active professional that may gradually lead to stable employment. Without any certainty of success, it seems preferable to him to take this risk than to remain without work. He has 'nothing to lose', he says.

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The auto-entrepreneurs that fall into this group work alone, from home, and must, on their own, find the resources needed to perform the tasks. Yet the very fragmentation of the tasks they are asked to carry out hinders the development of their professional identity. They feel they need support to validate their work, and this reveals the major contradiction of becoming autoentrepreneurs when they leave university. What are a young graduate's particular skills? The apparent simplicity of the process of registering in the plan hides the real difficulties and obstacles that the entrepreneur faces. Being an auto-entrepreneur is considered here as a means to access employment, when in fact starting a business usually occurs after having gained experience and thus developed professional networks. A lack of professional networks, of selfconfidence and faith in one's skills, limited funding and isolation, all stand in the way of business survival (Hernandez, 2006; Girard, 2007). Low income and low self-esteem contribute to a power imbalance between the respondents and prospective employers. Gaining employment through this process shows its limits as it prohibits self-promotion and feeds uncertainty: should one expand the business or seek employment? Becoming an auto-entrepreneur as a strategy for entering the labour market seems like a decoy after repeated disappointments. Unlike temporary employment or a series of internships, the very name of the Auto-entrepreneur plan suggests a positive outcome (being an entrepreneur); this is gradually eroded by a sense of degradation. Once past the initial phase of enthusiasm, Lucie realises that beyond the attraction and the illusion of independence and freedom, her situation is precarious; she ultimately wonders whether she made the right choice or if she has instead 'been the one to cause [her own] precariousness.'

The positions of the 'independent salaried workers' discussed earlier, although irregular, seem relatively more stable. Financially, their situation is more advantageous and the experience they gain by having longer assignments and being better integrated into their teams will be a stronger asset in their professional field. By contrast, these unemployed *auto-entrepreneurs* are

- 1 not only unable to make financial gains, they are also unable to gain recognition for their
- 2 professional skills or develop their self-esteem, because their subcontracting jobs are limited to
- 3 specific tasks. The services they provide look more like informal, low-cost labour than the
- 4 practice of a specific expertise.

The entrepreneurial ethos of the unemployed worker

Enrolment in the *Auto-entrepreneur* plan is seen as a proactive process of developing a professional identity: a way to integrate oneself into the labour market and to prove one is active despite very unstable employment relationships and often limited work¹⁰. For potential employers, and for oneself, bearing the label of *auto-entrepreneur* is one way of hiding one's lack of employment. Sandrine's very act of enrolling in the plan restored the self-confidence that was eroded by her period of unemployment. These young *auto-entrepreneurs*' discourse denotes that they have internalised a mandate of accountability and self-motivation. To introduce themselves as *auto-entrepreneurs* is seen as offering evidence of a willingness to find employment. It is also a way to demonstrate their great flexibility and availability to a potential employer-client. This indicates that they are not being passive in their search for employment, but are enterprising unemployed workers responsible for their own employability. Julie hopes that it 'embodies a kind of dynamism, a will to work and to accept assignments despite precariousness and insecurity'.

Serge Ebersold has identified the discursive modalities of putting unemployed people to work and how these translate into the operational set-up of institutional organisations (Ebersold, 2004). Legitimate unemployed workers are those who work to maintain their employability; they are 'entrepreneurs of their future' who must 'take on the role of entrepreneurs whose "job" is to take on a market that is increasingly volatile and demanding' (author's translation: 96). These auto-entrepreneurs truly fulfil this mandate that entails taking risks and adapting to the market requirements. They must learn to solicit clients for the company. In this respect, the extensive use of the term 'sell oneself' well describes the mandate they are given to promote themselves and develop a self-marketing approach, although this is one for which they are untrained and unprepared. Even though registering with the plan requires no upfront investment and is only an

¹⁰This is similar to the situation of young temp workers (<u>Faure-Guichard</u>, 1999).

administrative formality, they have the feeling of being courageous, of having taken the risk to jump. They adopt the vocabulary and the discourse that represents the entrepreneur's work as hazardous and risky (Vérin, 1982), but without being fooled. The appropriation of a discourse showcasing the entrepreneur (responsible and adventurous) does not hide the reality of the situation: they agree to poor working conditions in order to be assigned duties. They accept (or are resigned) to work under very difficult conditions in order to build their reputations, gain experience, network and put their foot in the door to find work. For them, the experience of being an *auto-entrepreneur* is primarily a way to build an identity as an active professional for themselves (for fear of unemployment and doubts about their own abilities) and for others (working is seen as the determining factor for access to employment).

The convert entrepreneur

Finally, we come to the third group of *auto-entrepreneurs*. Two of the graduates already had an entrepreneurial project that had been set in motion by registering in the plan; their motivations met the plan's original objective: to test a business idea before switching to another status. More frequently, these graduates registered first and the entrepreneurial projects were developed later. In such cases, the approach to starting a business was not a voluntary process, but an alternative job search strategy. These graduates had not considered starting a business right out of university, yet, little by little, the idea bubbled and the attraction of salaried work faded. With this in mind, they were no longer content to offer their services as subcontractors, but began to structure their services, introduce development strategies and diversify their markets. Unlike the 'independent salaried workers', they expressed great satisfaction with a situation they experienced as a rewarding and fulfilling adventure. In a sense, they have converted to working independently, as an entrepreneur. As Olivier says, they 'come to like entrepreneurship'. Instead of social capital, or family background, two factors seem crucial in this process: a training programme described as atypical (development of the capacity to adapt to new situations) and mentoring or peer group support.

Auto-entrepreneur no more, becoming a proper entrepreneur

Income is not the only factor involved in developing the skill sets of an entrepreneur. The study provided evidence of the disparity between the revenue of two graduates demonstrating a promising start and others whose turnover was weak, if not non-existent, turnover¹¹. For those in this group, financial instability and uncertainty function both as a sword of Damocles and a motivator. These drive them to work harder to realise their business plan and succeed. However, necessity and reality catch up with them and they set time limits beyond which the uncertainty and instability can no longer be sustainable. Unlike other *auto-entrepreneurs*, they know their rights fairly well. They have often done their research and chosen to go with the plan because of its accounting and administrative simplicity. They are quite willing to focus on the corporate management duties they are learning.

Their small businesses are becoming an increasingly important part of their lives, gradually transforming their daily behaviour, turning them into entrepreneurs who try to seize every opportunity to maintain professional networks and engage friendship networks in order to develop new projects. Their professional identity becomes stronger and closer to the image of an entrepreneur. They hope that this experience will lead to the creation of a real company, they see being an *auto-entrepreneur* as merely a step towards it, or a preliminary plan. Moving to a different organisational system (for example a limited or joint-stock company or a cooperative) becomes the objective that will herald a successful bet on becoming an *auto-entrepreneur*. Conversely, remaining in this plan would signal the failure of the entrepreneurial project.

Leaving the plan is also a prerequisite for developing their own company: the rules of taxation on turnover do not allow deductions for expenses and investments, consequently an increase of activity must involve changing the status of the company to circumvent these restrictions. The threshold effects limit the *auto-entrepreneurs*' ability to increase their business activities and prevent them from meeting the market requirements. They do not see the thresholds as growth inhibitors but as goals to achieve and to be exceeded. Changing to another plan is also prompted by the need to gain legitimacy among contract givers: introducing themselves as *auto-entrepreneurs* would reveal the instability and financial fragility of their company. The *auto-entrepreneur* label projects a conflicting image: it is an indicator of self-

¹¹Average monthly turnover: €995; median: €500.

- 1 engagement that reveals the vulnerability of young graduates who are willing to accept
- 2 subcontracting jobs to guarantee a minimum income. According to François, 'As a company, we
- 3 have some credit. As an *auto-entrepreneur*, it does not look good'. He prefers to present himself
- 4 as 'freelancer' (in English) because 'it looks "in", independent; "free" you have freedom'.

Developing one's own small business

- 6 Whether the process of registering in the *Auto-entrepreneur* plan has been voluntary or not and
- 7 the work more or less profitable, these *auto-entrepreneurs*' most remarkable trait has been their
- 8 conversion to entrepreneurship: seeking new clients, promoting their businesses, thinking of
- 9 themselves as service providers and responding to tenders. In short, they have developed a
- 10 business strategy.

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- Their public relations work takes many forms: some select a company name that clearly communicates the firm's competencies and characteristics and often refers to their previous training. This name may be associated with a logo that is printed on a business card. Some create a website or write a blog that will display a distinctive graphic design, a visual branding that will facilitate the identification of the business. Joining professional associations also provides a legitimacy that cannot be gained just through experience; it confers a professional identity and opens up professional networks.
- Maintaining stable relationships with certain customers and a diversity of contract providers help reduce dependency. Such relational work (<u>Granovetter, 2003</u>; <u>Giraudeau, 2007</u>) of integrating the company into various networks is essential for business growth. The development of a business plan must include a formalisation of the service provided. They must define the service, present it to potential clients, promote it, evaluate its cost and negotiate. Anne, for example, engaged voluntarily in the process of creating a business combining her artistic passion and vocational training. She now dedicates her time to planning a range of services, even if it is at the expense of a loss of creative time. This is the price she pays to achieve the transition from her initial project (to live from her art) to running a business.
- There is an alternative company development strategy that overcomes professional isolation: the formation of collectives with other *auto-entrepreneurs*. These collectives foster the

division of labour, increase efficiency, and make it possible to take advantage of others' complementary skills. Another strategy is to strike up a relationship with a senior to benefit from his or her experience, reputation and contacts. Such mentors play a significant role in guiding the young graduate towards independence.

The tasks these *auto-entrepreneurs* perform contribute to building their professional identities, which allows them to distance themselves from their first clients, now seen more as partners than employers. They act on their desire for independence in their efforts to access orders on their own; they respond to tenders, are even willing to compete with their first employer-client for a contract, or develop other forms of more balanced partnership.

They develop a self-promotional discourse, which, in addition to highlighting their personal qualities, brings status to the company's business as they vie for referrals and partnerships. What matters in their portfolio is not so much the finished job, as the project's or the client's reputation. To maintain employability, it is essential to work for or with reputable professionals and publicise these connections. The young *auto-entrepreneurs*' reputation is built through the reputation of others (training, client, project) and value is added by these connections as they develop their own professional identity. To this end, they negotiate in advance and protect their intellectual property by putting their name on their productions in order to include them in their portfolios

An autonomy tested by accountability

Despite their determination, the prospecting efforts of young *auto-entrepreneurs* are not always fruitful. Their youth seems to be an obstacle to some potential clients, who doubt their ability to perform quality work under stress. How can they overcome their lack of experience and networks to acquire their share of the market? To stand out, they attempt to reverse the stigma of youth and inexperience and make it a virtue: they claim to have uncommon energy, not to have been moulded by existing practices and methods, to be proactive, more efficient or competent in mastering the tools and technologies that are constantly evolving. As they obtain contracts and build their portfolios, they can reassure potential customers about their qualities, skills and reliability.

Placed outside the hierarchy, they have a sense of freedom and autonomy and comment on their flexible schedules and methods, their choice of projects and collaborators, the opportunities to express their own conception of their work and to propose new ideas. 'I bring my own message, my own conviction', says Sylvie. This is a view shared by many of these respondents: entrepreneurs are those who offer a personal approach, who stand up for their ideas and go beyond merely looking for a subcontract niche market. In comparison with the figure of the salaried worker, they express a feeling of work autonomy, which they attain without any previous work experience. For them, salaried life means routine, boredom, hierarchy and orders that are rejected opposed to their ideals of autonomy and control over work goals. Performing an assigned task, in their individual capacity, under their own name strengthens their sense of workownership and responsibility for the quality of the service. According to them, this is not found in an employee position where the service is identified with the company and not the individual who actually performed it. Taking on responsibilities indicates and reinforces their professionalism. Nevertheless, this freedom and autonomy reported during the interviews remains relative and restrained (by the limited number of assignments and the difficulty of finding new ones).

I enjoy it. I make the most of it to pursue my dream. That's true, for the moment, I enjoy the freedom, I like the task as an urban planner. This offsets the fact that, in terms of financial resources, it is quite tough. (Michel, developing a business with a friend)

They are proud of the fact that experienced professionals trust them, yet their feeling of empowerment entails gratitude and obligation. They feel compelled to respond with great enthusiasm and seriousness and make every effort to satisfy their clients, even sacrificing their weekends and evenings. Being always available to respond to the clients' demands, which often come at the last minute, was not seen, at the time of the survey, as a subject of complaint, but rather a competency to acquire. They see being on call as the counterpart of the trust they are given.

We take our responsibility. When a client trusts us, when he gives us a mission, we feel responsible; we feel stimulated to achieve it. Our goal is to satisfy this demand, this trust they give us. We work right through. We are able to work up to 4 am to achieve it. (Olivier, developing a business with a friend)

Their beginners' enthusiasm is not marred by the criticism expressed by experienced independent workers surveyed in other contexts to whom this constant availability brings

- anxiety, a price that has to be paid for a very relative sense of autonomy and freedom (Storey,
- 2 Salaman & Platman, 2005; Hesmondhalgh & Baker, 2010; Tasset et al., 2012). According to
- 3 these authors, compliance with the professional world's implicit code of conduct affects
- 4 employability and access to employment. Showing themselves in less than a good light, being
- 5 grumpy or reluctant to act, demanding better working conditions and pay, all reveal the unequal
- 6 balance of power between the service provider and the contract giver; all are reminders of the
- 7 fragile autonomy of independent workers and the ambivalence of their freedom.

8 The auto-entrepreneurs' subjectivities: hybrid paths towards

9 entrepreneurial labour

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As theoretical analyses of the *Auto-entrepreneur* legal and fiscal framework suspected (Levratto & Serverin, 2009, 2011; Fayolle & Pereira, 2012), most of the respondents are self-employed entrepreneurs of necessity. They earn low and irregular incomes and enrol in the plan at the request of employers. Far from being independent, as the name of the plan suggests, they are in a situation of strong dependence on one or a few clients who use the plan as a means to achieve a more flexible work organisation, lower labour costs, and outsource human resources management¹². Entering the workforce through the *Auto-entrepreneur* plan promotes a learning and internalisation of new standards, those of entrepreneurial labour¹³ (self-promotion, availability, self-learning, adaptation to market constraints, autonomy and accountability) that result in accepting a high degree of insecurity and loss of rights. Young graduates are shaped to adopt new behaviour patterns that turn workers into the contractors of their own labour power.

Faced with this entrepreneurial mandate, each young graduate reacts differently: adoption, conversion or rejection. To be immersed in the process of small-scale business creation (which is implied, deliberately or not, in enrolment into the plan) does not produce a unique reaction or interpretation. Adapting and adjusting to working under the *Auto-entrepreneur* plan seems complex for young graduates. Despite their precarious material conditions, the promising

¹²The respondents explain this with reference to paperwork and employment costs.

¹³Papinot shows, similarly, that temporary work leads young graduates to internalise the standards of labour subordination, such as obedience and punctuality (<u>Papinot</u>, 2006).

- 1 name of the plan allows them to identify with and envisage a social standing (being an
- 2 entrepreneur) and emancipatory visions of employment. The difficulties of entering the labour
- 3 market persuade young graduates to accept difficult, but temporary work conditions; they take on
- 4 the role of an enterprising unemployed worker to maintain their employability, with the hope of
- 5 obtaining a salaried position. Some turn away from salaried work and aspire to true
- 6 independence. They convert to entrepreneurship and implement strategies to develop their own
- 7 company. The 'independent salaried workers' are the only ones to engage in a critical discourse;
- 8 they realise the inferiority of their working conditions compared with the salaried workforce, that
- 9 they are subjected to constraints (subordination) without having access to any rights and
- protection benefits, and face the difficulties of self-employment (insecurity, flexibility) without
- 11 gaining any autonomy. Enrolment into the Auto-entrepreneur plan hides a process of
- casualisation that tends to blur workers' subjectivity between wage earning and entrepreneurship.
- 13 The capacity to resist (or not) the injunction to engage in such entrepreneurial labour depends on
- their consciousness of this casualisation.
- 15 © Elsa Vivant, 2016

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24