

# THE RECUPERATION OF ENTERPRISES

## Defending Workers' Lifeworld, Creating New Tools of Contention

José Itzigsohn

Brown University

Julián Rebón

Universidad de Buenos Aires

*Abstract: In the last decade a unique form of struggle developed in Argentina: the appropriation of bankrupt enterprises by their workers. This article combines several sources of data to explain the emergence and development of this practice and its effects on Argentine labor politics. We argue that the recuperation of enterprises is the result of workers' contingent responses to a deep social crisis, the emergence of organizations that promoted this practice, and the presence of a class culture in which wage work is considered a dignified form of work. Furthermore, we argue that the recuperation of enterprises is now part of the repertoire of contention of Argentine workers.*

The history of capitalism is the history of the separation of the worker from the means of production. Under capitalism, workers' struggles have focused on improving wages and working conditions. Yet a unique form of contentious politics has developed in Argentina in the last decade. Since the late 1990s, 286 enterprises employing around ten thousand people have been appropriated by their workers and transformed into self-managed cooperatives (Rebón y Salgado 2009; Programa Trabajo Autogestionado 2013; Programa Facultad Abierta 2011). These are known as "recuperated enterprises." The importance of this practice is that it questions the basic organization of property and the idea that labor is a commodity that can be disposed of at will.

This article analyzes the emergence of the practice of enterprise recuperation and develops an argument regarding the type of politics this practice represents. We pose two questions. First, we ask how this form of contention emerged and developed. The recuperation of enterprises challenges the structure of property and the commodification of labor. Yet this practice has developed over a decade, and several enterprises function normally as worker-owned and -managed cooperatives without having legally resolved the question of ownership. We argue that in order to explain the emergence and continuity of the practice of enterprise recuperation we need to take into account three elements. First, this practice began as a response to the severe social, political, and economic crisis that affected Argentina at the turn of the century. The social and economic crisis threatened workers' livelihoods, while the political crisis was seen as an opportunity to take action. Second, we need to consider the emer-

gence of new structures of mobilization that brought together different actors in support of the recuperations. Finally, we must examine the worldviews and self-understandings of Argentine workers. In the historical construction of Argentine working-class identity, formal wage employment was understood as dignified work. Losing a job marked not only the loss of a source of income but also the loss of a source of identity.

The second question we ask is what type of contentious politics the recuperation of enterprises represents. Does it challenge capitalism, or is it simply about improving workers' living conditions? We argue that although the recuperation of enterprises challenges property relations, it does not challenge capitalism. During the 1990s, neoliberal policies dismantled Argentina's industrial structure. By the turn of the twenty-first century, workers were losing their jobs in large numbers. The social fabric that sustained their everyday lives began crumbling. As Karl Polanyi (1944) would have predicted, when confronted with the destruction of social ties by unregulated markets, workers responded by seeking to defend their lifeworlds.<sup>1</sup> The paradox is that in their attempt to re-create their past, the workers of the recuperated enterprises created a new form of contentious politics and an alternative form of conducting economic life. Today, Argentine workers have the organizational tools and know-how to appropriate bankrupt enterprises and transform them into self-managed cooperatives. These workers have even managed to reform the country's bankruptcy law, making it easier for workers to recuperate bankrupt enterprises.

The analysis that follows is based on the combined research and experience of the two authors. Julián Rebón conducted several surveys of workers of recuperated enterprises to capture their understandings of the process of recuperation (Rebón 2004, 2007). This author also was part of a research group that surveyed the general population in order to understand public opinion regarding the recuperated enterprises. Moreover, as a scholar-activist, this author participated in the takeover of many recuperated enterprises. He is familiar with this practice through his own involvement and is personally acquainted with several of the most important actors in the recuperated enterprises' organizations. José Itzigsohn has followed the process of recuperation, organization of work, and decision making in five enterprises for a period of six years. During this time, he has conducted seventy formal, in-depth interviews with workers of recuperated enterprises. He has also conducted countless visits to the five enterprises. The visits included dozens of unstructured conversations and observations of the work process and the everyday life of the enterprise. As a result, he has in-depth knowledge of how the recuperation process unfolded in these five enterprises. In this article we do not base our analysis on any of our specific data sources. Instead we combine many pieces of information we have gathered, our personal knowledge, and the existing secondary literature to analyze the emergence and effects of the recuperated enterprises and their movements.

1. We use the term *lifeworld* in the phenomenological sense of the taken-for-granted subjective world of the individual (Schutz 1967).

## CONTENTIOUS POLITICS AND SOCIAL CHANGE

Our starting point in answering the question concerning the emergence of the practice of enterprise recuperation is the mobilization model developed by Doug McAdam, Sidney Tarrow, and Charles Tilly (McAdam, Tarrow, and Tilly 2001). This model is different from the political process model previously elaborated by the same authors in that it applies to forms of contentious politics beyond social movements. For these authors, innovative collective action is a contingent result of the interaction among contending groups. The emergence of contention depends first on the attribution of threats and/or opportunities by different actors. These attributions cannot be derived from an "objective" external situation. They are the result of perceptions and interpretations of different actors involved in the situation. Mobilization depends also on the appropriation of existing organizations or the emergence of new organizations that facilitate mobilization. This mobilization model does not address framing as a separate stage. Rather, for these authors the process of framing takes place throughout the process of mobilization. The authors argue that the attribution of threats and opportunities and the process of organizational appropriation themselves involve processes of framing (McAdam, Tarrow, and Tilly 2001; McAdam and Tarrow 2010, 2011).

The work of McAdam, Tarrow, and Tilly has been criticized by scholars who emphasize the importance of analyzing the culture, identity, and emotions of the people involved in contentious politics (Goodwin and Jasper 1999; Jasper 2010; Polletta 1999). These scholars emphasize that collective action should be understood from the perspective of the actors and not from the perspective of the analysts. They argue that it is necessary to address the emotions and meanings that inform people's actions, since it is these meanings and emotions that lead people into action. The revised mobilization model (McAdam, Tarrow, and Tilly 2001) partially incorporates these critiques by emphasizing the perception of threats and opportunities rather than an objective opportunity structure and by making framing a part of the whole mobilization process. However, there is still no place in this model for the specific analysis of local cultures, emotions, and identities.

In our analysis of the practice of enterprise recuperation we combine the mobilization model with cultural analysis. The emotions that move people, as well as their perceptions of certain situations, are anchored in cultural configurations (Grimson 2010, 2011). Cultural configurations are characterized by a number of shared symbolic elements and a historically produced logic that structures the relations between those elements. As a result, cultural configurations are fields of action within certain cultural boundaries of what is possible and accepted. Cultural configurations are complex, contradictory, contested, and changing. But they are the result of specific histories and they change slowly so that at any given point in time one may distinguish the main symbols and issues around which emotions, identities, and worldviews are organized and contested (Grimson 2010, 2011). In this way, the concept of cultural configurations goes beyond the opposition between the notion of bounded, stable cultures and the postmodern critique that sees the cultural world in constant fluidity and change. We argue that we cannot understand the emergence and development of particular forms of

collective action without studying the cultural configurations from which they emerge. In this case, what is particular about Argentine working-class culture is the strong attachment to wage labor as a source of identity. Moreover, the strong valuation of wage labor is not specific to the working class but is shared by large segments of the Argentine middle class.

In order to answer the question regarding what type of contentious politics the recuperation of enterprises represents we rely on the work of Beverly Silver (2003) and Erik Olin Wright (2010). Silver distinguishes between Polanyian and Marxian types of struggle. The former are defensive struggles aimed at protecting social relations threatened by the expansion of markets. The latter are offensive struggles designed to improve the conditions of workers within established patterns of working relations. Labor movements have historically engaged in both types of struggles. Silver (2003) argues that Polanyian-type struggles are typical of periods when the labor movement is weakened, while Marxian-type struggles predominate during periods of labor movement strength. The recuperation of enterprises is a Polanyian-type form of contention. We argue, however, that this practice has unexpected results: it expands the repertoire of contention of Argentine workers and has effects on Argentine politics.

Wright (2010) in turn distinguishes between three different strategies of transformation of the social system. First, ruptural strategies imply confrontation and a direct attack on existing institutions. Second, interstitial strategies are processes of changing social relations that emerge at the margins of the dominant forms of social relations and develop by ignoring dominant institutions. Third, symbiotic struggles involve expanding existing forms of social empowerment or creating new forms within the framework of existing social and political relations. The recuperated enterprise movement engaged in all three types of struggles at different points in time.

#### THE EMERGENCE OF ENTERPRISE RECUPERATION

##### *A response to the dislocation of social and political life*

The practice of enterprise recuperation emerged in the context of a profound social, political, and economic crisis. The Argentine economy entered a tailspin in 1998. Gross domestic product (GDP) fell for four consecutive years from 1999 to 2002. In 2002 alone, the GDP fell by a staggering 10.9 percent. The poverty rate increased from 15.9 percent in 1992 to 45.5 percent in 2002, and the rate of extreme poverty increased from 5.9 to 29.2 percent during the same period. Moreover, in 2001 the unemployment rate was 18.4 percent in a context of an overall decline in the economically active population (Weisbrot et al. 2011).

By the end of 2001, the country was unable to meet its obligations to bondholders, which led the government to freeze all bank accounts in the country. This measure created a mass political reaction; poor, working-class, and middle-class people took to the streets to express their anger and demanded that all politicians “go away.” President Fernando de la Rúa responded to popular protest by declaring a state of siege and by unleashing repressive tactics that cost

thirty-eight people their lives. Yet this exercise of state violence could not save his government; ultimately he was forced to resign. The political crisis shocked the Argentine state; between December 19, 2001, and January 1, 2002, Argentina saw a succession of several ephemeral presidents. On January 1, 2002, Senator Eduardo Duhalde, the runner-up in the 1999 elections, became president. After a tumultuous period, popular protests forced him to call elections in March 2003, and in May of that year Duhalde relinquished the government to Néstor Kirchner. This moment proved to be the beginning of the end of the political crisis of 2001–2002 (Schuster 2011; Pucciarelli, and Strauss 2011). Since 2003, the country's economic and social situation has improved significantly, making Argentina one of the fastest growing economies in the last decade.

It is very important to note that the 2001–2002 crisis was not only economic but was also a crisis of the social and political institutions that organized social life. During this time the institutions that guaranteed social reproduction collapsed, as did the institutional channels through which social conflict had previously been resolved. As Polanyi (1944) predicted, social dislocation gave rise to a variety of social responses—including neighborhood assemblies, unemployed peoples' movements, and barter markets—aimed at restoring social control over the economy (Svampa 2008; Anton et al. 2011). The recuperated enterprises are one of the long-lasting forms of mobilization and protest that emerged during the 2001 crisis. Figure 1 presents the distribution of recuperations by year.

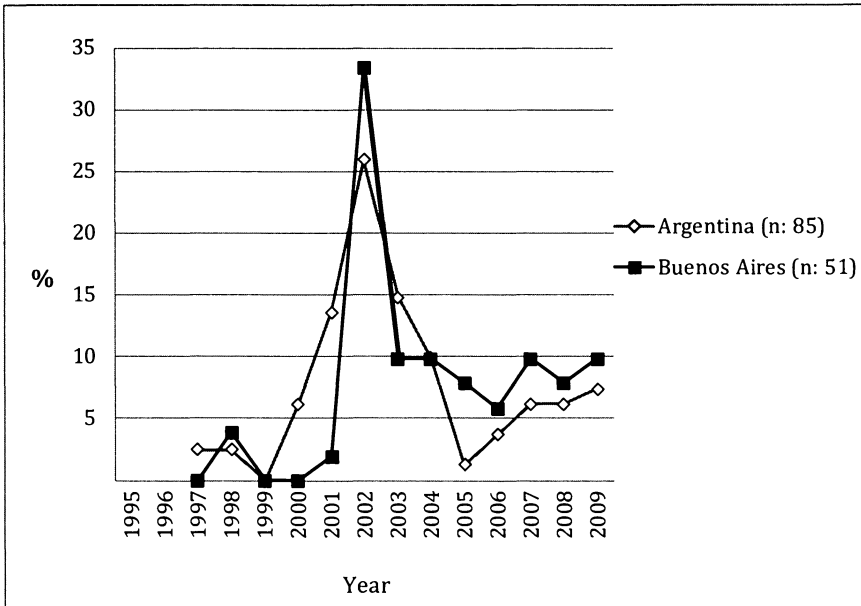


Figure 1 Percentage of enterprise recuperations by year

Figure 1 is based on our own elaboration of data collected by different researchers. The data for the City of Buenos Aires was collected by the Observatorio Social de Empresas Recuperadas en Argentina (OSERA, or Center for the Study of Recuperated Enterprises and Self-Management) at the Gino Germani Research Institute of Buenos Aires University. This data was collected through a survey of the recuperated enterprises in the city. Researchers from the Facultad de Filosofía y Letras of the University of Buenos Aires collected the nationwide data. This data was collected through questionnaires mailed to the national universe of recuperated enterprises (this data collection effort however, was hampered by a high nonresponse rate). Neither of these sources represents the whole universe of recuperated enterprises; nonetheless it is important to note the similar shape of the two curves.

The recuperation of enterprises started in the second half of the 1990s, when the Argentine economy started to contract and unemployment grew steeply. Before the 2001 crisis, however, the number of recuperated enterprises was very small. We know of twelve enterprises that were recuperated or in struggle for their recuperation before 2001. The bulk of the recuperations took place in 2002 in the context of the social, political, and economic crisis of that year. Even though the number of new enterprise recuperations has declined sharply since 2003, still a handful emerges every year. According to the Secretary of Labor there are currently 286 self-managed cooperatives in operation (Programa Trabajo Autogestionado 2012).

A look at two different cases of enterprise recuperation will help us understand how workers came to take this step. The first case is that of Cooperativa Vieytes, formerly Ghelco, a leading factory that produced inputs for ice cream and pastry making. Ghelco workers witnessed the enterprises go through a long shrinking process and lay off a large portion of its labor force. In January 2002, Ghelco laid off all of its remaining workers. While the layoff was supposed to be temporary, workers realized that the owners hoped to take the factory's machines and start a new enterprise elsewhere (in this way avoiding Ghelco's debts). When the workers realized this, they camped out in front of the factory and demanded unpaid wages and severance packages. This was part of the repertoire of contention of Argentine workers. But in the context of a deep political and economic crisis the institutional mechanisms that compensated workers in cases of layoff or firing had stopped working. When the workers realized that their demands were not going to be met they looked in new directions. The workers' original goal was not to recuperate the enterprise; this idea developed along with the conflict. As the workers tell their story of the recuperation, a relative of one of the workers was familiar with another recuperated enterprise and put the workers in contact with Luis Caro, a lawyer who had been involved in the recuperation of several enterprises. At that point Caro was one of the leaders of the Movimiento Nacional de Empresas Recuperadas (MNER, or National Movement of Recuperated Enterprises), but soon he would become the founder and leader of the Movimiento Nacional de Fábricas Recuperadas por Trabajadores (MNFRT, or National Movement of Worker-Recuperated Factories). Caro told them that they could recuperate the enterprise by forming a cooperative. The decision to create a cooperative was not

the result of workers believing in this particular form of organization; rather it was only by forming a cooperative that could they obtain legal recognition. Bankruptcy judges would recognize the rights of the workers to operate the enterprise only if they became a cooperative. In June 2002 a bankruptcy judge authorized the cooperative to begin production and gave the workers the right to use the brand name Ghelco. *Cooperativa Vieytes* would eventually obtain a legal expropriation decision passing the ownership to the workers.

The recuperation of Ghelco involved mostly peaceful mobilization. The workers camped out in front of the factory and protested in front of the bankruptcy court, but they did not confront repression. The case of the Bauen Hotel in the center of Buenos Aires was very different. When the hotel closed in December 2001 workers initially did not take any measures, and the building remained abandoned for over a year. In December 2002 a group of former workers got together on the initiative of a friend of one of them who was familiar with another case of enterprise recuperation and who put the workers in touch with Eduardo Murua. Murua was the main leader of the MNER. The workers that recuperated the Bauen Hotel had survived for a year doing odd jobs, which according to them did not constitute work. MNER offered them the possibility of regaining their identity as workers through the recuperation of the hotel. In March 2003, a group of former Bauen workers and MNER activists forcefully entered the building through a back door and occupied it. As the cooperative took shape, MNER activists became its leaders. In contrast to the case of Ghelco, the recuperation of Bauen involved intense confrontation. Bauen workers had to confront several eviction orders, some of which were followed by violent eviction attempts by the police. After ten years the Bauen Hotel still operates under eviction court orders.

Together the Ghelco and Bauen cases show that there were many variations within the process of recuperation. First, we see that the process of recuperation involved different degrees of confrontation. Some involved heavy clashes with the police, while others involved a peaceful occupation of the premises or demonstrations and petitions to the legislature or the courts (Ranis 2005, 2006). According to data from the *Facultad de Filosofía y Letras* survey, two-thirds of the recuperations involved mobilization by the workers. Of these, slightly more than half experienced some form of repression or attempted eviction by the police (Programa Facultad Abierta 2011). Challenging existing property rights involved the very real possibility of retaliation by the police. However, during the 2001–2003 period, the deep political crisis had delegitimized the state to such a degree that it was unable to use force to reestablish property rights. The state tried in several cases to use the police to evict workers from the recuperated enterprises, but, as we saw in the case of Bauen, the workers ultimately prevailed in these confrontations. Second, we see variation in the legal status of the recuperated enterprises. Of the eighty-five enterprises that answered the *Facultad de Filosofía y Letras* survey, fifty-three were expropriated (Programa Facultad Abierta 2011). Still, this does not mean that their legal situation was resolved. Some expropriation laws are temporary and not definitive, and even among those that are definitive, several have not been implemented due to conflicts over the terms of compensation

for the creditors of the enterprise. Most recuperated enterprises still remain in a very fragile legal situation.

As we saw in the cases of Ghelco and Bauen, the recuperation process also involves a series of assessments and decisions on the part of workers. First, workers saw a real threat of unemployment and exclusion from the labor market. The years of employment growth after 2003 were hard to imagine during the 1998–2002 period. Formal workers who until then had constituted the core of the Argentine working class had good reason to fear the end of their lifeworld. But the perceived threat of marginality alone was not enough to lead workers toward recuperating enterprises. The stakes were high for workers in the process of recuperation as they confronted different sources of uncertainty. First was whether workers would be able to take possession of the building. As is evident in several cases, occupying the enterprise involved the possibility of violent confrontation with the police. Second, once workers took control of the enterprise, they had to address its legal status, which, as we saw, remains a contentious issue for a large number of these enterprises. Finally a third source of uncertainty was whether workers would be able to operate the enterprise in a way that allowed them to make a living. Together, these various sources of uncertainty discouraged many people from engaging in the process of recuperation. The workers that participated in the recuperation were those that did not see other options. At Ghelco, those were production workers, and in the Bauen case they were front-desk, maintenance, cooking, cleaning, and low-level administrative workers. Managers and high-level administrative personnel did not take part in the recuperations.

For the workers who decided to engage in the recuperation process, the actions of organizations such as MNER and MNFRT were crucial. These organizations not only provided workers with a practical strategy to follow but also with a sense that it was possible to succeed along this path. After 2003, the threat of marginality decreased as the economy began to recover. There were fewer bankruptcies and fast job growth. Furthermore, as the widespread mobilizations unleashed by the social and political crisis started to decline, the number of enterprise recuperations also steeply declined. Nevertheless, there are still a handful of new enterprise recuperations every year. The persistence of this practice is, in part, the result of the presence of the organizations that emerged to promote this practice.

### *Structures of Mobilization*

The second element in McAdam, Tarrow, and Tilly's (2001) mobilization model is the emergence of new organizations or appropriation of existing ones that facilitate and support collective action. Traditionally unions had been the main source of organizational support in the struggle of Argentine workers, but in most recuperation cases they largely remained on the sidelines. In some cases, unions directly opposed enterprise recuperations. The massive deindustrialization that occurred throughout the 1990s weakened unions, and by the early 2000s, they focused their efforts on defending the unionized positions that remained. Unions saw the recuperations as something they could not control. In addition,



most union leaders did not believe in the capacity of the workers to run their enterprises (Gómez 2000; Dávalos and Perelman 2005). To be sure, some unions did participate in the recuperation process, but this occurred mainly at the local level and it was the exception rather than the rule.<sup>2</sup>

MNER was the first organization of recuperated enterprises. It was founded in 2001 by workers of some of the recuperated enterprises that existed at that point and activists from other movements who joined their struggle. MNFRT split from MNER at the beginning of 2003 because of political disagreements. MNER followed a radical political line and emphasized the link between the recuperation of enterprises and other struggles of Argentine workers and poor people. MNFRT, on the other hand, emphasized the process of recuperation and consolidation of each enterprise and rejected any link between the recuperated enterprises and other social movements. In 2006 a third organization, Federación Argentina de Cooperativas de Trabajadores Autogestionados (FACTA, or Argentine Federation of Cooperatives of Self-managed Workers) also split from MNER, rendering the latter rather marginal.

MNER and MNFRT were key in helping to transform worker's initial reactions to the threat of marginalization into a new form of contention. First, these organizations supported and in some cases initiated the process of recuperation. A study of enterprise recuperations in the city of Buenos Aires conducted in 2003 found that in 90 percent of the cases the idea to take this course of action came from people external to the enterprise (Rebón 2004). As described above, this was indeed the case in the recuperations of Ghelco and Bauen. The organizations also provided the know-how for the recuperation. They followed a basic blueprint of action: first they encouraged workers to take over the enterprise (forcefully if necessary); then to form a cooperative and look for authorization from a judge to operate the enterprise; and finally, to press the authorities for legal expropriation. These organizations mobilized other workers and social movements in support of newly recuperated enterprises. In some cases this meant mobilizing people to confront violent eviction attempts by the police. The organizations also provided guidance to workers in creating new cooperatives and helped these obtain legal permission to operate the enterprises. In addition, the organizations helped generate financial support—mostly contingent loans from recuperated enterprises to new cooperatives to start operations or to older cooperatives to solve specific problems. This financial help, although not thoroughly institutionalized, was often crucial for cooperatives to start or maintain their operations. Importantly, these organizations also mobilized to lobby local legislatures to demand expropriation laws for the new cooperatives.

The organizations consisted of a small number of activists and a small number of workers from the recuperated enterprises that worked regularly with them. Several of their most important leaders and activists were not initially part of the

2. Unions that supported recuperations included the ceramic workers union in the Province of Neuquén, which led the recuperation of Zanon (a famous recuperated enterprise); the local chapter of the commerce workers' union of Rosario; the local chapter of the metalworkers' union in Quilmes; and the Federation of Print Workers of Buenos Aires.

enterprises themselves. To understand how people joined the recuperated enterprises movements it is useful to look at the trajectories of two of the key activists who were involved from the very beginning: Eduardo Murua, the leader of MNER, and Luis Caro, the leader of MNFRT. These two are by no means the only activists involved, but they played a central role in the emergence of the organizations, particularly in Buenos Aires. Each was an activist before and brought to their respective organization political knowledge acquired in their previous site of activism. Murua was an activist of the metalworkers' union (UOM, Unión Obrera Metalúrgica). He was part of the left wing of Peronism and was very familiar with street mobilization, factory occupation, and the work of cooperatives. Murua became the president of IMPA, one of the most important recuperated enterprises in terms of its impact on the early politics of enterprise recuperation. Caro was a young lawyer linked to the Partido Justicialista (the Peronist Party). As part of the centrist wing of the party he was familiar with the mechanisms of lobbying the political system. As a lawyer, Caro was the one who articulated a legal solution to the predicament of the recuperated enterprises by introducing the idea of expropriating the enterprise for the public interest. He based this idea on his previous experience with Catholic social organizations where he worked to formalize informal settlements.

MNER and MNFRT were neither large nor very institutionalized. Rather they were highly personalistic organizations. Murua and Caro filled key roles in setting the political positions of the organizations. Around each of them was a small core of activists from the recuperated enterprises. FACTA, the late split of MNER, was a less personalistic organization. While this organization had multiple leaders, it still relied on a small cadre of workers organized around an even smaller group of activists. Despite these characteristics—the small number of people involved in the organizations and the dominant role of some of their leaders—these organizations were able to mobilize a large number of workers from the recuperated enterprises and from allied social movements when needed, to generate financial and technical support when necessary, and to lobby local administrations and the national government to advocate for friendly policies for the cooperatives.

### *Class Culture*

The recuperation of enterprises emerged as a contingent response of some workers to the threat of exclusion from the labor market. Movement organizations became key in promoting this new form of contention. Yet there have been profound economic crises in many places where we don't find the consolidation of similar practices. To be sure, there have been initiatives to pass ownership of failed enterprises to workers and to create cooperatives in many places. In the United States we recently witnessed the cases of the New Era Windows Cooperative (formerly Republic Windows and Doors) in Chicago, and the Evergreen cooperatives in Cleveland. The former, however, is a case of workers buying the enterprise, and the latter entailed the creation of new enterprises. In Romania, after the fall of the Ceaușescu regime in 1989, hundreds of thousands of workers temporarily appropriated factories until the transition government took over,

ending workers' self-management of production (Ban 2011). In contrast, in Argentina, even though the practice of enterprise recuperation challenges established property rights, it enjoys widespread legitimacy—so much so that many cooperatives have continued operating for almost a decade despite not having legal ownership of the enterprise. In order to understand this it is necessary to analyze the cultural configuration in which the recuperation of enterprises emerged and developed.

The literature on the Argentine working class suggests that the identity and culture of the working class was built on the basis of stable employment, unionization, and worker rights. The Argentine working-class culture understood formal employment as dignified work. This class culture emerged during Juan Domingo Perón's presidency (1946–1955). As labor rights were legislated the working class came to understand well-paid work as a right and, conversely, leaving people jobless as morally wrong. Formal employment became central to the organization of everyday life and a source of social and political recognition for working-class people. This was to be further consolidated during the countless union and political struggles that unfolded in subsequent decades (Danani and Grassi 2009; James 1994; Ranis 1992).<sup>3</sup>

Researchers of recuperated enterprises have found that this understanding of wage work as a right was a powerful motive for workers who participated in the recuperation of enterprises. Workers engaged in this practice in order to defend the elements that organized their lifeworlds before the crisis: their identities as wage workers and their expectations regarding access to a dignified life organized around their jobs. When workers' lifeworlds were threatened, the same identities and expectations that previously ordered social life led many workers to radically challenge established property relations (Fernández Álvarez 2004; Dávalos and Perelman 2005).

We found similar results in our interviews. When their workplace went bankrupt, workers engaged in all sorts of self-employment in order to survive, including bartering, selling in the streets, home cooking, delivery, and driving taxis. When asked about this work, workers mentioned that they were doing all sorts of odd jobs, but they did not refer to these as dignified work. For example, a worker at the Bauen Hotel told one of the authors that while the hotel was closed, he did many things to survive, including baking pizza in his home and selling it in his neighborhood. This allowed him to make a living, but he felt as if he had lost his dignity: "To work in order to live means that your work makes you a worthy person. This does not mean that by baking pizza I was not worthy . . . but then all the years that I have worked in the hotel sector, twenty-eight years in the hotel sector, is worth nothing. Then you feel like a morally low person. . . . Your work dignity goes down the drain" (interview, June 2005, authors' translation).

This kind of statement repeated itself in all the workplaces in which we conducted interviews. Our interviews, however, all took place after the recuperations,

3. Cultural configurations change, and the strong attachment to wage work may have changed among the generation that grew up under neoliberalism. Indeed, the literature documents conflicts concerning work ethics between younger and older workers within recuperated enterprises (Hudson 2011).

and this experience could have affected how workers perceived their identities. Yet our findings correspond to those of other studies of the Argentine working class that have found that when expelled from the formal sector and forced to live from precarious jobs, former formal workers do not identify what they do as dignified work (Danani et al. 2012; Danani and Grassi 2009).

The importance to workers of defending the workplace in their decision to appropriate the enterprise appears clearly in two surveys conducted among recuperated enterprise workers in the city of Buenos Aires. The first survey was conducted in 2003 and included 150 workers from seventeen recuperated enterprises in Buenos Aires (Rebón 2004). The second survey was conducted in 2011 and included 138 respondents in ten of the recuperated enterprises surveyed in 2003 (Salgado 2012).<sup>4</sup> In the first survey, workers were asked what constitutes a recuperated enterprise. Sixty percent answered that it is an enterprise that allows for the recuperation of workplaces. Thirty-two percent answered that these enterprises belong to the workers because they are the product of their work. In the second survey, respondents were asked how they identify. The majority of workers, 67.4 percent of interviewees, responded that they identify as workers and only 29.0 percent responded that they identify as cooperativists. This survey also asked workers how they would measure the success of recuperated enterprises. Forty-two percent answered that the success of recuperated enterprises is measured by the generation of employment, 31.2 percent answered that they value their ability to invest and grow, and 26.1 percent responded that their success depends on the participation of its members.

Two themes emerge from these surveys. The first and most important is the centrality of work in the self-understanding of the workers of the recuperated enterprises. In both surveys the modal answer was that protecting and creating jobs is the main goal of recuperated enterprises. The second theme that emerges is that workers of recuperated enterprises see themselves as having a rightful claim to the enterprise. They have a right to it because their work helped make the enterprise, and their participation in the enterprise is a necessary condition of its success (Rebón 2004; Salgado 2012).

The emergence and durability of the recuperated enterprises was possible because of the strong social valuation of work among Argentine society in general, not only within the working class. This shared valuation of work was important to legitimize the practice of recuperation in the eyes of the public. In the process of recuperation of enterprises, workers often received support from strangers. For example, Ghelco workers remembered that when they were camping outside the factory, without money and without food, people from the surrounding neighborhood would bring them food or yerba mate (a type of tea) to drink. According to workers' own telling of the story of the recuperation, without the solidarity

4. The 2003 survey aimed to interview workers of the most important and well-known recuperated enterprises in Buenos Aires at that time. Within each enterprise there was an effort to interview workers in all sectors of production. The 2011 survey aimed to interview workers from ten of the seventeen enterprises interviewed in 2003. Again there was an attempt to interview workers from all sectors of production (Salgado 2012).

of these strangers they would not have been able to remain in the camp. Similar stories of widespread solidarity with the workers' actions are found in most cases of enterprise recuperation.

Furthermore, a recent survey conducted in August 2012 emphasizes the legitimacy of the practice in public opinion.<sup>5</sup> The survey was based on a stratified random sample of six hundred respondents in the Buenos Aires Metropolitan Area. The results show that 73 percent of respondents were informed about the recuperated enterprises and their characteristics, and within this group, 97 percent had a positive valuation of them. In answer to a question asking if it is justified for a group of workers to recuperate a factory that is about to close in order to put it into production again, 86 percent of the respondents answered that recuperations are justified. When this group was then asked why they think recuperations are justified, 65.4 percent answered that the recuperation of the enterprise is justified because workers are defending their workplace, 14.6 answered that the factory belongs to the workers because it is the product of their work, and 19.9 answered that it is justified because the recuperation of the enterprise is the only alternative left to the workers.

This survey, as well as the stories told by the Ghelco workers, shows that in public opinion, the value of private property is overshadowed by the value of work in cases in which employers abandon their responsibilities vis-à-vis their workers. The recuperation of enterprises enjoyed widespread solidarity and legitimacy because it was seen not as a revolutionary subversion of property relations but as a struggle to protect workers' livelihoods and to punish employers who had not fulfilled their part of the social contract. This legitimacy protected the recuperated enterprises from forceful evictions. When workers from recuperated enterprises confronted attempts by police to evict them, they enjoyed the support of other social movements and of public opinion. As a result, politicians who wanted to use violence to remove the workers from the recuperated enterprises could not afford to do so. Whenever someone tried this approach—and it was indeed tried in several cases—it failed.

#### FROM DIRECT ACTION TO INSTITUTIONALIZED POLITICS

The recuperation of enterprises was not a rebellion against capitalism but rather against unemployment and marginalization. That is, it was a defensive reaction to protect the workers' way of living and their identities. These were Polanyian-type struggles in defense of a threatened lifeworld (Silver 2003). But social processes are complex and have unintended consequences: to the extent that it limits how employers can use labor, a rebellion against unemployment is also a rebellion against the commodification of labor (Ranis 2010). Furthermore, as

5. This survey was conducted by the Instituto de Investigaciones Gino Germani (IIGG), the social sciences research institute of the Universidad de Buenos Aires, and CEDESAL (Centro para el Desarrollo de la Economía Social en América Latina). In the rest of the article we will refer to it as the IIGG-CEDESAL survey.

Burawoy (2008) points out, Polanyian-type struggles often lead to alliances with other groups facing similar threats of commodification of their lives. This case is no different. Through the recuperation process, workers forged ties of solidarity with other recuperated enterprises, unemployed people's movements, university students, and other social and political actors (Dávolos and Perelman 2005). In this way, the recuperation of enterprises extended beyond the workers and involved a diverse coalition of social forces. By defending threatened patterns of work and life, the workers of the recuperated enterprises developed a transformative political practice that has implications beyond its initial defensive character.

Wright's (2010) typology of strategies of transformation is helpful in analyzing the politics of enterprise recuperation. The recuperated enterprises went through two phases. The first phase, which began in 1998 with the recuperation of IMPA and continued through 2003, was characterized by the diffusion of the practice of enterprise recuperation, mass mobilization, and the creation of support organizations. During this first phase, the recuperated enterprises combined ruptural and interstitial transformation strategies. The ruptural strategy took place at the micro level of the enterprise and it was expressed as a challenge to the existing forms of organizing property and production, to the bureaucratic structure of management, and the technical knowledge that asserts that workers cannot manage their enterprises. The recuperation of enterprises challenged one of the pillars of property relations under capitalism; it asserted that people's right to work had preeminence over the right of owners to dispose of their assets as they saw fit. Yet the recuperation process was always a very small phenomenon that developed at the periphery of the broader economic system. This corresponds to Wright's interstitial logic—that is, strategies that promote alternative forms of organizing society and the economy on the margins of capitalist society. During the first phase many of the participants and observers hoped for the proliferation of recuperated enterprises and for a ruptural confrontational strategy, but this remained wishful thinking.

The second phase, which began in 2003 and continues to the present, is characterized primarily by an effort to consolidate the enterprises and institutionalize the practice of enterprise recuperation. If the first phase combined ruptural and interstitial strategies of transformation, the second phase combines the continuation of interstitial strategies with symbiotic ones. Symbiotic strategies institutionalize new forms of popular empowerment within the general frame of existing social and economic relations. This can be seen in the changing relationships between the recuperated enterprises and other social and political actors.

First, in the second phase the relationship between the recuperated enterprises and the government has changed. Since 2003, the national government has supported the movement at least at the discursive level. Some government offices, including the Secretary of Labor (Ministerio de Trabajo) developed specific policies toward the sector and have provided subsidies and grants to individual workers and enterprises. Although these policies were not nearly sufficient to change the market constraints confronted by the recuperated enterprises, they helped workers weather the difficult initial period of the recuperation process. Moreover,

during this period, the government promoted the emergence of new organizations that bring together recuperated enterprises, traditional cooperatives, and other social economy endeavors (Palomino et al. 2011).<sup>6</sup>

In the second phase, there are more contacts and negotiations between the government and the organizations of recuperated enterprises, but a number of areas of tension remain. In conversations with the authors, leaders of the different movements recognized that the government has implemented policies in favor of the recuperated enterprises but complained that it designed and implemented those policies without consulting the different organizations. Furthermore, they reported that the government has supported some particular processes of recuperation but asserted that government officials attempted to control these enterprises and have not respected the autonomy of their workers. These comments were expressed by people who are supportive of the government as well as by people who oppose it.<sup>7</sup>

Another source of tension has to do with the question of access to social benefits for recuperated enterprise workers. Cooperative workers are considered by law to be self-employed. As self-employed individuals, the workers of the recuperated enterprises pay low contributions to the pension system but they also receive low pensions when they retire. Self-employed workers are also excluded from unemployment and workers' compensation insurance programs. The inclusion of the recuperated enterprise workers in the general pensions, unemployment, and work insurance programs has become one of the main demands of the recuperated enterprises movement (Hopp 2013).

During the second phase the relationship between recuperated enterprises and the unions has also changed. Several local union chapters started to look favorably at the experience of enterprise recuperation and even began helping in recuperation processes. Union chapters that supported recuperations from the start went further and began to promote associations of cooperatives. For example, the metalworkers' union of the City of Quilmes promoted the emergence of a network of metalworkers' cooperatives, while the Buenos Aires Federation of Print Workers promoted a network of print cooperatives. The cooperatives in these networks share costs, information, and work. If in the first phase the main allies of the recuperated enterprises were protest social movements that had emerged with the crisis, in the second phase unions have started playing a more important role.

The most important achievement of the recuperated enterprises during this second phase was the reform of the bankruptcy law in 2011. The new bankruptcy law allows workers to use the debt owed to them—in the form of unpaid wages and severance packages—to buy the bankrupt enterprise. The new law also makes the debt owed to workers a priority over other debts of the enterprise. MNFRT was instrumental in changing the bankruptcy legislation. From

6. The extent to which these new organizations and state policies are effective needs to be further investigated. Hudson (2011) suggests that there are no coherent policies for the sector.

7. For the opinions of four leaders of recuperated enterprise organizations on the state see the summary of the panel "Las empresas recuperadas: Balances y perspectivas," which took place in Buenos Aires in July 2012 as part of the Second Forum of the International Sociological Organization (Kasparián and Hernández 2012).

the very beginning of the process of recuperation, Luis Caro advocated for reform of the bankruptcy laws. Yet the government initially did not show any interest in this issue. However, after facing defeat in the 2009 midterm congressional elections, Cristina Fernández's government began to adopt previously ignored social measures in order to regain political clout. At this point the government became interested in the project of bankruptcy reform and pushed for its legislation by Congress. President Cristina Fernández even used the recuperated enterprises as a metaphor to describe the process of economic rebuilding that Argentina has undergone since the 2001 crisis (INAES 2010).

## CONCLUSION

Recuperated enterprises emerged out of a deep crisis within Argentina's society, polity, and economy. A decade of neoliberal policies had dissolved the ties of solidarity that held Argentine society together, destroyed the economic activities that made possible the integration of large numbers of people into society through work, and brought a deep crisis of legitimacy to the state. The practice of enterprise recuperation was the contingent response of a small group of formal workers threatened with a future defined by economic marginality and the loss of identity. The practice was aided by emergent organizations that helped workers carry out the recuperations. Had it not been for the crisis and the support of these organizations, the practice of enterprise recuperation would not have developed as it did. Yet the crisis in itself did not create the practice of enterprise recuperation nor did the organizations exist prior to the emergence of enterprise recuperations—they developed with it. Our analysis shows the importance of understanding the cultural configurations in which contentious practices develop. The identities and self-understandings of the Argentine working class and the emotional value attached to wage labor help to explain the decisions to recuperate enterprises and the social legitimacy of this form of contentious politics.

Confronted with the demise of their lifeworld, a small segment of the Argentine working class reacted defensively by trying to restore their world. Despite the defensive Polanyian-type character of their struggle, they stumbled upon something completely new: the workers of the recuperated enterprises created new forms of organizing their work lives. Furthermore, the process of contention generated the organizations that promote this practice and changed the legal framework in which this practice will take place from now on. The workers of the recuperated enterprises and their organizations have succeeded in making the recuperation of enterprises part of the Argentine workers' toolkit of contentious practices. Recuperating enterprises has become a legitimate form of action. Therefore, it is not surprising that there continue to be new recuperations even though the social, political, and economic crisis has long been over.

Despite these achievements, the recuperated enterprises face a number of challenges if they are to become more than an interstitial phenomenon. Politically, they need to better define their relationship with the state and with unions. As cooperatives, they must begin to consolidate their practices of democratic self-management. Economically, they must strengthen their market insertion and develop financial



mechanisms to secure funds for working capital and for growth. The way the recuperated enterprises answer these challenges will determine whether they can play a more central role in the construction of a post-neoliberal Argentina.

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