

Factories without Bosses: Argentina's Experience with Worker-Run Enterprises

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Only in community with others has each individual the means of cultivating his gifts in all directions; only in the community, therefore, is personal freedom possible. In the previous substitutes for the community, in the State, etc., personal freedom has existed only for the individuals who developed within the relationships of the ruling class, and only insofar as they were individuals of this class. The illusory community in which individuals have up till now combined, always took on an independent existence in relation to them, and was at the same time, since it was the combination of one class over against another, not only a completely illusory community, but a new fetter as well. In the real community the individuals obtain their freedom in and through their association.

Karl Marx, "The German Ideology"

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Clothing and Ceramic Factory Workers Confront the Owners

"It was just a question of adding and subtracting. We can do that." This was the response of a woman worker of one of the recently occupied factories of Argentina, the Brukman garment factory, as she explained why the workers were able to run the factory without their former managers or owners.¹ Brukman is just one example of the many factories and enterprises taken over and run by their workers and employees since the late 1990s; their number has multiplied substantially since the Argentine economic crisis of 2001. The Brukman takeover became one of the more celebrated confrontations between the workers, most of whom were female, and their employers and the Argentine state. The factory takeover occurred on the eve of the historic outbreak of popular discontent on December 19 and 20, 2001. The factory was located

1. Interview by the author, Brukman factory, Buenos Aires, August 6, 2004.

in center of the capital city of Buenos Aires and thus received intense media attention. After several failed attempts to oust the workers, the many community *piquetero* (unemployed, poor workers), and political activists (students, intellectuals, Madres de la Plaza de Mayo, human rights groups, etc.) who kept vigil around the clock, the police finally occupied and closed the factory on behalf of the former owners during a surprise raid the day before Easter in April 2003. Several days later the workers failed in an attempt to retake the factory on a day that was marked by major violent confrontations between them and their thousands of supporters and more than a thousand police officers. After the expulsion, the workers and their supporters maintained their presence and their protests in tents near the factory entrance while they petitioned the Buenos Aires municipality to expropriate the Brukman garment factory on behalf of the workers.

At this point counter litigation procedures began with the workers asserting their demand to continue to produce men's suits and to receive back the lost wages from many years of arbitrary salary reductions, while the Brukman owners called for a return of their property that they had previously decapitalized and downsized over several years.² Luis Zanón, the owner of the largest ceramic tile factory in Argentina, located in the city of Neuquén, in the western province of the same name, attempted to close down his factory and lock out his workers in October 2001. Luis Zanón, after receiving loans and credits of US\$45 million from the World Bank, Banco Río, and the Neuquén Province, decided to liquidate the plant and sell it off after years of firing workers and other cost-cutting measures, such as dangerous speed-ups that had cost the life of one worker and injuries to countless others. At the time of its closing, in October 2001, factory production had fallen to 20,000 square meters of tile per month as Zanón used his capital for speculative and personal investments divorced from the needs of his factory.

With the worker takeover in early 2002, Zanón became the symbol throughout Argentina of opposition to neoliberal governmental collusion with corporate finance. Governor Jorge Sobisch supported the former owner and saw the factory shutdown and worker takeover not as increasing provincial unemployment but as a working class virus that had to be crushed. Given that Neuquén province was home to the newly privatized gas and petroleum holdings, employing over 15,000 workers, the Zanón worker experiment represented a dangerous alternative model. Zanón is one of the few cases in Argentina where the workers began production without the legal permission of the bankruptcy court judge or a provincial legislature to form a workers' cooperative.

2. For an excellent depiction of five case studies of workers' struggles to take over their enterprises, see Esteban Magnani, *El cambio silencioso: Empresas y fábricas recuperadas por los trabajadores en la Argentina* (Buenos Aires: Prometeo Libros, 2003). The attempt to recuperate the Brukman factory was videotaped and became part of the movie *La Toma*—shown in the United States and elsewhere as *The Take*—which was produced and directed by Avi Lewis and Naomi Klein.

Victimized Workers

The attempted factory lockouts were opened to Argentine enterprises by the labor legislation passed during the two presidential administrations of Carlos Menem (1989–99). Under the peso-dollar convertibility law, transnational capital increased its domination over the Argentine industrial economy as small and medium-sized enterprises found it much harder to compete. Under the aegis of an overvalued dollar/peso parity, foreign investment increased significantly, as did foreign imports of all kinds of industrial products. While we witness a spiral of Argentine deindustrialization, investments abound in the utilities, services, and extractive economies. The demise of industrialization had a nefarious effect on domestic enterprises with a concomitant increase of unemployment, poverty, and inequality increasingly symptomatic of a dual society.³ The partial financial default of Argentina in late 2001 sharpened these conditions. The collapse of the peso convertibility severely affected smaller firms with higher levels of indebtedness, those that produced for the domestic market but often depended upon imported raw materials and supplies for their production.

The reasons behind the collapse of many small and medium-sized Argentine industrial firms are complex. There is little doubt that the crisis accentuated preexisting patterns and behaviors among the owners of these companies. Almost all started proceedings that would end in default to their creditors and outright declarations of bankruptcy. Under the Menem Employment Law of 1991, firms were allowed to approach the Ministry of Labor under “crisis-prevention procedures.” Under its provisions a firm could petition to subcontract and/or use some of its workers outside collective-bargaining agreements and in other than full-time employment. It also allowed a firm to lay off or fire a number of workers in order to avoid bankruptcy, which would result in even higher levels of unemployment.⁴ In 1995, a “flexibilization” law was passed that had huge repercussions. Aimed at enterprises with forty or fewer employees, businesses that employ approximately four out of five Argentine workers, it allowed the owners of these firms to reconfigure the workplace to enhance productivity and to restructure their workforce based on technological, organizational, and market rationales. Thus many of the bankruptcies were related to the economic crisis accentuated by the advent of the severe recession of the late 1990s. However, invariably in the cases in which workers chose to occupy their factories and enterprises, there was overriding evidence that the industrial recession was often fraudulently used by the owners to decapitalize their firms, to attain governmental credits for non-production-related financial speculation, and, ultimately, to deprive

3. Eduardo Hecker, “Prólogo,” in *Empresas recuperadas: Ciudad de Buenos Aires* (Buenos Aires: Gobierno de la Ciudad Autónoma de Buenos Aires, Secretaría de Desarrollo Económico, 2003), 5–7.

4. Peter Ranis, “The Impact of State and Capital Policies on Argentine Labor: A Comparative Perspective,” in *Identities, State and Markets: Social Change in Latin America*, ed. José Havet (Toronto: Canadian Scholars' Press, 1999), 101–23.

the workers of their earned wages.⁵ As one observer wrote, “without secret, dirty, and unpunished monet accounts, there would be no recuperated factories.”⁶

The Argentine enterprises that would be occupied by their workers (*empresas recuperadas*) usually were in one of two stages of ownership crisis management. In both cases they had gone beyond the crisis-prevention stage of dealing with the functioning of their factories. The first stage was “*concurso preventivo*,” which constitutes proceedings against an insolvent debtor, and the second stage was the declaration of bankruptcy itself (*la quiebra*) as stipulated by the bankruptcy law passed in 1995. Some enterprises moved directly to the second stage. At the *concurso* proceedings stage the various “privileged” and labor creditors would meet with the employer to try to hammer out a resolution that was satisfactory to all concerned. If this was not successful, bankruptcy was declared. At this stage the bankruptcy law allowed, as one alternative, the formation of cooperatives with national, provincial, or municipal government involvement. This allowed for various proposals from interested parties to reconstitute the factory or enterprise in question. The bankruptcy court would then make a decision on the matter. In May 2002, during the Argentine economic crisis, an important additional reform of the bankruptcy law allowed for the bankruptcy court trustee to rule that workers could initiate production in the enterprise if a majority of workers so agreed. It is extremely important to recognize that this reform did not guarantee the workers any indemnification for the factory closing but merely allowed them to temporarily continue to make a go of the enterprise and continue to be responsible for its fiscal solvency. The law simply stipulated that the factory or enterprise would continue to be an integral whole until such a time as the factory could be auctioned off to a new buyer. Obviously this constituted a very unstable situation among the workers willing to continue production via a workers’ cooperative because they were not guaranteed any priority at the time the factory was auctioned. At this point the workers, in consultation with their legal advisers, began asserting provisions of the national and provincial constitutions of Argentina that provide for the right to strike and allow for the expropriation, duly compensated, of private properties on behalf of the workers for reasons of the “common good” and “public utility.”⁷

Brukman and Zanón under Worker Control

Quite typical of these many smaller Argentine companies, Brukman had begun laying off workers in 1995 to supposedly prevent closing altogether, which was allowed by labor legislation passed in that year under the Carlos Menem presidency. The workers who remained had their pay packages reduced from 100 pesos a week to 90, 80, 70, and eventually to 2 pesos at the time of the 2001 takeover! At the same time,

5. For background on these maneuvers, see Matías Kulfas, “El contexto económico: Destrucción del aparato productivo y reestructuración regresiva,” in *Empresas recuperadas*, 8–19.

6. Claudia Acuña and Judith Gocial et al., *Sin Patrón* (Buenos Aires: Lavaca Editora, 2004), 20.

7. Maria Agustina Briner and Adriana Cusmano, “Las empresas recuperadas en la Ciudad de Buenos Aires: Una aproximación a partir del estudio de siete experiencias” in *Empresas recuperadas*, 26–30.

the Brukman owners received loans privately and from the government to keep their factory afloat. As in numerous other cases, lawyers on behalf of the workers found that the loans were used for financial speculation both within Argentina and abroad.⁸ In October 2003, the municipality granted a temporary expropriation and allowed the sixty or so remaining workers to return to the Brukman factory by December of 2003. The workers and their legal counsels, along with twelve other city factories and enterprises, continued to press for a law of permanent expropriation, which was finally granted by the Buenos Aires Municipal Council in November 2004.

Before the seizure of the factory, the remaining workforce had managed to continue to manufacture and market men's suits despite difficult conditions, such as the loss of some of the machinery and investment capital and the challenge of reestablishing contacts with providers and retailers. Although not all the workers were willing to confront their former bosses, the majority remained and established a modicum of the previous production. As one of the workers explained, "We already know how much a suit costs, how much the raw materials cost. Perhaps this is why they want to throw us out, because we know how to manage a factory, and we know that if workers can run a factory they can also run a country and that is what the owners of businesses fear."⁹ The workers of Zanón held a march and rally on July 7, 2005, to reaffirm their right to continue to occupy and recuperate their factory after four years of struggle resulting from the owner's lockout in 2001. The march was indicative of the wide community support for the tile workers in the city of Neuquén and included not only the tile workers but also health workers, public employees, teachers, professors and students, townspeople, and organizations of the unemployed ("piqueteros"). They called for the recognition of the right of Zanón's workers to establish a cooperative, called "Fábrica sin Patrones" ("Factory without Bosses") or FaSinPat in short. Several weeks earlier, a bankruptcy court judge had reopened bids to place the factory in private, capitalist hands once again. A bid by the wife and son of the former owner was disallowed by a Buenos Aires appellate court on August 5, 2005. This opened the way for the Zanón workers to establish a workers' cooperative. Nevertheless, the Zanón workers' ultimate aim remains state ownership of the tile factory under worker control.

By August 2005, Zanón had increased employment to 480 workers and production to 300,000 square meters per month. Of the 380 workers at the time of closing, 240 remained to occupy the factory and in February 2002 began production under worker control. Though political conditions under President Néstor Kirchner made expropriation of the plant without payment and under worker control an unlikely outcome, the workers continued to defend that vision. Distinct from the many Argentine labor unions that have not supported worker cooperatives, the Zanón Ceramic

8. Interview with José Abelli, vice president of Movimiento Nacional de Empresas Recuperadas, Buenos Aires, July 21, 2004.

9. Magnani, *El cambio silencioso*, 170. These same sentiments were expressed to the author by one of the women cooperative leaders, Brukman factory, July 22, 2005.

Workers local won control in 1998 against the former bureaucratic union that was in collusion with the owner. Once representing the workers, they have been instrumental in confronting a ever-more repressive factory administration. Since the attempt to shut down the factory in 2001, the union has successfully carried out a democratically run factory with impressive outreach to the Neuquén community. They hire from among the unemployed “piqueteros,” they built and have maintained a major neighborhood health clinic, and the factory has continually opened its doors to cultural, artistic, and sporting events. All decisions are made by majoritarian decisions of weekly-run worker assemblies. No leadership position is permanent, and the constant rotation of positions of responsibility is a hallmark of this cooperative. Every worker, whether in production, sales, or administration, earns exactly the same monthly salary. The Zanón workers see their factory at the service of their community and not the market, and that attitude has been translated into countless acts, and they have been compensated by the community in five attempts by the provincial police to take over the factory. Zanón workers are battling not just to be a workers’ cooperative factory but, also, an incipient movement inspiring social change.

Argentine Workers Face Unemployment and Poverty

The global ideological offensive has nowhere been more destructive of labor rights and employment security than in Argentina. After a decade of neoliberal privatizations in the state sector, corporate downsizing, and labor law flexibilization changes during the 1990s, the Argentine working class absorbed further shocks in the default crisis of 2001. The debt payments were wrung from the Argentine population by the partial bank freeze and eventual steep devaluation of the peso in 2002. The international banking creditors were paid with interest at the cost of the greatest Argentine societal fallout in historical memory. The popular rebellion that ensued brought down the coalition government of Fernando de la Rúa and, after a severe institutional crisis that resulted in an interim caretaker Peronist government in 2002, culminated in the election victory of Peronist Néstor Kirchner in mid-2003.¹⁰

The workers of Argentina have no seat at the bargaining tables where the international banking community and political leaders meet to etch out fiscal and monetary policies that have direct impact on their lives. These structural adjustment policies became known as the Washington Consensus.¹¹ Workers had been assured since the advent of the Menem government that if public institutions and social ser-

10. For a detailed discussion of the antecedents and the impact of the Argentine rebellion of 2001, see Peter Ranis, “Rebellion, Class, and Labor in Argentine Society,” *Working USA: The Journal of Labor and Society* 7 (2004): 8–35.

11. For an early statement of the policy, see John Williamson, “What Washington Means by Policy Reform,” in *What Washington Means by Policy Reform: How Much Has Happened*, ed. John Williamson (Washington, DC: Institute for International Economics, 1990). An increasingly evident reaction to U.S. hegemony is percolating in the Third World via new working classes “in formation.” See chapter 6 of Beverly J. Silver, *Forces of Labor* (Cambridge: Cambridge University Press, 2003).

vinces were privatized and deregulated that they would be the beneficiaries.¹² Instead, the economic crises of the late 1990s resulted in workers' incomes falling to the lowest levels in modern times. By 2001, unemployment had reached 25 percent. Unemployment and underemployment combined to reach 35 percent while 60 percent of the total population of thirty-seven million lived below the poverty line.¹³ Despite the economic upturn since 2003, the Argentine working class has not shared in that largess. The vast bulk of economically active people have seen their income levels deteriorate since 1976 and the advent of the military dictatorship.

The worker-occupied factories and enterprises did not proliferate in a vacuum. They are a direct result of the Menem governmental policies that allowed workers to be fired and laid off, with limited severance packages, if management could prove to the Ministry of Labor that the firm's viability was endangered.¹⁴ These policies, combined with the recession that began in 1998 and the default crisis of 2001, created a miasma in the world of work. As these neoliberal policies deepened in the 1990s, a portion of the Argentine workers seized on the methodology of taking control of factories and enterprises that were being decapitalized by their owners and/or were in various stages of debtor insolvency or outright bankruptcy. Worker-occupied factories and enterprise cooperatives became a clear alternative to unemployment and poverty.¹⁵

Various calculations have been made since the mid-1990s to determine how many worker-occupied and worker-managed factories have sprouted in Argentina. Estimates vary, from national calculations to those covering Greater Buenos Aires to those including just the capital city itself.¹⁶ The great majority of these worker-run enterprises are in the metals, food processing, textiles, printing, and ceramics industries as well as, though in smaller numbers, in health clinics, schools, and other public service areas. Sixty percent of factories and enterprises are in the capital and Greater Buenos Aires, which traditionally have constituted the industrial center of Argentina. In a recent exhaustive survey of seventy-one recuperated factories and enterprises, the authors found that 95 percent of the recuperated workplaces were cooperatives and

12. Peter Ranis, *Class, Democracy, and Labor in Contemporary Argentina* (New Brunswick, NJ: Transaction, 1995), ixx–xxv.

13. For a detailed descriptions of the Argentine economy at the time of the crisis, see Claudio Lozano, *Apuntes sobre la etapa actual* (Buenos Aires: CTA, Instituto de Estudios y Formación, 2003) and *Boletín estadístico: Pobreza e indigencia, desempleo estructural, distribución regresiva de los ingresos y ganancias empresariales extraordinarias* (Buenos Aires: CTA, Instituto de Estudios y Formación, 2004).

14. Ranis, "The Impact of State and Capital Policies," 102–5.

15. See, for example, Graciela Di Marco and Héctor Palomino et al., *Movimientos Sociales en la Argentina* (Buenos Aires: Jorge Baudino Ediciones, 2003), 181–209; Gabriel Fajn, *Fábricas y empresas recuperadas* (Buenos Aires: Centro Cultural de la Cooperación, 2003); Analía Cafardo and Paula Domínguez Font, *Autogestión obrera en el siglo XXI: Cambios en la subjetividad de los trabajadores de las empresas recuperadas, el camino hacia una nueva sociedad* (Buenos Aires: Centro Cultural de la Cooperación, 2003).

16. At the national level, Di Marco and Palomino et al. (*Movimientos Sociales en la Argentina*, 189), calculate that in early 2003 there were only 98 firms with approximately 8,000 workers; the Secretaria de Desarrollo Económico del Gobierno de la Ciudad Autónoma de Buenos Aires (*Empresas recuperadas*, 16),

that 70 percent of them had fifty or fewer workers. The overwhelming majority produce for local domestic consumption at levels of between 20 and 80 percent of potential capacity.¹⁷

Two Alternative Worker Movements

The two principal organizations that have organized the recuperated enterprises are the Movimiento Nacional de Empresas Recuperadas (MNER), led by President Eduardo Murúa and Vice President José Abelli, and the Movimiento Nacional de Fábricas Recuperadas por los Trabajadores (MNFRT), led by President Luis Caro. Of the two associations, the former is more national and is heavily represented in the capital of Buenos Aires; the latter is more ensconced in Greater Buenos Aires. During interviews with these three leaders in July and August 2004 and with Caro in July 2005 it became clear that they have much in common in their critiques of the neoliberal economic policies and of the irresponsibility of both the corporations and the Argentine government. They recognize the conundrums caused by a surplus-labor economy and the increasingly competitive international environment, which place major downsizing and race-to-the-bottom pressures on business, particularly on small and medium-sized capitalist enterprises—thus the creation of these two associations to preserve jobs and to contain poverty among Argentina's working class. But while MNER focuses on the connections between the U.S. Treasury, the World Bank, and the International Monetary Fund as the originating source of the austere, corporate-leaning Argentine national economic policy, the MNFRT takes a more task-oriented, case-by-case approach that applies various legal and self-help measures to initiate the enterprise-recuperating process.

In many cases, the most dramatic being the Zanón Ceramics factory in Neuquén Province, the recuperated factories have managed not only to preserve the workplace but also to add to national productivity and to create employment while reaching out to the community via a health clinic and a cultural center.¹⁸ As Abelli told me, “We have created a virtual circle.”¹⁹ While MNER President Murúa has argued

provides an estimate of 140 forty enterprises with 10,000 workers in mid-2003; Magnani (*El cambio silencioso*, 66) cites Eduardo Murúa, president of MNER, as believing that there were 162 occupied enterprises with 13,000 workers in early 2003; Fajn (*Fábricas y empresas recuperadas*, 8), calculates 170 recuperated enterprises; in my interview with the vice president of MNER, José Abelli, in July 2004, he estimated 200 occupied enterprises with approximately 15,000 workers. The wide fluctuations are because some estimates cover factories and enterprises that have been researched and documented as well as others that have not yet been documented but reportedly are being managed by the workers. Moreover, inasmuch as the takeover process is often characterized by bankruptcy filings, prolonged litigation, and occasional legislative expropriation measures, the definition of a worker-occupied enterprise is dependent on an author's view as to whether a project is a fully viable, worker-run enterprise or still in the process of becoming one.

17. Andrés Ruggeri, Carlos Martínez, and Hugo Trincherio et al., “Las Empresas Recuperadas en la Argentina” (unpublished ms., Programa Facultad Abierta, University of Buenos Aires, December 2004).

18. The Zanón takeover is worthy of an article itself. The author conducted interviews with various representatives of FaSinPat, the Zanón cooperative, in the city of Neuquén, July 5-7, 2005.

19. Interview with José Abelli.

for clear, national expropriation legislation to encompass the ten thousand enterprises that have gone bankrupt and allow their workers a chance at reviving them (this, along with a minimal subsidy per worker from the Ministry of Economy or Labor could regenerate thousands of jobs²⁰), MNFRT President Caro expects little public support (“don’t waste your time looking for credits and subsidies in Argentina”) and chooses the road of labor sacrifice during the first few months of takeover while saving the salaries of former managers, who often earned between ten and twenty times the wages of the average worker.²¹

Worker-recuperated and self-managed factories and enterprises represent islands of empowerment that constitute a powerful critique against liberal capitalism merely by their continuing and viable existence. They represent workers’ deepened consciousness of their capacity to etch out areas of economic productivity by dint of their own intelligence, ingenuity, fortitude, and, let us say, enterprise. Although working within the capitalist market system, they have managed to appropriate some of its accoutrements and turn them into self-enhanced means of production, which lead to fairer methods of distribution and clear concerns for social justice and equity. The consequences of the Argentine recession, corporate downsizing, and the weakening of labor laws have no doubt had a catalyzing effect of riveting the minds of the workers caught up in these multiple pincers. The persuasive lessons of Argentine labor history have presented contemporary Argentine workers with valuable historical experiences of their power and potential to exercise real change in their work environments.

Argentine Worker Cooperatives: An Historical Departure?

Through oral history, memories, and experiences the Argentine working class has participated in many dramatic beginnings, heroic episodes, and often traumatic finalities. In just half a century they witnessed first the power of a clearly labor-oriented Peronist government that thoroughly revised for almost a decade the terms of the debate concerning class relationships between employer and employee.²² Then, between 1955 and 1976, they experienced the contestatory strength of the Peronist working class as Argentine workers enjoyed leveraging their power in an era of mass production and low unemployment in a labor-scarce economy, which led to powerful strikes and the massive Córdoba uprising of 1969.²³ These actions represented the last heroic attempts to wed a socialist opening to the Peronist populist traditions. It was during these periods of industrial growth and moderate prosperity that dissent and rebellion, born of a sense of reach and optimism, stirred the relatively privileged labor sectors to press for reforms to improve the lot of the entire working class. Later,

20. Interview with Eduardo Múrua, president of MNER, Buenos Aires, July 26, 2004.

21. Interview with Luis Caro, president of MNFRT, Buenos Aires, August 4, 2004.

22. Peter Ranis, “Early Peronism and the Post-Liberal Argentine State,” *Journal of Interamerican Studies and World Affairs* 21 (1979): 313–38.

23. James P. Brennan, *The Labor Wars in Córdoba, 1955–1976* (Cambridge, MA: Harvard University Press, 1994).

during the early 1970s, there were additional attempts, from worker co-participation in state enterprises to cathartic armed guerrilla uprisings against the political and military establishments, but these led to almost a decade of horrendous repression, of Argentine society in general and the working class in particular, under the auspices of right-wing Peronism, which was followed by the military *Proceso* regime of 1976–83.²⁴

With the return of liberal democracy under President Raúl Alfonsín in 1983, labor continued to lose its place as a major source of political influence, and by the time of the Menem presidencies, retreat and defeat for labor organizations had become the norm.²⁵ Previous phases of Peronism had always included the working class as a prominent constituent. In the decade of the 1990s, Peronism evolved into a coalition of paternalist government, domineering employers, and a compromised labor union bureaucracy. Menem emptied Peronism of its populist orientation and metamorphosed it into something representing the privileged classes, people who hardly need political party representation.

Thus the worker-recuperated cooperative movement represents an intelligent, resourceful, pragmatic, micromanaged alternative to continuing poverty and unemployment among the working class in Argentina. It relies on the capabilities of the factory and enterprise workers to take on the reigns of production, distribution, marketing, research, advertising, public relations, and, above all, political and community outreach. As workers' cooperatives expand, thrive, and demonstrate their viability, areas of public officialdom have begun to assess worker competence and ingenuity in manufacturing and services and to accept this as both a contribution to national economic growth and an enhancement of income distribution and the workers' sense of economic and political participation and competency.

MNER and the MNFRT provide an interesting test of the viability of need and survival as the sources of a social movement that is still in its infancy. The many factories and enterprises managed and controlled by workers constitute risky business, given their needs for capital, suppliers, and clients and the continuing challenges of turning a profit and sharing it equitably among employees. As empathy, cooperation, communication, and informational interchange become more prevalent, these worker cooperatives may achieve an important economic standing within the wider political community. As the other cooperatives, suppliers, and clients are necessarily integrated into their networks, their marginal impact on the economy will grow incrementally.

24. Juan José Taccone, *Novcientos días de autogestión en SEGBA* (Buenos Aires, 1977); Richard Gillespie, *Soldiers of Perón: Argentina's Montoneros* (London: Oxford University Press, 1982).

25. In June–July 1985, one of the last attempts by Argentine workers to seize a factory based on their view of contract violations took place. The case involved a huge Ford automobile plant outside of Buenos Aires (Villa Pacheco) and the local auto workers' factory shop committee. The workers argued that thirty-three workers had been fired, violating an employer-promised commitment under the previous contract. The controversy escalated to the point where the workers occupied the factory, which was followed by an employer lockout. The month-long dispute ended when the government declared the seizure illegal and, with the connivance of the national auto workers' union leadership, forced an egregious settlement favorable to the employers. For the details of this conflict, see Ranis, *Class, Democracy, and Labor*, 71–77.

As they reach out to their neighborhood supporters, popular assembly constituents, piqueteros, university and secondary school students, civil and human rights associations, and progressive union locals as well as independent intellectuals and professionals, their clout and significance within the public imagination will be enhanced.

Should the worker-occupied factories and enterprises accumulate strength and resources, their potential egalitarian organization of the workplace can begin to have an effect on the democratization of the body politic. The multiplication of societal activism after the civil outbreak of 2001 brings the cooperative movement into a public forum predisposed to entertaining and promoting the needs of worker autonomy and control. Charles Tilly reminds us of the impact of social movements on democracy and democracy on social movements. The question he poses is very apt for Argentina: Can social movements that are formed to pursue particular interests actually promote expansion of democratic relations and practices?²⁶ The expropriation laws of both the province and the municipality of Buenos Aires, the minimal seed funding that is increasingly being made available to cooperatives, and the legitimacy of the cooperative movement in the eyes of the general public all point toward the positive accumulation of resources and support.

The Argentine recession of 1998–2002 produced the crisis conditions among the small-scale enterprises that led to the multiplication of worker-owned and worker-operated factories. The upturn in the Argentine economy since 2003 has ironically fortified and amplified this field of worker endeavor, making it more attractive as an economic and societal alternative because of the greater health of the general economy to sustain these individual takeovers.

Each factory or enterprise that is taken over and run as a cooperative has excruciating and peculiar circumstances surrounding the workers' struggles to achieve the right to continue or reinstate the production process. Nevertheless, one sees the continual reappearance of common denominators concerning the documentation of past contract grievances and pay abnormalities, owner speculation with bank loans earmarked for the firms' product line, the seed money needed to capitalize the defunct company in the early days of worker management, and the need to continue or establish relationships with sympathetic suppliers and clients. As a result of these common circumstances, which are increasingly documented by MNER and MNFRT, a collective memory is emerging as workers lend their experiences to others similarly engaged in conflicting relationships with antagonistic employers, attorneys, judges, and bankruptcy court trustees, among others. Under these conditions, workers' shared interests and identities emerge into a form of class consciousness very much filtered through the extant Argentine political culture and value system.²⁷ Workers

26. Charles Tilly, *Social Movements, 1768–2004* (Boulder, CO: Paradigm, 2004), 140–43.

27. As E. P. Thompson has written, "If we stop history at a given point, then there are no classes but simply a multitude of individuals with a multitude of experiences. But if we watch these men over an adequate period of social change, we observe patterns in their relationships, their ideas, and their institutions. Class is defined by men as they live their own history, and, in the end, this is its only definition." Thompson, *The Making of the English Working Class* (London: Pelican Books, 1968), 11.

ask only to continue to work and work hard in an enterprise into which they have put much of their lives rather than have it disappear as it is auctioned off and their machinery and tools sold as scrap metal. Ironically, many of the worker cooperatives have taken place in bankrupt metal, textile, and food-processing factories, the very enterprises that laid the basis of Argentina's vaunted industrial surge beginning with early Peronism in the 1940s and the 1950s and that fueled the country's historic levels of income, consumption, and modernity.

Conclusion

Clearly, in the dozen or so factories and enterprises I visited and the many about which I read, the laborers and employees have achieved a sea change in organization and attitudes.²⁸ Decisions are made at regularly scheduled (often weekly) worker assemblies, the interchange of job functions has dramatically increased workers' knowledge of the entire production and commercialization process, and the employees have displayed as never before a willingness and commitment to make the enterprise succeed through not only hard work but also the diligent care of the enterprise and its facilities and tools. Working for the enterprise is no longer seen as being external to the worker. The profits are distributed equitably to all the workers. Labor is no longer seen as *forced labor* to be "shunned like the plague." Because the enterprise belongs to the workers, the former dynamic in which wages are doled out by the owner in control of his private property no longer pertains.²⁹ The workers now share equally in the profits according to the decisions of the worker-cooperative assemblies. It is in this spirit that worker alienation as depicted by Marx is substantially mitigated.³⁰ The collective ownership of the enterprise acts as a catalyst for worker ingenuity, creativity, and sacrifice. It creates the conditions in which these attributes redound to the enhanced value of the whole enterprise. As opposed to, for example, the Italian cooperatives at the turn of the century depicted by Robert Putnam, the workers' cooperatives in Argentina are overwhelmingly at the point of industrial production and thus have a significant impact on the means of production beyond being mutual aid societies or consumer or market cooperatives.³¹ Moreover, they are a strong antidote to the traditional clientelist, top-down relationships historically true of many Peronist unions in which workers do not play a significant role in the operations of the factories and enterprises.

The Argentine worker-*recuperated* enterprises, though part of the capitalist system writ large, offer a strong critique of its *modus operandi*, often based as it is on the dehumanizing exploitation of its workforce. They take their place as a significant contributor to Argentine civil society without rendering obeisance to the ideology of the capitalist workplace hierarchy. Yet, as Michael Walzer has written, smaller civil society entities, such as worker cooperatives, eventually need to be sustained and protected by a just state against powerful and abusive employers, managers, and political party and trade union bureaucrats linked to that same civil society.³²

But in a larger measure, as Gramsci wrote, the working people had to achieve independence from bourgeois political culture. "Workers [and peasants] had to do

more than simply join organizations, such as trade unions, that represented their interests; they needed to educate themselves, to learn to look at the structure of the state from their own perspective, and to develop the capacity to imagine a different kind of society and collective will to struggle for it."³³

The Argentine workers, through their persistent ability to confront difficult situations that require the stoutest of hearts and temperaments, have challenged the Argentine state and its corporate allies and associates to comprehend this new movement of worker-managed cooperatives. They have convincingly argued that poverty and unemployment will inevitably be companions of neoliberalism unless worker enterprises are evaluated as formidable as well as alternative production models that deserve both material and moral support. The islands of worker autonomy have already demonstrated significant departures in terms of social formations. By their capacity to form alliances with the progressive legal, labor, and political forces available to them, by the watchful and committed presence of their surrounding neighborhood communities, and by arousing worker self-confidence, they symbolize an alternative path of economic development that is predicated on worker solidarity and democracy in the workplace. ■



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