ARGENTINE WORKER COOPERATIVES IN CIVIL SOCIETY: A CHALLENGE TO CAPITAL–LABOR RELATIONS

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The worker-recuperated enterprise and worker cooperative movements in Argentina raise fundamental theoretical and practical questions that not only implicate the Argentine political economy but also redound on workers confronted with outsourcing, downsizing, and arbitrary decisions by owners and managers of capitalist enterprises. The Argentine workers so engaged represent a dramatic confrontation between the rights of private property and the labor rights of the working class faced with unemployment and poverty. These examples of worker autonomy have demonstrated significant departures in terms of social formations. By their capacity to form alliances with progressive legal, community, political, and labor forces available to them, they represent an alternative path to economic development that is predicated on worker solidarity and democracy in the workplace. These conflictual visions of civil society are contested in the legal-constitutional, political-institutional, and ideological-cultural arenas.

Contemporary Argentine industrial and enterprise worker cooperatives were essentially born in the run up to and during the massive popular societal demonstrations of December 2001. They owe much of their momentum to the social and economic crisis that offered little alternative to laborers and employees but unemployment and poverty. Factory and enterprise bankruptcies and employer abandonment of places of work forced the laborers and employees to seek the redress of their grievances. One of the measures to which they turned, inspired by two prominent worker organizations, was the formation of worker cooperatives that are sanctioned by historical Argentine law. Forming cooperatives became only the first step in often long legal, community, and political struggles that gave the workers temporary rights to reenter the factories and enterprises and initiate or continue production and services. What follows is an appraisal of the capacity of Argentine worker cooperatives to maintain alternative norms of producing under capitalist economic constraints while providing an ongoing critique of traditional capitalist modes of workplace organization.

The Argentine worker cooperatives are not movements that have been able to mount a collective insurgency that would inspire one to recall the Paris Commune of 1871. Then workers for several weeks sought to turn factories into democratically run enterprises throughout Paris in the latter days of the French
defeat at the hands of the Prussian armies and the creation of the Third Republic. In those heady days of revolutionary struggle, the Paris Commune was elaborating a plan to turn all of Paris’s factories and workshops that had been closed by their employers into an amalgamation of one large cooperative network. Of course, these decisions were made in the context of a revolutionary culture, temporary as it was, that sought to change the organs of indirect, parliamentary democracy for direct worker-led municipal councils, universal suffrage, the right of recall of elected representatives, and a whole host of deep structural changes that were, within seven short weeks, aborted by the administrative, political, and military powers of the national government at Versailles (Marx 1998). Although Argentina experienced the heady days of 2002 when the watch words were “Que se vayan todos” (“get rid of them all”), referring to the economic and political powers that be, the resultant caretaker policies of acting president Eduardo Duhalde and return of a Peronist to office in 2003 restored Argentine “normalcy.” The opening for a revolutionary change was, in retrospect, short-lived, and the return to liberal politics dampened hopes for a spontaneous proliferation of worker cooperatives.

The Argentine society after the crisis of 2001–2002, and particularly after the elections (2003, 2007) of presidents Néstor Kirchner and Cristina Fernández de Kirchner from a newly formed Peronist coalition, Frente por la Victoria, has returned to the fold of a liberal democracy, and thus the possibility of forms of working-class power, autonomy, or special access have been marginalized. Civil society has always been a contested and troublesome terrain. Workers, although an overwhelming societal majority, have, throughout history, been unable to achieve political change that offered them advantages befitting their numbers and their contribution to the health and welfare of that same society. This has been amply perceived since the dawn of industrial capitalism. For example, for Hegel, civil society was a combination of the forces of individual desires dominated by economic interests. These needed to be refashioned and mediated by the moral code of the state. As he wrote, “[c]ivil society...is in thorough-going dependence on caprice and external accident, and is held in check by the power of universality. In these contrasts and their complexity, civil society affords a spectacle of extravagance and want as well as of the physical and ethical degeneration common to them both” (Hegel 1942, 123). Marx, coming out of this Hegelian vision of civil society, was among the earliest analysts to fully encapsulate the material nature of civil society as divorced from the principles of political society and the claims of citizenship. In On the Jewish Question, Marx depicted the duality of the civil society where bourgeois self-interested motivations predominate and where people behave largely as individuals pursuing their personal and family interests. On the other hand, political society represents the mythic individual in whom community in citizenship triumphs over material concerns. In the spirit of Thomas Hobbes, Marx saw civil society as predominantly a “war of all against all.” The public persona was transmuted into the private aggrandizing individual (Marx 1978a). In this struggle it has always gone badly for the working class.
Marx’s notion of “species being in community with other men” falls by the wayside as economic man inevitably triumphs. And high on that list of self-interest is the defense of private property so critical to John Locke’s view of civil society. This became for the Argentine workers their most serious obstacle in recovering the factories and enterprises to which they had devoted many years of their lives. Once in default, the Argentine bankruptcy laws favor the primacy of creditors and the rapid auctioning of the factory or enterprise, its machinery, furnishings, and supplies. It is at this point in the commercial litigation that the worker organizations and their lawyers, representing the locked-out workers, commence proceedings that allow for the worker cooperatives to temporarily occupy the factories in lieu of compensation for lost wages and benefits because at the time of the auction, as secondary creditors after the primacy of banking creditors, they would be assured often but 5 percent of what was owed them. It is a strategy that seeks to protect the basic property, machinery, patents, and copyrights from the auctioneer’s gavel. The Argentine community of civil rights groups, the residue of the once prominent neighborhood assemblies, the immediate neighbors surrounding the factory or enterprise, assorted groups of unemployed workers who were picketing (piqueteros), university and secondary school students, human rights groups, and several small leftist political parties have all at one time or another pitched in to lend their support to the workers to prevent their ouster from their jobs and livelihood. The essence of community-based citizenship, which Marx described, becomes the means by which portions of society necessarily come to the aid of workers exercising their essential task of earning a living (Marx 1978a). This is made absolutely necessary in Argentine society where the balance of interests is tilted so strongly in favor of powerful economic interests with their predominant control over both capital and the state. Thus, in Argentine civil society, the prerequisites for and commitment to a just legal and economic order are still so distant that incredible efforts must be marshaled to attain the most minimal rights for the vast bulk of the working class. Marx correctly envisioned that existing civil society would be dominated by production and commerce and that these entities would be the chief concern of the state (Marx 1978b).

Despite these historical and contemporary obstacles, the Argentine worker-occupied factories and enterprises represent a novel on-the-ground departure among social movements. They have the authenticity to flourish, embedded as they are in the survival responses of workers and the moral authority of maintaining national production through working-class employment. The 1990s, under the Carlos Menem presidency, had dramatically accentuated the devastating deindustrialization in Argentina that began during the military regime of 1976–1983. Within the first several years of his government, the country sold at bargain-basement prices the national enterprises of petroleum, gas, electricity, railways, hydroelectric dams, banks, the subway system, maritime and airline fleets, the most traveled commuter highways, and radio and television stations
Under the aegis of overvalued dollar–peso parity, foreign investment increased significantly, as did foreign imports of all kinds of industrial products. While we witnessed a spiral of Argentine deindustrialization, investments abounded in utilities, services, and the extractive economy. The demise of industrialization had a nefarious impact on domestic enterprises with a concomitant increase of unemployment, poverty, and inequality symptomatic of a dual society (Lozano 2005; Rameri and Raffo 2005). 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 (Kulfas 2003).

Even the positive growth rates since 2003, averaging just under 8 percent through 2008 (Página12.com.ar, January 23, 2009) have not impacted substantially on 80 percent of the Argentine population. In 2009, 21 percent of the Argentines remain poor, 7 percent indigent, 9 percent are unemployed and 11 percent are underemployed, and 40 percent of the economically active people survive in the informal, nonunionized sectors of the economy (Página12.com.ar, September 22, 2009 and December 15, 2009). Among small firms, the percentage of informal workers has reached 68% (Página 12.com.ar, January 4, 2010). In a country once dense with powerful unions, only the formal sector remains heavily unionized at 20 percent, and the bulk of it resides in the public sector (Página12.com.ar, December 20, 2009). Whereas before the advent of the military dictatorship in 1976 the top 10 percent of social strata earned only eight times the bottom 10 percent, that figure had increased to thirty-five times in 2006 (La nacion.com.ar, December 21, 2006). In 2009 the top 10 percent of the population earned twenty-six times the bottom 10 percent. The wealthiest 10 percent held 33 percent of national income, while the bottom 40 percent strata earned 13 percent of national income. Although poverty and indigence have fallen substantially in Argentina since 2002, income distribution continues to be among the most unequal in the world with a gini index of 0.426 (Página12.com.ar, December 5, 2009). What makes an unjust society is much more about how unequal is its class structure than how many poor people it has. The former is a question of purposeful public policy, the latter a question of resources, geopolitics, and history. As Marx (1975) wrote so poignantly, “... the bowl from which workmen eat is filled with the whole produce of national labor, and that what prevents them fetching more out of it is neither the narrowness of the bowl nor the scantiness of its contents, but only the smallness of their spoons” (7–8). In this respect Argentina is one of the most unequal countries in Latin America, if not the most unjust based on available resources.

During the Argentine recession of 1998–2002, the societal indicators hit rock bottom. Poverty and unemployment soared to unparalleled historical proportions reaching three-fifths of the population as poor or indigent and a third without full-time employment. The crisis accentuated preexisting patterns and behavior among the owners of small and medium-sized Argentine industrial firms and commercial establishments. The worker-occupied factories and enter-
prises 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. In essence, Argentine labor flexibilization laws allowed the owners of these firms to reconfigure the workplace to enhance productivity and to restructure their workforce based on market rationales (Ranis 1999). These policies, combined with the recession that began in 1998 and the default crisis of 2001, created a miasma in the world of work. Many of these firms started proceedings that would end in default to their creditors and outright declarations of bankruptcy. 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 millions of dollars in government credits for nonproduction-related financial speculation, and, ultimately, to deprive the workers of their earned wages as they broke the labor contracts and often simply walked away from the factory or enterprise (Kulfas 2003, 8–19). 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 factory and enterprise cooperatives became a clear alternative to unemployment and poverty (Cafardo and Font 2003; Di Marco et al. 2003; Fajn 2003; Ranis 2006; Rebón 2004; Ruggeri, Martínez, and Trinchero 2005; Vieta 2009).

**Argentine Worker-Recuperated Enterprises Confront the Neoliberal System**

In the wake of these abhorrent conditions, two Argentine worker organizations were founded that attempted to organize and motivate workers to take over their factories and enterprises and then use moral suasion, political pressure, and legal strategies to maintain control over their means of production and provision of services. The *Movimiento Nacional de Empresas Recuperadas* (MNER) was founded in 2002 and the *Movimiento de Fábricas Recuperadas por los Trabajadores* (MNFRT) was founded in 2003. Their goals were similar: to create a belt of worker cooperatives throughout the country. Their strategies differed and will be amplified below. Estimates of the number of enterprise occupations vary from as few as about 100 with 8,000 laborers and employees to as many as 250 with approximately 15,000 workers (Vieta 2009). The wide fluctuations are because some estimates cover factories and enterprises that have been researched and documented and others that have as yet not been documented but are reportedly managed by the workers. More importantly, as the takeover process often is surrounded by bankruptcy filings, prolonged litigation, and occasional municipal and provincial legislative expropriation measures, the definition of a worker-occupied enterprise is dependent upon the author’s understanding as to whether
the enterprise is fully a stable worker-run enterprise or one still in the process of formation.

The Argentine bankruptcy law permitted, as one alternative, the formation of cooperatives with national, provincial, or municipal government involvement. In May 2002, in the midst of the 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. The law permitted the factory or enterprise to 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 legal advisers and the two umbrella worker organizations dedicated to recuperating enterprises, began asserting provisions of the national and provincial constitutions of Argentina that provide for the right to work in any lawful industry, provide for the right to strike for lost compensation, and allow for the expropriation, duly compensated, of private properties on behalf of workers for reasons of the “common good” and “public use” (Briner and Cusmano 2003, 26–30). In a major victory for thirteen occupied factories located in the capital city of Buenos Aires, the municipal council passed legislation in November 2004 that made permanent the rights of the worker cooperatives to maintain control over their enterprises. The legislation stipulated that the machinery, the trademarks, and the patents belong to the workers. The workers were given three years of grace to begin paying over twenty years, in six-month installments, the value of the firm at the time of the bankruptcy, not the enhanced value added by the workers at the time of the expropriation. Prior to this blanket permanent expropriation authorized by the municipality, there had been individual company expropriations on a provisional, two-year basis in several Argentine provinces, predominantly in the Province of Buenos Aires via its provincial legislature. In the absence of legislative intervention, other cooperatives have restarted production under judicially arranged rental agreements. This is particularly prevalent in cases where the previous owner has abandoned his property.

Legally sanctioned expropriation avoids the fear of the owner and creditors coming back to make claims on the enterprise. Workers forming cooperatives make the claim that they are owed severance pay, often months of missed pay checks, and lack of social coverage including pension, “aguinaldos” (year-end bonuses), and health care (obras sociales). Expropriation provides the protection from the creditor demands on the previous owner’s debts. Without expropriation, creditors can demand the auctioning of the building and its contents to pay the owed debts. This leaves the workers in the streets with minimum compensation by Argentine bankruptcy law, which provides that bank and suppliers are prime debtors, and workers as secondary debtors owed but 50 percent of their claims. Once provincial or municipal legislative expropriation is in place creditors must go through the courts to attain their debts. The municipality or
province takes charge of dealing with the creditors. In most cases these entities have not provided the public monies to make the creditors whole. Until there is national expropriation law in Argentina, cooperatives continue to seek continuance of grace periods at the municipal and provincial levels.

The great majority of worker-managed enterprises are in the metallurgical (including appliance and auto parts), food processing, meatpacking and allied industries, printing and ceramic establishments as well as, although in smaller numbers, in hospitals, health clinics, private schools, hotels, supermarkets, pharmacies, and other services. Sixty percent of the factories and enterprises are in the capital and Greater Buenos Aires, which have traditionally been the industrial center of Argentina. In a recent exhaustive survey of 156 recuperated factories and enterprises throughout Argentina, in seventy-one of which interviews were conducted, a team of investigators found that 95 percent of the recuperated workplaces were cooperatives and that three-quarters of them had fifty workers or fewer. The overwhelming majority produce for local domestic consumption at levels averaging 50 percent of potential capacity, although some plants do better than others, mainly the metallurgical and food processing sectors. Significantly, the average wage level in the worker cooperatives in 2005 was US$250 a month, which was substantially above average Argentine salaries and five times unemployed welfare payments to the *piqueteros*. What is particularly noteworthy is that two-thirds of the recuperated enterprises have histories that date back to the halcyon days of Argentine industrial growth between 1940 and 1970 (Ruggeri, Martínez, and Trinchero 2005). This era of import-substitution industrial national development was abrogated by the military regime of 1976–1983 and continued under the weakened state system of the Raúl Alfonsín presidency. It received total acceptance under President Menem and his adoption of the neoliberal model as promoted under the structural adjustment reforms of the Washington consensus.

At approximately the same time period as the Ruggeri study, Julián Rebón has written up his investigation of recuperated enterprises limited to the capital of Buenos Aires. Its data provide a nuanced understanding of the processes and outcomes of the cooperative phenomena as understood and implemented by its worker participants. The underlying message of the study was that the workers, whatever their ideological predispositions and levels of class consciousness, were essentially resisting unemployment to the best of their capacities. It comprised an intensive investigation of seventeen of the twenty-six recuperated enterprises within the city of Buenos Aires. Sixty-two percent of them were involved in industrial production, with the balance mainly in the service areas inclusive of hotels, restaurants, schools, and health clinics. The majority of the workers were skilled laborers as opposed to technical or unskilled workers (Rebón 2004). Nationwide, Rebón has estimated that among recuperated enterprises, there is a mortality rate of about 15 percent, but that is more than compensated by the formation of new cooperatives each year (interview, July 16, 2007).

The MNER has been led by Eduardo Murúa and José Abelli and the MNFRT by Luis Caro. Between the two associations, the former is more
national and is heavily represented in the capital city of Buenos Aires; the latter is more ensconced in Greater Buenos Aires, which includes the surrounding industrial suburbs in the Province of Buenos Aires. In interviews with the three leaders in July 2004, with Murúa in July 2006 and with Caro in July 2005 and July 2006, it became clear that they have much in common in their critiques of the neoliberal economy and the irresponsibility of both the corporations and the Argentine government. They recognize the conundrum of a surplus-labor economy and an increasingly competitive international environment that puts major downsizing and race-to-bottom pressure, particularly on small and medium-sized capitalist enterprises. The MNER, under the leadership of Murúa, ex-member of the left-Peronist-Movimiento Peronista Montonero, makes the connections between the U.S. Treasury, the World Bank, and the International Monetary Fund (IMF) as the originating source of the austere, corporate-driven Argentina national economic policy. On the other hand, the MNFRT avoids politicizing the issues and takes a more task-oriented, case-by-case approach that applies various legal and self-help measures to initiate the enterprise recuperating process. Symbolic of the differences between the two worker organizations are their representative slogans. The MNER creates the image of strength through outreach and solidarity by way of “to occupy, to resist, to produce,” borrowed from the Brazilian landless peasant movement “Movimento dos Trabalhadores Rurais Sem Terra.” On the other hand, the MNFRT promotes a more pragmatic approach that focuses on self-sufficiency and autonomy by way of “to work, to produce, to compete.”

As José Abelli told me, “We have destroyed all the rules of economics. We only had human capital. In some recuperated factories we began with only US$100. In many cases we have tripled to quintupled the number of workers. Salaries have multiplied by ten times in some cases. We have created a virtuous circle” (interview, July 21, 2004). On the other hand, Murúa has argued for a clear national expropriation legislation that could encompass the 10,000 enterprises that have gone bankrupt and allow the workers a chance at reviving them. Murúa argued that this, along with a moderate subsidy per worker involved in cooperatives from the Ministry of Economy or Labor, would regenerate thousands of jobs. He argued, “Workers can produce without capitalists; but capital cannot be produced without workers. Cooperation can supersede competition at being productive” (interview, July 8, 2006). On the other hand, Caro of the MNFRT expects little governmental support in the way of subsidies and chooses the road of labor sacrifice within the cooperatives 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.

For Caro, it is of crucial importance to maintain the Argentine factories and enterprises in operation. If the factory is abandoned or sold as property without the workers, the experiences of its employees, the tools lost, the whole country is the poorer. “An axle-wheel is sold as scrap iron, but for a worker this axle-wheel provides work for three people: the lathe operator, the assistant and the
apprentice. The judge can sell it all; but I believe in a new deal, a new contract, without disregarding the creditors or the owners, one that gives the workers the opportunity to use their resources to pay off the property” (interview with Luis Caro, July 19, 2005). At the same time, Caro is a proponent of using the various provisions of the provincial and federal constitutions that, he argues, would trump the national bankruptcy law, which is far less favorable to the workers’ interests (interview, July 24, 2006).

Caro’s position, meanwhile, has focused on advocating a reform of the Argentine national bankruptcy law (Ley de Quiebras) of 1995, which puts workers at a severe disadvantage, their claims coming after the debts owed the banks and providers by the closed enterprise. A factory bankruptcy traditionally is tilted to favor the previous owners, the creditors, and the court-appointed trustees that seek to move toward bankruptcy in order to attain their healthy commissions of up to 12 percent. Once in auction, purchasers buy equipment at bargain-basement prices to resell later at huge profits. And, of course, should the factory or enterprise be reconstituted once more, none of the workers are guaranteed a job. For all these reasons, expropriation is the far better outcome for the workers because it avoids the possibility of the owner (and sometimes, the creditors) coming back. This has allowed the workers to begin to share in the cooperative’s profits in lieu of the lost severance pay and social coverage (pensions, “obras sociales,” and “aguinaldos”). As Caro argues, bankruptcy provides the workers at best only 50 percent of what is owed them in indemnization, often as little as 5 percent once the assets of the equipment and machinery have been sold off. “The workers’ 20–30 years of work is sold for a pittance at a rigged auction....The workers’ constitutional right to strike, remain in the plant because it is my factory, my home, my livelihood, defending my work and my machinery; what I have built up and I remain to protect this from the owner emptying a place of potential production” (interview, July 24, 2006).

Expropriation gives the cooperative workers protection from the creditors’ demands upon the previous owner who incurred the debts. Without expropriation creditors can demand the auctioning off of the building and its contents while throwing the workers into the streets. Creditors must now go through the provincial courts to make their claims. It is for these reasons that Caro and his colleagues argue for case-by-case expropriations that are most likely to curry the favor of commercial court judges. He doubts the passage of a national law of expropriation on the horizon. He argues that “With expropriation there has to be compensation, si o si” (interview, July 24, 2006). At the work site, once the cooperative is formed, Caro argues that workers banding together can usually make a go of it. Often up to 80 percent of the cost of paying the profits and salaries of the owners and managers are ended. Moreover, cooperatives are spared paying sizeable taxes on enterprise profits. Additionally, workers can decide collectively to reduce their wages in the first months of recovery while utilities and most suppliers need not be paid until the end of each month.
Worker Cooperatives Challenge Political and Economic Institutions

Nevertheless, the dominant political and economic institutions of contemporary Argentina are not supportive of a major worker cooperative movement. Although they maintain a sympathetic hold on public opinion which favorably contrasts the hardworking cooperative laborer or employee with the *piqueteros* on welfare, the national administration is unsympathetic and only nominally supportive via very minimal per worker subsidy from a subsecretary office of the Ministry of Labor, in most cases having to go through a series of technical and bureaucratic hoops before even qualifying for the nominal subsidy. In addition, limited subsidies have occasionally been forthcoming on an ad hoc basis, largely from the Ministry of Social Development (Ministerio de Desarrollo Social) and the Municipality of Buenos Aires (Ruggeri, Martínez, and Trinchero 2005; interview with Eduardo Murúa, July 26, 2004). According to Cecelia Casablanca, representing the Ministry of Production, since 2004 the Municipality of Buenos Aires has given limited subsidies and assistance in such areas as equipment purchase, hygiene, commercialization, infrastructure, and technical training because they argue that the cooperatives lack expertise (interview, July 24, 2006). Since early 2006, the Municipality of Buenos Aires has created a Sub-Ministry for the Social Economy directed at supporting projects in the informal economy that lead to the creation of mini enterprises, such as in textile and food processing. The formation of cooperatives is one of the major goals. Once organized, the city of Buenos Aires establishes contracts to purchase supplies such as hospital sheets, public school uniforms, and school lunches. The sub-ministry provides small subsidies of US$1,000–2,500 to newly formed cooperatives (interview with Hugo Fucek, executive director, July 26, 2006). These subsidies and subsidized technical assistance plans point up a major shortcoming for Argentine cooperatives. In contemporary Argentina, there is almost no predictable line of bank credits available to the cooperatives, so that they must depend on unpredictable and arbitrary decisions of public officialdom to give them one or another ad hoc and one-time subsidy. Virtually no bank, public or private, ventures to give cooperatives or recuperated enterprises loans because in many cases they lack the financial accounting history, modern technology, and explicit market plans—all generic questions that do not always fit their profile (interview with Ramiro Martínez, spokesperson for a small non-governmental organization (NGO), *Recuperando el Trabajo* [Recovering Work], July 27, 2006). And once more, with public subsidies, the cooperatives have to provide an accounting for every peso spent, whereas with a commercial line of credit the cooperatives would establish a degree of autonomy on how they implement the money.

The office of the Presidency, the Ministry of Economics, and the Banco de la Nación have given occasional *pro forma* audiences to representatives of cooperative worker organizations, but they, in reality, place them below their radar screen. Equally daunting is the deleterious neglect on the part of the national legislative and judicial powers. Edith Oviedo, president of a children’s book
publisher cooperative—Cefomar—plaintively saw the national government as “deaf, dumb and blind” to the needs and potential of Argentine cooperatives (interview, July 25, 2006). In the vacuum of national legislation, it is particularly the adjudicating court judges and the court-appointed trustees who, during the conflictual stages of a company’s insolvent debtor proceedings and subsequent bankruptcy filings, present the greatest obstacles to the workers taking over the enterprise, committed as they are to the fundamental priority of the sanctity of private property. At the same time the business community is clearly suspicious of the worker cooperatives. On the other hand, in cases of conflict between the cooperatives and their former owners, the surrounding factory or enterprise community, the piqueteros, and sectors of the legal, political, and human rights associations come to their aid in terms of moral, political, and technical support.

Absent from these worker support groups, with few exceptions such as the printers union and some metallurgical, ceramic, and pharmaceutical locals, is the Confederación General de Trabajo (CGT), the massive Argentine labor federation. It has been uninvolved and has essentially washed its hands of the plight of the workers’ cooperatives in sustaining their factories and enterprises (interview with Javier López, executive secretary of Asociación Nacional de Trabajadores Autogestionado [ANTA] the cooperative federation within the Central de los Trabajadores Argentinos [CTA]—the alternative labor confederation, July 27, 2007). The CGT apparently sees the move to recuperate employment as an epiphenomenon of neoliberal economic adjustments for which they would not sacrifice their relationships with the employer class. Their structural vision is that of representing fully employed, dues-paying members, not those who have left their web of representation. The CGT seems caught in a time warp in which unions negotiate with employers for minimal pay increases in return for ever-increasing benefit give-backs while minimizing massive downsizing of the formal labor force. Ignored entirely in this posture are the majoritarian informal workers who now include the cooperative laborers and employees. Because the cooperative workers are, in essence, their own bosses, the trade union movement cannot seem to adjust to that structural characteristic. At the same time, the CTA has also, until recently, remained aloof, focusing rather on questions of economic income redistribution than in a revision of the relations between capital and labor (interview with Javier López, executive secretary, ANTA, July 27, 2007). Owning their own means of production puts the cooperative workers in a kind of representational limbo. This requires the cooperative worker organizations to focus their attention on changes in public policy as opposed to a reorientation of the union outlook.

In this regard, decades ago, Antonio Gramsci wrote that political society and civil society reinforce each other to give advantage to certain strata, groups, and institutions. Civil society remains more hegemonic than free and is based on a manufactured consent (Buttigieg 2005, 6; Gramsci 1971, 206ff). Although the leaders of the Argentine cooperative workers movement and their professional and legal support base serve in some sense as Gramsci’s “organic intellectuals,”
the worker cooperatives survive in an uneven playing environment. Conditions make it difficult for the workers to assert freedom and independence from the dominance of public policy makers. The cooperatives are certainly not beyond the governmental, administrative, and juridical reach of the state. In fact, the civil society is the arena in which the ruling stratum extends and reinforces its powers and legitimacy (Buttigieg 2005, 26).

The cooperative movement in Argentina is fraught with serious challenges that sometimes seem overwhelming but that the workers continue to confront with a combination of desperation and ingenuity. The challenge to the worker-occupied enterprises is that, usually upon the takeover, many administrative personnel have left with the owners and managers. This phenomena, although it saves huge administrative costs, often requires major adjustments and a learning curve for the workers in the first months of the takeovers. Many cooperatives, because of their conflictual histories, often have to pay suppliers in cash, have difficulty establishing new credit lines, and work with raw materials provided by the contractor (a façon). Another area that naturally confronts the newly managed worker enterprises is the severe lack of investment capital and access to the market. However, once these challenges are met, the worker solidarity and sense of competence is usually greatly enhanced. In my interview with the leader of an umbrella worker organization, it is clear that the first months of the enterprise recuperation requires great sacrifice and commitment in both the labor hours, deferred pay, reaching out to previous suppliers, and establishing continuing commercial contacts with retailers (interviews with Luis Caro, July 13, 2005 and July 24, 2006). And because often the newly established worker cooperatives depend upon large capital enterprise suppliers, this can act as a major roadblock to reinitiate production. On the commercialization side they do better because two-thirds of their customers are small and medium-sized establishments, social entities, other cooperatives, and sympathetic consumers at large. Under these conditions, most recuperated factories and enterprises I visited would like to have community outreach programs, but circumstances make this difficult. In many sites, the workers are too exhausted from their labors, their obsolete machinery needs replacing, and often they are undercapitalized without the necessary labor force to undertake these societal outreach programs. Pablo Heller makes the further argument that many cooperatives are so underfunded that they are forced to auto-exploit their workforce under onerous conditions (interview, July 26, 2007 and Heller 2004).

The Zanón ceramic tile and porcelain factory of Neuquén Province is perhaps the bellwether of the movement to recuperate abandoned factories in Argentina. Although it has formed itself into a cooperative called FaSinPat (short for Fábricas sin Patrón—Factories without Bosses), it still advocates for an eventual national ownership with worker control instead of the cooperative enterprise approach. The Zanón workers argue that expropriation without compensation is the essentialist goal because payment would reward fraudulent behavior by the owners at the expense of the economic wherewithal directed at the community and the society at large. According to Mariano Pedrero, legal
adviser to the Ceramic Workers Union of Neuquén (El Sindicato de Obreros y Empleados Ceramistas de Neuquén), they advocate an independent social movement that puts the Zanón factory at the service of the community and not the market. As opposed to what he calls “the islands of worker cooperatives” trying to survive, the Zanón workers want to use the recuperated factories as a wedge to develop a social movement on behalf of societal change. Pedrero sees the Zanón experience as an example of John Holloway’s “changing the world without taking power” (interview, July 13, 2006). In the eyes of the Zanón workers, that change requires expropriation—“nationalization under worker control.” Pedrero argues that “If there were 100 Zanóns this would be a different country. Zanón is struggling not to be just another factory but to be the leading edge of social change in Argentina” (interview, July 7, 2005).

The Zanón ceramics factory has managed not only to preserve the workplace but to add to national productivity and to create employment while reaching out to its surrounding community (Magnani 2003, 132–58). Its internal egalitarian organization and community outreach make it a standard of worker self-management and community relations. Since 2002, when the factory takeover took place, the factory has gone from 260 to 475 workers and has greatly increased its production. It has excellent relations with the local university, the piquetero organizations, and the civil society at large by way of its community center, health clinic, employment of those in need, and multiple cultural, artistic, and recreational outreach programs that often included 10,000 people, many of them geared to the children of the city of Neuquén. In addition, the Zanón workers continually make donations of free tiles for building projects for schools, hospitals, child-care centers, and individual families in great need (Workers of Zanón communiqué, September 19, 2008). Although political conditions under Presidents Néstor and Cristina Fernández de Kirchner and governors Jorge Sobisch and Jorge Sapag made expropriation of the plant without payment and under worker control an unlikely prospect, the workers continued to defend that vision (interviews with Mariano Pedrero, legal adviser to Zanón Ceramic Union, July 7, 2005 and July 13, 2006). Nevertheless, the workers militancy, combined with solid community support, finally achieved the expropriation of Zanón as a cooperative by the Neuquén Provincial legislature on August 12, 2009 after nine years of working-class struggle. The Province of Neuquén took on the commitment to compensate the creditors.

Distinct from the many Argentine labor unions that have not supported worker cooperatives, the Zanón Ceramic Workers local won majority control in 1998 against the former bureaucratic union that was in collusion with the owner.4 This, in itself, made the Zanón cooperative cohesive as the union took a leadership role in strategic and tactical decisions. Once representing the workers, the union has been instrumental in confronting an ever-more repressive owner administration, leading to the factory occupation of 2002. The makeup of the union leadership was also extremely important because it consisted of several highly influential members of a Marxist political party, the Socialist Labor Party—Partido de los Trabajadores Socialistas (PTS), which
advocated nationalization with worker control. They continue to promote the thesis that worker autonomy is not negotiable and that workers can direct social, political, and economic policy for the good of the greater society. There is little doubt that the interaction between the PTS cadre and the rank-and-file Zanón workers was a crucial element in their enduring struggle against what seemed insurmountable odds centered in the opposition of both the Argentine provincial and national governments and the threatened capital formations in Neuquén and within Argentina itself. It is only the ability of these workers to organize the city and surrounding communities of Neuquén that has allowed this ceramic factory to survive and prosper. In my visits to Neuquén and the Zanón factory in 2005 and 2006, I saw clearly the ostensible commitment of this left leadership to a moral and incorruptible stance on both internal factory questions and in its relationship to the outer community. They consistently applied direct democratic procedures in the running of both the union and the factory. The factory assemblies are assiduously held and the union shop stewards debate the issues democratically with high levels of rank-and-file participation. When they had openings at Zanón the union gave priority to the various organizations of the unemployed *piqueteros* as well as family members of the ex-ceramic workers fired by the former owner (Aiziczon 2007, 17). It is very significant that in 2006, an “independent” union leader, Alejandro López, won the union election replacing Raúl Godoy as general secretary, although they share their antibureaucratic and participatory orientation.

The Zanón cooperative has been able to engage the Neuquén community. In protests initiated by public sector employees, public school teachers, nurses, or the students of the National University of Comahue (Universidad Nacional del Comahue), the Zanón workers always lend their workforce in the demonstrations. Their message, which includes a clear cultural outreach along with their political message, is a distinct part of their overall strategy. Each week they have three fifteen-minute radio programs to counteract the provincial press and radio stations favorable to the Neuquén Popular Movement (Movimiento Popular Neuquino), a very conservative, majoritarian party that dominates the provincial polity. Raúl Godoy, subsecretary general of the Zanón Ceramic union leadership, explained, “Zanón moves on two legs—production and politics—they go together or they don’t go at all” (interview, July 14, 2006). While Alejandro López, the Ceramic Union general secretary, said that “When we have to support another struggle, we stop production because it is a social investment, a sowing that we reap in the future” (interview, July 15, 2006). They see productivity as means to a larger goal, as part of the working-class struggle for greater power and recognition within society. Moreover, they stand out in that they send sizeable supportive delegations to national cooperative mobilizations and meet with counterparts at conferences from Western Europe to Venezuela.

Since the failed attempt to shut down the factory and lock out the workers in 2001, the Zanón workers have successfully carried out an impressive democratically run factory. All policies are made by majoritarian decisions of weekly run assemblies. In addition, once a month production is halted for an eight-hour
discussion among the workers concerning procedures and goals. No leadership position is permanent, and the constant rotation of positions of responsibility is a hallmark of this cooperative. Workers in production, sales, or administration earn the same monthly salary. However, those responsible for such key areas as maintenance of the machinery and those who safeguard the factory at night and on weekends receive an additional 10 percent over the basic salary. In addition, each month, if they meet their production goals, all workers receive a production bonus of approximately US$80 added to their base pay of US$600 a month. The organization of the work day is very distinct from the prior Zanón family management. At that time workers in each sector had to wear a different uniforms that prevented moving out of their designated areas, could not talk or listen to music while working nor could they drink maté on the job. All this has been reversed (interview with Alejandro López, general secretary of the Zanón ceramic union, July 15, 2006).

Leaders and delegates can be revoked by a simple majority vote, and terms of office have been reduced from four to three years. The workers’ assembly remains the highest organ. In the cultural arena, Zanón does not dismiss workers for ideological or religious reasons, only malfeasance, proven neglect of the machinery and products, or a consistently unexplained absenteeism. Women make up 10 percent of the workers. They receive paid maternity leaves—forty-five days prior to the birth and forty-five days after the birth. In addition, mothers are allowed to begin work one hour later and go home one hour earlier. We learned from Vanessa Jaramillo, spokesperson for the Zanón factory women’s section, that the Zanón women are also major activists among the piquetero organizations, peasant groups, state workers, teachers, and university student movements (interview, July 15, 2006).

The Zanón workers see their factory at the service of the community and not the market, and that attitude has been translated into countless acts of solidarity, 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 to be an incipient movement inspiring social change (Ranis 2006). They argue that a consequential state must take responsibility for creating jobs while allowing workers to control production and extend its surplus to the whole community. Historically, when the Zanón workers have initiated a protest to call for provincial expropriation without compensation, they have always organized a mass movement that mobilizes vast sectors of the communities of the city of Neuquén that inevitably influences the political culture of that city. I have been a witness to their demonstrations in July 2006 and attest to the support the workers received from the provincial Universidad de Comahue students, public school students, teachers, nurses, and public sector employees. The Zanón workers differ from many of the cooperatives that I have studied, in that they see their cooperative as only a preliminary stage in the process of social change.

The Hotel Bauen stands as perhaps the most serious iconic commercial cooperative challenge to Argentine private business as usual because of its
location on the corner of two of the major thoroughfares of Buenos Aires, the avenues of Corrientes and Callao. The twenty-story hotel was built at the height of the military governmental repression in 1978 in anticipation of the World Soccer Championship held in Buenos Aires. The former owner, Marcelo Iurcovich, incurred multiple loans from governmental and private banks during the military regime and later, the Menem government, and used these credits, as the Argentine economy began to falter in the late 1990s, to invest in other hotels and financial markets. The owner, after successive firings of the employees, sold the hotel to a Chilean firm that paid only a third of the $12 million dollars owed Iurcovich and by December 2001, in the depth of the economic crisis, claimed bankruptcy, throwing the remaining workforce of eighty into the streets. At that time, the son of the original owner, Hugo Iurcovich, asked the commercial courts to reinstate the family ownership. However, he never paid the banks the original loan agreements and thus was not awarded the hotel. In essence, the hotel still belongs to the Argentine government’s Banco de la Nación, which has never been repaid their original loans. At the same time the Bauen workers, via an injunction, filed for and received a temporary two-year law of expropriation through 2007 so that the worker cooperative could reopen the hotel.

In March 2003, under the organizational prodding of Eduardo Murúa of the MNER, thirty-two of the former hotel employees had entered the hotel and began to restore its bar and lounge and eventually to rehabilitate its rooms. By 2006 they had restored 80 percent of the 160 rooms for tourism and had reached 150 workers, many, as is the cooperative tradition, family members of the hotel employees. At that time many employees lived in the hotel so as to save on meals and commuting expenses. Among the earliest guests of the hotel were cultural groups from Venezuela, funded by the national oil company-PDVSA that provided early stimulus for the hotel renovation. The hotel was skillfully commercialized, rehabilitating the cafeteria, the bar, and the bookstore and slowly the available rooms. In my several visits to the hotel, it always seemed to be a meeting place for students and professionals as well as a hub for cultural, musical, and intellectual activities. Very early in the restoration they received progressive tourism from both within and outside Argentina that allowed the cooperative to continue their work and begin the process of rehiring their labor force. During the rehabilitation, the employees worked for very basic wages so as to allow the cooperative to reinvest the profits for restoring more and more of its cafeteria, commercial, and residential space (Fields 2008). As among many of the recuperated enterprises, the Bauen workers, via its weekly assemblies, had to decide between increasing employee salary dispersals and reinvesting the basic surplus capital into the assets of the hotel.

Nevertheless, the Bauen cooperative experience remains in legal limbo, particularly because the municipal elections of 2007 resulted in the election of a conservative mayor and a conservative majority in the municipal council (interview with Fábio Resino, delegate for Bauen, July 28, 2007). What has essentially kept the worker-managed hotel in operation, as with the Zanón cooperative, is the community support, solidarity from other cooperatives,
political support from leftist political parties, and sectors of the human rights and legal communities.

The Chilavert printers’ cooperative represents another emblematic experience in the Argentine cooperative movement. As in the history of so many cooperatives the previous owner took out large loans invested in personal ventures and then declared insolvency. It is then the enterprise that has to answer to the bankruptcy. Prior to the bankruptcy declaration there is a “convocadores de credores” in which there are attempts to resolve the financial crisis and during which the workers legally are permitted to organize as a cooperative. During this period, the owner tried to empty the printing establishment of its most valuable printing presses. And in the declaration to the creditors, the owner had already erased these two presses from the inventory. According to Ernesto González, president of the Chilavert Cooperative, this represented collusion between the trustee of the commercial court and the owner of the enterprise—a common experience in Argentina (interview, July 25, 2005). The interim solution is dependent on the quite arbitrary decision of the judge to allow the workers to maintain the enterprise with a rental agreement with the former creditors. Again, only expropriation allowed for a long-term solution for the workers, during which they are able to again get back to work and begin to accumulate some assets.

Chilavert’s leadership and small contingent of over a dozen employees recognize the pressures to take on the values of the larger society and act like any other small business trying to thrive. Most of their profit comes from the publication of magazines, advertising pamphlets, and catalogues, but their steadiest income is from the printing of social science, literature, and arts books. Yet they have undertaken distinct programs that set them apart from the more limited outreach programs of many other cooperatives. They run multiple cultural and historical programs for the neighbors of their community, some especially directed to primary and secondary school students in the areas of graphic and industrial arts (interviews with Cándido González and Martín Cossarino, members of the Chilavert shop committee, August 4, 2004 and July 10, 2006). Their focus then largely turns on changing public policy rather than applying for bank loans or public subsidies.

**Argentine Worker Cooperatives: A Growing Phenomenon**

Recuperated industrial enterprises remain the most celebrated and acknowledged societal labor movement in Argentina in the postcrisis years, yet smaller worker cooperatives of all types of origin abound in Argentina in multiple urban and rural economic niches in far greater numbers. According to ANAES (National Institute of Associations and the Social Economy) under the auspices of the national Ministry of Social Development there are almost 15,000 cooperatives in Argentina, over half in the city of Buenos Aires and Provinces of Buenos Aires, Córdoba, and Santa Fe (ANAES website, January 19, 2009).
Among these over 8,000 are worker cooperatives, the balance formed as housing and construction, consumer, agricultural, public utilities, and credit and insurance cooperatives. Collectively they make up 9 percent of Argentine national GNP (Página12.com.ar, December 14, 2009). Cooperatives have existed in Argentina since the 1920s, mostly in the agricultural, consumer, credit, and public utilities areas. However, since the 1990s and the economic crisis of 2001, the creation of worker cooperatives have been preponderant, with estimates as high as two-thirds having been formed in the last six years (interview with Ramiro Martínez, president of the NGO Recuperando el Trabajo [Recuperating Work], July 23, 2007).

Many Argentine worker cooperatives were born in 2002–2003 in the depth of the economic crisis that beset Argentina with rampant unemployment and spreading poverty among the poor, working, and middle classes. They are distinct from recuperated factories and enterprises because they were initiated from the collective interests and efforts of the participants and represent entirely new business ventures. Several of the worker cooperatives I visited in 2005, 2006, and 2007 came about through incredible sacrifice and commitment. One such clear example is the Cooperativa La Cacerola, a bakery and restaurant cooperative, founded in 2003. It originated from unemployed workers that made up 90 percent of the Asamblea Popular (Popular Assembly) in the Almagro district of Buenos Aires. These popular assemblies proliferated during the depths of the economic crisis with the watchwords of “Que se vayan todos.” In the early days of the subsequent Duhalde government, followed by the Kirchner administration, it became clear that the Peronist leadership had returned in full force and that the people had to essentially pull themselves up by their own bootstraps. The Almagro assembly chose to avoid the route of public assistance (planes familiares) and created a consumer cooperative for vegetables and fruits bought collectively from farmers’ markets (mercado acopio) and distributed to its 100 members. They organized their own markets and traded goods and services among themselves as an interim barter club that lasted two years and existed on the edge of the money economy.

At this point one of the assembly members, a master baker, was about to lose his baking machinery. The neighborhood assembly occupied the tiny premises and eventually collectively reached a rental agreement with the commercial court judge. Along with the master baker and an unemployed former bank loan officer they formed the nucleus of a bakery. They began hiring; the only prerequisites were to be unemployed and be willing to work hard, demonstrate solidarity, and be pluralistic and tolerant of distinct points of view. With the help of Eduardo Murúa and the MNER, they found two small abandoned warehouses that the Buenos Aires municipality subsequently, as the owner, allowed them to use. In return, as a newly formed cooperative, they established a relationship with the city to provide certain needy public schools with lunches that eventually reached 2,000 prepared meals. With a loan from the Banco de la Nación of $10,000 dollars, they began hiring new workers and expanded to establish a restaurant on the premises and now have over forty employees. No doubt the
unusual success at achieving this loan came from the fact that the loan solicitation was made by the cooperative treasurer, Walter Blanco, himself, a fired bank loan officer. Blanco relates that they have opened up a second floor dedicated to cultural events, buying the furniture and tiles at reduced prices from other existing cooperatives, including the Zanón ceramic cooperative. In 2004 they participated in the formation of MESA-Movimiento de Economía Social Argentina (Argentine Social Economy Movement), coordinating fifty such small- and medium-sized cooperatives and other small enterprises, essentially in food and textile production, and have created a weekly feria (open market equivalent to farmers’ urban market) in which they sell to the general public (interview, July 20, 2006).

The workers’ cooperatives have in most cases become self-help, autonomous struggles in which workers share equally in the profits and share equally when sustaining losses. Via worker assemblies the workers are well informed, and they collectively make the major decisions on investments, work schedules, and work rotations. Antisocial behavior is addressed and work malingerers and “free riders” are fired, but only after documented repeated offenses. Worker alienation is significantly muted as they feel they are literally working for themselves and are their own bosses. When orders drop, instead of firing workers they all submit to a pay cut across-the-board until things improve. In that sense they are shareholders as well as workers. They realize, having essentially been abandoned by the labor unions, that they are in a risky business and must depend on their own resourcefulness to survive. Although they have made important connections with other recuperated enterprises in the MNER and MNFRT, community organizations, and the progressive left, they still live in a challenging environment.

In another context, Samuel Bowles and Herbert Gintis have described this condition well. “In contrast with states and markets, communities more effectively foster and utilize the incentives that people have traditionally employed to regulate their common activity: trust, solidarity, reciprocity, reputation, personal pride, respect, vengeance and retribution, among others” (Bowles and Gintis 2002, 424). Because chronic, structural unemployment and poverty confront the workers on a daily basis, their cooperative construct is developed to a high level of intercommunication and consensus building because they are only as strong and viable as their weakest link. Their autonomy and independence from the former owner-employers, unions, and state supervision sets them free from those traditional monetary relationships. It is not too misplaced that in a microcosmic way the cooperative workers have replaced the liberal motto of “a fair day’s wage for a fair day’s work” with the “abolition of the wage system” (Marx 1975, 78). As the worker cooperatives struggle to occupy, recuperate, and maintain their factories and enterprises they must necessarily depend not only on community support but also upon people politically and legally knowledgeable about their rights and prerogatives.

As it has been posited since Hegel and Marx, civil society is essentially bourgeois society. Argentine workers must actually claim that in establishing
cooperatives and in defending their places of work from the auctioneers, their demands are an essential part of that very bourgeois fabric of civil society. They need to become conversant with bankruptcy laws and provincial and federal constitutional provisions and argue along the lines that convince bankruptcy court judges and trustees that their capacity to run a factory or enterprise is sustainable and capable of turning a profit for past creditors as opposed to simply selling off the installation and its contents by way of an auction. In order to reach these jurisdictional arenas, the workers have often resorted to “semi-legal” actions of factory and enterprise occupations and resistance to being removed. At that stage they depend upon lawyers and civic activists who support and defend their grievances. As Chatterjee (2004) writes in the context of India, “these groups, organized into associations, transgress the strict lines of legality in struggling to live and work.” He accurately depicts such groups as living within “political society” but outside of what is conventionally thought of as “civil society” replete with access, influence, and legitimacy (40ff). Within political society, piqueteros are picketing and blocking highway and street commerce to make their demands and workers struggle to form cooperatives. Both are attempts to push civil society’s governmental leaders to evolve and expand their understanding of the meaning of civil society and who deserves rights within it. And in that often unequal struggle, workers and their legal and community advocates must seize on every democratic claim to justice, equity, and reasonableness to achieve their modest goals. As Chatterjee (2004) reminds us, “Property is the crucial dimension along which capital overlaps with the modern state” (74–5).

Internationalizing the Cooperative Initiative

Given the clear lack of a concerted response from the Argentine state and its key economic ministry, a leader of one of the two worker organizations—the MNER—Eduardo Murúa, traveled to Venezuela in mid-April 2005 where he attended the Third International Solidarity Congress in Defense of the Bolivarian Revolution, sponsored by the Venezuelan National Workers Union (UNT). As an invited guest speaker, Murúa spoke of the Argentine experiences of worker-occupied factories and enterprises to a very receptive audience of 500 trade unionists. One of the major themes of the conference was “worker co-management” in Venezuelan enterprises and one of the slogans—“without co-management there is no revolution.” Co-management was meant to precisely encompass the Argentine initiatives in running their factories, namely co-participation in production decisions, improving working conditions, setting egalitarian wage policies, and collectively organizing the enterprise and commercializing its products. During his stay in Venezuela, Murúa also had a favorable hearing from President Hugo Chávez, in which the Argentine pointed to the more propitious environment for worker-managed enterprises in Venezuela under a worker-friendly government. Chávez acknowledged he was interested in the Argentine experience because he was
looking for a way to bring together small- and medium-sized business owners with workers to recuperate abandoned Venezuelan enterprises, with the proviso that they establish asset and profit-sharing mechanisms with the workers. Murúa significantly added that the workers must control the enterprise policies as well as supervise its accounts in order to assure that the firm has primordially collective outputs and goals. Murúa also pointed to the special presidential initiatives provided to President Chávez and his opportunity in Venezuela to put worker control on the agenda throughout Latin America. Because of Chávez’s interest in the Argentine experiences in recuperating factories and enterprises, Murúa was able to leave his MNER-written bill of national expropriation that has not been given support in the Argentine congress. Significantly, by May 2005, the UNT had elaborated a proposed law to be forwarded to the Venezuelan congress that put worker co-participation in industrial enterprises on the agenda; and indeed in July 2005, Chávez proposed government financing at low interest rates to 700 closed factories and to 1,149 factories partially paralyzed since the 2002 economic crisis if they would cede co-management and profit sharing to their workers. The Venezuelan government will promote these factories as cooperatives or “social production enterprises.” As in Argentina, the Venezuelan national constitution allows for the expropriation with just compensation for reasons of “public use or social interest” (La Nación.com.ar, July 15, 2005).

Very dramatically, the Venezuelan government and its Chávez-allied alternative labor federation (UNT) subsidized and sponsored the Primer Encuentro Latinoamericano de Empresas Recuperadas (1st Latin American Meeting of Recuperated Enterprises) at the end of October 2005. No doubt, the impetus came from the Argentine MNER, which sent the largest delegation to the three-day conference in Caracas. Significantly, Hugo Chávez opened the meetings before several thousand delegates, interested elected officials, unionists, the press, and observers. His inspirational speech of two hours spoke to the creation of a new network of recuperated factories and enterprises throughout Latin America, parallel to the Venezuelan-sponsored and -funded Petro-Sur and Tele-Sur. He envisioned an “Empresur” to which the government has committed a US$5 million budget. He took the opportunity during his presentation to announce the expropriation of three Venezuelan firms on behalf of its workers. Within Venezuela, this level of commitment was exemplified by the existence of a Ministry of the People’s Economy. Given the lack of such initiatives and funding from the Argentine government, this was a major breakthrough for the legitimization of this belt of worker-managed enterprises in Argentina as well as in Venezuela, Brazil, and Uruguay, where parallel worker cooperatives, mixed enterprises, and state-owned and worker-controlled factories and enterprises have recently developed.

The meeting, which I attended as a guest observer, counted 700 workers representing over 250 enterprises from eight Latin American countries spearheaded by delegations from Argentina, Venezuela, Brazil, and Uruguay. The focus of the meeting centered on contemporary challenges of existing public
policy, production obstacles, and community outreach. During the three days the delegates met in cohorts of workers whose firms were prepared to exchange raw materials and products, explore new markets, exchange technological and scientific information, and extend fraternal, financial, and cultural cooperation. Additionally, there were meetings of both labor union and governmental and legislative representatives to explore means of assisting the evolution of recuperated worker enterprises. In three short days, seventy-five commercial agreements were signed among various Latin American worker enterprises in such areas as tourism, wood and paper production, food production and processing, shoes and footwear, plastics, and transport.

The Argentine government’s lack of resolve in funding and supporting worker-managed factories and enterprises may exemplify a neoliberal economic outlook that relegates public policy to act on behalf of only such entities with recognized and significant market power. Thus, it may be that worker organizations must combine across borders to achieve the type of consideration they need. In any case, the MNER’s more visible and aggressive approach (compared with the MNFRT of Luis Caro) has resulted in a negative response from the Kirchner governments. As a comparative study indicated, “In the final analysis, even new kinds of global conferences on new global issues with new global participants remain partially imprisoned by traditional roles and priorities in international politics. State sovereignty sets limits of global civil society” (Clark, Friedman, and Hochstetter 1998, 35). The recent meetings in Caracas sponsored by Chávez’s government support the assessment of Susan Burgerman. “Networks of activists operate across political systems irrespective of their nationality, occupying a political space that ignores the boundaries between states: they infiltrate governments and intergovernmental bureaucracies; they attempt, with varying degrees of success, to engage in the arena of international politics, formerly considered the sole preserve of states; they are simultaneous insiders and outsiders. As insiders, they are citizens whose political voice may be based entirely on resources provided by international allies. As outsiders, they are politically active non-citizens who stay involved over a period of time, still identified with international sources of power who become built into the political institutions of the country” (Burgerman 1998, 923). Keck and Sikkink (1998) write of the boomerang pattern. “When a government violates or refuses to recognize rights, individuals and domestic groups often have no recourse within domestic political or judicial arenas. They may seek international connections finally to express their concerns. . . . Domestic NGOs bypass their state and directly search out international allies to try to bring pressure on their states from outside. . . . On other issues where governments are inaccessible or deaf to groups whose claim may nonetheless resonate elsewhere, international contacts can amplify the demands of domestic groups, pry open space for new issues, and then echo back these demands into the domestic arena” (12–13).
Cooperatives, Civil Society, and the State

Argentina seems to combine the dual characteristics of Italian civil society as described by Robert Putnam (1993). Within the same metropolitan regional context of the capital city, greater Buenos Aires, and the Province of Buenos Aires where over one-third of the entire Argentine population resides, one finds in close proximity both elements of the Italian north and the Italian south as depicted by Putnam. On the one hand, we observe a rich mélange of associational life with high union density, multiparty proliferation, and high levels of participatory cultural outlets, while not many kilometers away one sees clear strongholds of elitism, verticality, religiosity, political clientelism, and party patronage. The worker cooperative movements have been active within these cross-cultural geographies and through their various capabilities have mounted a certain challenge to the Argentine political, economic, and legal systems. Although they have come away with some victories and some defeats, they have managed to combine certain features that allow one to perceive them as proponents of “contentious politics” as social movements. Sidney Tarrow (1998) has provided a useful explanatory definition. “Contentious politics occurs when ordinary people, often in league with more influential citizens, join forces in confrontation with elites, authorities, and opponents. . . . They contend through known repertoires of contention and expand them by creating innovations at their margins. When backed by dense social networks and galvanized by culturally resonant, action-oriented symbols, contentious politics leads to sustained interaction with opponents. The result is the social movement” (2). Certainly Argentine worker cooperatives fulfill Tarrow’s (1998) criteria for a social movement in that they use collective action because they “lack access to institutions [and act] in the name of new or unaccepted claims, and who behave in ways that fundamentally challenge others or authorities [while they build] organizations, elaborate ideologies, and socialize and mobilize constituencies, and their members engage in self-development and the construction of collective identities” (3).

It is important to remember that while the Argentine workers cooperatives, whether one considers them as several parallel worker cooperatives, an extended network of recuperated factories and enterprises, or a bona fide social movement, they are but a small segment within the larger Argentine civil society. On the other hand, do they represent the challenges facing the whole gamut of the working class writ large now and in the future representing 80 percent of the Argentine population? They offer a critique of capitalism’s modus operandi. Although a part of extant civil society, they do not render obeisance to the ideology of the capitalist workplace hierarchy. Yet, as Michael Walzer (1998) has written, smaller civil society entities, such as worker cooperatives, eventually need to be sustained and protected against powerful and abusive employers, managers, and political party and trade union bureaucrats by a just state linked to that same civil society (139). 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 represent 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 the collective will to struggle for it” (Buttigieg 2005, 23). In their essential forms they reflect once again upon Marx’s notion of working-class freedom in which he argued, “the associated producers, rationally regulating their interchange with Nature, bringing it under their common control, instead of being ruled by it as by the blind forces of Nature; and achieving this with the least expenditure of energy and under conditions most favorable to, and worthy of, their human nature” (Marx 1967, 820; also see Marx 1983, 131–146 and Lukács 1971, 27).

 Granted, there is a fine line between worker organizations such as the MNER and the MNFRT qualifying as viable grassroots domestic networks and then blossoming into full-fledged social movements. To qualify as a successful social movement, according to Michael Edwards (2004), they should have “a powerful idea, ideal or policy agenda; effective communications strategies to get these ideas into politics, government and the media; and a strong constituency or social base that provides the muscle required to make those targets listen and ensure that constituency views are accurately represented” (34). 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 Argentine body politic. The multiplication of societal activism after the civil outbreak of 2001 brought the cooperative movement into a public forum predisposed to entertaining and promoting the needs of worker autonomy and control. Charles Tilly (2004) reminds us of the impact of social movements on democracy and democracy on social movements: can social movements that are formed to pursue particular interests actually promote expansion of democratic relations and practices (140–3)? Given the democratic nature of the cooperative workplace organization and the accumulation of multiple support bases among many societal reference groups, our answer is a measured yes.

Once the worker-occupied factories and enterprises accumulate strength and resources, their egalitarian organization in the workplace can have an impact on the democratization of the body politic. The multiplication of societal activism after the civil outbreak of 2001 brought the cooperative movement into a public forum predisposed to entertaining and promoting the needs of worker autonomy and control. With the passage of individual expropriation laws in various Argentine provinces and in the Municipality of Buenos Aires, the legitimacy of the cooperative movement in the eyes of the public points in the direction of an accumulation of resources and support. Certainly, international moral support for the cooperative movement in Argentina has been forthcoming. Some of this advocacy can be laid at the doorstep of the promotion and international success of the 2003 documentary film *The Take (La Toma)*, directed and written by Avi Lewis and Naomi Klein. The movie made the rounds of European and North American theaters and at world social forums, university,
and union hall screenings. It depicted the struggles of three factories as they achieved either municipal (Brukman) or provincial (Forja San Martín and Zanón) expropriation. Moreover, in December 2004, in just several days an online petition sponsored by Lewis and Klein, directed to President Néstor Kirchner and Neuquén governor Jorge Sobisch, called for the removal of threats of eviction and for the recognition of Zanón as a workers’ cooperative. In just three days, 2,500 signatures were garnered from people all over the world. Again in November 2005, another petition directed to President Kirchner was circulated on the Internet, calling for definitive expropriation of the Hotel Bauen Cooperative in the Municipality of Buenos Aires. Again within three days, 2,700 people had signed. In addition, a number of Argentine film collectives are making video presentations both in Argentina and abroad as fund-raising and consciousness-raising mechanisms on behalf of the Argentine recuperated enterprises (interview with Argentine filmmaker Cecilia Sainz, July 21, 2005). In April, 2009 two Argentine cinematic producers, Virna Molina and Ernesto Ardito, presented a film in New York City and elsewhere depicting the conflictual history of the Zanón cooperative, entitled El Corazón de la Fábrica.

**Problems and Prospects**

There is no guarantee that the meaningful and realistic goals of these associations of workers will reach optimal fulfillment. Argentina, although it qualifies as a substantially vibrant civil society in most respects, has not shown much aptitude or willingness to confront the multiple obstacles to equity and fairness toward those most in need. Civil society strength does not assure a level playing field, as is clear even in such a hyper associational democracy as the U.S. In some sense the proliferation of Argentine civil society works against the recuperating factories and enterprises and worker cooperatives. It allows the political and legal institutions with the power to promote their interests to treat these organizations with benign neglect. Rather than subsidizing a major national cooperative enterprise initiative to take its place alongside the large-scale and multinational corporations in Argentina, they have subscribed to a policy that forces the worker cooperatives to survive in a competitive climate in which they are thrown almost entirely on their own resources.

The obstacles to the long-term viability of the Argentine cooperative movement are serious. The cooperative associations and their engagement with economic development draw attention to an important debate concerning the structural and decisional power of the state to effect dramatic changes in reorienting a country’s resources on behalf of those in need. Argentine cooperatives, as part of civil society, act in areas that have not directly competed with or challenged state political and economic power. At the same time, the poor and the unemployed workers are given the space to rely upon their own entrepreneurial skills to survive in the neoliberal economy.

The Argentine worker cooperatives have drawn attention to a major lacuna in the political economy of neoliberalism. Without significant and substantial
support from the major institutions of government they have managed to etch out an area of economic survival that attests to alternative means of worker initiative, collective engagement, and reconfiguration of the workplace. This has been no mean achievement. In striving to defend their families’ livelihood, they have found themselves in ever increasing confrontational relationships with capital, the state, and the judicial establishment. As the workers proceed in the occupation and recuperation of their workplaces, they will be touching on fundamental questions concerning the direction of the neoliberal economy. As long as the worker cooperative movement accounts for a relatively small percentage of national production the confrontations will remain provincial and local. Thus far capital interests have prevented the use of essential national subsidies or consistent credit opportunities for worker enterprises. Should the recuperation of factories and enterprises continue unabated, should it reach large-scale economic entities, capitalist interests may begin to feel threatened and the potential for class confrontation will increase. This will require a reexamination of the role of the Argentine state rooted in a self-limiting vision of its responsibility for national economic development that affords work and social welfare for the whole population. Should a crisis of capitalism emerge, the workers’ cooperative movement surely offers a systematic labor alternative. What is more, it may provide a model for a new cultural and ideological sea-change in working-class culture and consciousness.

The workers have convincingly argued that unemployment and poverty are likely to be continual companions of neoliberal capitalism unless worker-led enterprises are evaluated as formidable as well as alternative production models that deserve material and moral support. These examples of worker autonomy have demonstrated significant departures in terms of social formations. By their capacity to form alliances with progressive legal, community, political, and labor forces available to them, they symbolize an alternative path to economic development that is predicated on worker solidarity and democracy in the workplace. The collective ownership of the workplace acts as a catalyst for worker sacrifice, ingenuity, and creativity. In this the Argentine cooperative movement represents an intelligent, resourceful, pragmatic, micro-managed alternative to continued unemployment and poverty among the working class in Argentina.

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Notes

1. Since 2005, Argentina has seen the proliferation of other recuperated enterprise worker associations, formed from splits from the MNER and the MNFRT. José Abelli, in association with Fabió Resino of the Bauen Hotel cooperative joined to form FACTA (Federación Argentina de Cooperativas de Trabajadores Autogestionados), metal worker union locals, led by Barba Gutiérrez, formed Merba (Movimiento de Empresas Recuperadas de la Provincia de Buenos Aires) and, under the auspices of the CTA labor confederation, ANTA (Asociación Nacional de Trabajadores Autogestionados) was formed.

2. Within the Ministry of Labor, the Secretary of Employment’s Programa de Trabajo Autogestionado has two minimal subsidy programs for workers involved in enterprise cooperatives: (1) to help them in the early stages of forming a cooperative, during which they provide grants of US$50 per worker; and (2) once the cooperative is legally recognized and has come up with a complex document and Ministry-approved production plan, another US$170 is provided for each cooperative worker. To say the least, these parsimonious subsidies provide precious little substantive support (Interviews with Silvia Mercedes Rebón and Cristina Tejeiro at the Secretary of Employment, Ministry of Labor (July 1 and 15, 2005). In December 2003, President Néstor Kirchner promised to create a special fund for recuperated enterprises. This never occurred.

3. The Zanón family since the 1990s contracted debts of approximately $120 million dollars with the World Bank and several Argentine banks before declaring insolvency in 2002.

4. One of the union leaders, Raúl Godoy, recounted that the former union leadership all had a price in their collaboration with the former Zanón owners. A shop steward delegate’s price was $30,000 dollars, the president of the local $60,000 dollars. “The more activist you were, the workers thought, the higher the price for his collaboration.” In this climate of cooption and fear, the oppositional union group began conversing via noon time soccer games with future delegates that were transmission belts of information, support and solidarity. Once the previous union leaders were defeated in union elections in 2000, they called on the provincial legislature to auction off the Zanón factory so they could get the indemnization owed them. The new Ceramic Union leaders led by Godoy were continuously ‘red baited’, creating a perilous adversary relationship within the Neuquén provincial legislature. As recounted to me by Godoy, after winning union control, the Zanón management, accustomed to buying off the former union leadership, offered them the union dues collected over three months as a bribe. “We gave them two minutes to leave or we would kick their ass” (Interview, July 14, 2006).

5. According to Pedrero, of the 475 workers in Zanón approximately 15 are PTS members while another 150 ceramic workers are consistent activists in the planning the factory mobilizations and outreach. The rest of the workers are supportive.

6. According to Jaramillo, “Abortion is still illegal in Argentina. But women ignore it. There is still no free distribution of contraceptives or sexual education. Machismo attitudes remain. Many of the women in the factory are still opposed to abortion. It’s a debate that people are still very hesitant to talk about. Both the Catholic and Evangelical Churches maintain lots of influence, even if Neuquén is relatively progressive because of the existence of many social movements. For example, many piqueteros are women (70%) so that we ally with them in the various struggles to find employment—this brings them out of their very individual characteristics into a more collective behavior” (Interview, July 15, 2006).

7. Besides the recuperated enterprises and cooperatives presented here, I visited six metallurgical factories, a food processing factory, a food snacks factory, a meatpacking plant, a clothing factory, a furniture factory, a shoe factory, a shipyard building plant, a hospital, a children’s publishing house and a primary school in Greater Buenos Aires, between 2004–2007): I visited Cooperativa Forja San Martín, Cooperativa de Trabajo San Justo, Cooperativa Los Constituyentes, Industria Metalúrgica y Plástica Argentina (IMPA), Cooperativa MVH/ex-Metalúrgica Vicente Hermanos, Polimec, Cooperativa Vieytes/ex-Ghelco, Cooperativa de Trabajo Makinas/ex-Don Matías, Cooperativa Yaguané, Cooperativa 18 de Diciembre/ex-Brukman, Cooperativa de Trabajo Maderera Córdoba, Cooperativa de Calzado Puporé, Astillería Naval Unidos, Hospital Israelita, Cefomar and Instituto Comunicaciones.

8. Some micro-lending with long-term low interest rates and generous grace periods have recently emerged from internationally based financial institutions that focus on lending to cooperatives and small enterprises attempting to find niches in domestic markets in third world countries inclusive of Argentina. For example, there is Oiko Credit of the Netherlands, Consorzio Etimos of Italy and ECLOF of Switzerland (interview with Ramiro Martínez, July 23, 2007). Although these international lenders have substantial resources and
committed aspirations to eliminate poverty, their funds are spread evenly in over 50 countries of the world (see their websites for 2007–2009).

9. On the ground Tilly sees most of the movements pushing very particularistic goals, “Blocking construction of a highway, supporting abortion, forwarding the rights of indigenous people, and demanding better schools by social movement performances certainly take advantage of democratic liberties, but they do not necessarily advance democracy” (142). This is a very jaundiced and restrictive view of the viability of social movement activism that seems predicated on arguing for democratic outcomes only in retrospect rather than during the process of struggle.

References


