

> Recuperated Enterprises in Argentina

by **Julián Rebón**, University of Buenos Aires, Argentina



Zanon ceramics factory, taken over by workers in 2001, is one of the most prominent recuperated factories in Argentina.

It's the morning of August 11, 2014 in the Garín district of Buenos Aires: 400 workers at Donnelley Graphic find a notice on the factory's front door, announcing that the multinational company has closed its business in Argentina. Workers gather in an assembly, taking over the plant. Organized as a cooperative, they soon restart production.

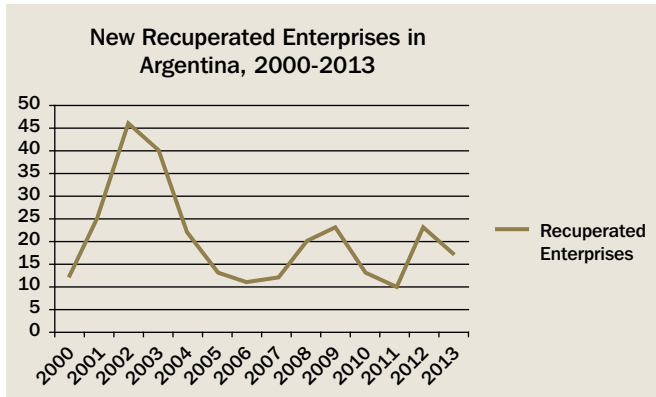
The Donnelley workers relied on a strategy that has been deployed by over 300 companies in Argentina since 2000: recuperated enterprises. Workers of companies in crisis often organize as worker cooperatives to run production themselves and defend their work. These defense strategies embody the main attributes of cooperativism – democracy, voluntary association, and collective ownership – creating companies that are more democratic and just than they were before the takeover.

Workers began to “recuperate” enterprises in Argentina in the late 1990s, especially after the general crisis of 2001. Neoliberal reforms from the 1990s brought the economy to an impasse, but Argentina's general crisis favored the spread of worker-recuperated enterprises in

two ways. First, multiple factories closed or went bankrupt during this period, leading to unprecedented levels of unemployment and job instability. Second, this acute political crisis triggered unprecedented processes of social unrest and struggle, a context in which worker-recuperated enterprises became a *social movement*. For a society so strongly marked by a culture of work, to protest against unemployment became a widespread and legitimate project.¹

As the socio-economic and political crisis subsided, some scholars assumed that worker-recuperated enterprises would disappear, but this did not happen. The figure below shows that although the number of new worker-recuperated factories peaked in 2002, takeovers continued even as the economy improved and unemployment rates declined. Workers had a new socially-recognized tool, which they continued to deploy in new contexts. The expansion was also favored by unemployment rates that, although declining, remained significant (around 7% over the past few years) and political conditions (at least at a federal level) that were not adverse to these processes.

Worker-recuperated enterprises seem to be here to stay. According to the *Programa Facultad Abierta* of the University of Buenos Aires, 311 worker-recuperated enterprises employed 13,642 workers in Argentina in 2013. Although half of these companies are located in the Buenos Aires Metropolitan Area, 21 out of the country's 24 districts have worker-recuperated factories. These are mostly small and medium companies in the metal, graphic, textile, and food sectors.



Source: Elaborated by the author with data from the Programa Facultad Abierta, University of Buenos Aires.

Recuperated enterprises have managed to keep and create new jobs, with only a few of them shutting down.

Nevertheless, they face diverse challenges and tensions. For example, under current law, workers who take over a factory are considered autonomous workers, which reduces retirement, health insurance, and family benefits. Worker cooperatives are currently demanding that the state specifically recognize worker management, legally granting them the same social benefits as employees. Worker-run enterprises also face the challenge of determining workers' lawful possession of productive units. Workers have relied on local public usage and expropriation laws to obtain lawful possession of factories, but in some cases, these have been insufficient to resolve property rights, so outcomes have depended on the support of local authorities and judges.

In 2011, the Law of Bankruptcy or *Ley de Concursos y Quiebras* was amended so that in case of bankruptcy, workers organized in cooperatives may use labor credits (*acreencias laborales*) to purchase a bankrupt company. Nevertheless, this law does not apply in all cases and it is only beginning to be used. In this context of undefined property rights, workers run the risk of eviction. As I was finishing this article, the police were evicting workers at the recently recuperated restaurant La Robla, while workers at the recuperated Hotel Bauen were also facing an order of eviction. Although recuperated enterprises are socially legitimate, they are not yet fully recognized by law. ■

Direct all correspondence to Julián Rebón <julianrebon@gmail.com>

¹ In 2012, the Gino Germani Institute at the University of Buenos Aires carried out a survey in the Buenos Aires Metropolitan Area. Results indicated that 73% of the population was aware of the existence of recuperated enterprises and that 93% of them considered this a positive development.