

## Some themes from the Buenos Aires workshop of *empresas recuperadas*

Erik Olin Wright

November 2015

---

The *empresas recuperadas* constitute empirical examples of one general “pathway” to a cooperative market economy: a pathway through which a capitalist firm is converted into a cooperative following the take-over of the factory by its workers. One of the central objectives of the workshop was to map out the variation. In Argentina this happened most intensively during the financial crisis of 2001-2, but such take-overs continued even after the general crisis was over.

The basic objective of the workshop was to deepen our general theoretical understanding of the character of this pathway and to map out some of the dimensions of variations across the many experiences of *empresas recuperadas* in Argentina.

The following is a list of the different kinds of variations that were discussed in the workshop. This list is not organized in any systematic way; it simply provides a summary of the different dimensions that were discussed in the empirical case studies we explored.

### Dimensions of variation

1. *Prior culture within the factory*: The trajectory of development of a recovered enterprise may depend in part on the nature of the prior factory culture, in particular whether it is based on paternalism or class solidarity/struggle.
2. *Exit options for workers*: The incentives for solidarity vary depending upon how easy or difficult it is for workers to find alternative employment..
3. *Size of firm* within local labor market: The size may affect the importance of the firm to local state.
4. *Decommodified activities*: To what extent does the cooperative promote use-value activities for the community – health, popular education, art, theater, music?
5. *Training of managerial skills*: how is training provided – internal and external training?
6. *Connection to the state*: supportive or isolated.
7. *Embeddedness in networks*: recovered enterprises can be isolated or embedded in networks or association of enterprises that may facilitate problem-solving.
8. *Nature of prior firm*: family firms, individual proprietorship, corporations.
9. *Conflicts within cooperative*: intrusion of external ideological/political conflicts; internal policy conflicts; personalistic groups
10. *Variations in founding moment*:
  - Degree of struggle/confrontation
  - Connection to the left – founded as anti-capitalist (Zannon).
  - Founding in general crisis or post-crisis; there may be broader legitimation in crisis
  - Extent of retention of technical staff and managers – this can cripple the firm
11. *Trajectories of internal inequalities*: the process by which inequalities emerge – from high equality to differentiation over time.

### **Other issues for specific pathway**

1. *The founding moment*: Is there a distinctive set of dynamics because the cooperative is founded through occupation as a recovered enterprise? The founding moment of the empresas recuperadas is in confrontational struggle. Does this create an enduring legacy?
2. *Legal rules of transition and bankruptcy*: Once there are legal forms in place that can be used to legalize take-overs this generates shift of conditions of struggle, time delays, the need to follow set procedures. This could be demobilizing. This also raises the issue of details of law: which actors are treated as the default condition -- worker vs owner default.
3. *Subsidy problem*: Empresas recuperadas should be subsidized as a pathway to a cooperative market economy vs not subsidized, since subsidization contributes to legitimation within capitalism.