

F: RECOVERED FACTORIES

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Definition

The term ‘recovered factories’ is used to indicate where workers rescue enterprises which have filed for or declared bankruptcy, a process which gained momentum in Argentina after the 2001 crisis and led to systematic forms of self-management. Although the first recovered factory dates back to 1959, the phenomenon is mainly linked to the crisis in 2001, a time when there was great social unrest following one of the biggest financial crises in human history.

At present, there are approximately 350 recovered enterprises in Argentina. These involve approximately 40,000 workers across the country (a number that has been constantly increasing since 2001), working in all areas of production. From 2001 to the present day, numerous contributions have been made on the subject by academics as well as others. Generally speaking, there are three main approaches (Partenio, 2006; Badenes, 2006) to the study of recovered enterprises which can be distinguished according which aspects are their focus (Vigliarolo, 2011).

- the first highlights the ‘political commitment and the grassroots push;’
- the second highlights ‘the new organizational structure of the production process;’
- the third refers to a study of the workers’ role and the ‘social organization that contributes to growth in the local area.’

On an economic level, the phenomenon is far from being homogeneous. Many firms find themselves in a process of ‘stagnation’ and have underlying structural weaknesses that prevent them from achieving their full potential as well as outdated or damaged machinery inherited from the previous owners. However, the main issues are linked to factory ownership and in 2011 a national law was passed which supplements the regulations governing bankruptcy procedures in Argentina by acknowledging two important aspects: the right of workers to expropriate a factory when bankruptcy has been declared based on an economic plan considered sustainable by a commission of judges, and the pre-emptive right to buy the property. This legislation is an innovative step forward which recognizes, even if only partially, the right to safeguard work as a priority over the



right to capital ownership, or the main dichotomy of the Argentine crisis.

In spite of these transversal issues, some companies, on the other hand, have found a new vocation, a 'territorial' one. This makes them more stable and presents elements, on an economic level, that are diametrically opposed to the causes of the crisis that they have faced, consciously or unconsciously, as a response needed at microeconomic level.

Causes

With regard to the causes of the phenomenon, we can identify at least two main groups. The first, a historical one, is linked to the policies that the country has implemented from the 1970s onwards. The second one, a system one, is linked to the dominant economic science (Vigliarolo, 2001).

For the first group, reference can be made to the reforms which began in 1976 with following the laws:

- N° 21,382 of 1976 which established that foreign investments should be treated with the same rights and obligations as national investments (art. 3) in order to attract foreign capital from the so-called 'developed' countries independently of local production;
- N° 21,608 of 27 July, 1977 which marked the beginning of a plan to promote 'indiscriminate' industrial growth, i.e. the promotion of private industry with no industrial policy strategy through centrality of the free market.

Over the years, these measures led to what has been defined as the deindustrialisation of the country. This caused, as stated by Rapoport (2008), a loss of industrial identity that led to fragmentation of the worker movement which became increasingly weaker, crushed by foreign capital which gradually destabilised the value of the workforce.

It is precisely in relation to these aspects that the second group of causes refers to the dominant economic system and to what is defined as the positivisation of the economic systems that have lost their social function. This means the creation of systems which can only be understood using mathematical laws that increasingly push 'human and social visions into the background' and over the years have meant that the economy has moved away from the needs of local communities. Today this can be seen in the asymmetrical relationship between nominal financial values and the gross domestic product of a country, as highlighted by economic financialization.



The territorial model

Over the last 15 years or so, two main types of recovered enterprises can be defined. The first, linked to maintaining capitalist systems and defined as ‘under a boss,’ has only concentrated on starting up the production process again, often with great difficulty since the enterprises do not have the same technological conditions and machinery as they did before or as do other capitalist enterprises on the market; the second is defined as ‘territorial.’ In the latter case, the recovered enterprises present interesting elements that can be considered a response to the causes and offer a radical change in direction, from the financial markets to the local territory. In this direction, they have also reviewed the production process and added new goods and services to it based on the context they find themselves in. In many cases, they have begun participatory local-development processes by changing the organizational structure of their territorial context. In this model, after an initial stage in which priority was given to safeguarding the source of wages, they have become a means of safeguarding and promoting their human capital (on a cultural level as well). They have become an instrument of social self-determination and self-identification whose economic outcome is only one of several instruments. These enterprises promote round tables that become an arena of democracy that goes way beyond the traditional channels of political parties, new forms of political lobbying through leaders who socially represent their own territory. In some cases, in addition to the manufacturing of goods, new services and activities are created in environmental and social areas such as training, education, recreation, support to areas of the population at risk, housing and nursery places, and activities linked to culture and social networks, to mention a few. For example, it is not unusual to find cultural spaces such as theatres, radio stations or training schools within the enterprises. Official investigations¹ have shown that one enterprise in three is involved in cultural activities on a permanent basis. The case of the UST (Unione Solidale dei Lavoratori) Co-operative is emblematic. It began its recovery process with 35 workers; today, 90 people work full time and it has created 350 jobs through its work in the area where, among its main initiatives, it has promoted a secondary training school, runs a sports centre, manages social and recreational services in collaboration with the local municipality and provides housing for citizens in need by organising

¹ Programa Facultad Abierta Facultad de Filosofía y Letras de la Universidad de Buenos Aires. Secretaría de Investigación/Secretaría de Extensión Universitaria, Informe del Tercer Relevamiento de Empresas Recuperadas por sus trabajadores. *Las empresas recuperadas en la Argentina*, 2010.



a round table in which, together with other organisations, priorities are established for the area which also guide the work of the enterprise. Over the years, it has been transformed into a frame of reference which is also political since, at national level, it has promoted a new trade union, ANTA, as well as other initiatives, and constantly debates critical issues regarding workers and social policies at local and national level.

Conclusions

Based on the above reasons, recovered enterprises or factories, especially those based on the territorial model, can certainly be considered a phenomenon that is potentially and profoundly interesting since they offer a change in paradigm at the dominant economic system level. Although operating only at a cultural and microeconomic level at present, they meet the need to re-establish a regulatory dimension that guides the economy, also in productive terms. They do this by rebuilding reciprocal relations with the territory which are considered necessary to promote its identity and by inverting the existing hierarchy that exists today between normative economics and positive economics.

For these reasons, the recovery of the factories can be interpreted as the recovery of a human and social vision that guides the economy based on its everyday world which, by applying only mathematical formulas, has ended up measuring itself according to the laws of supply and demand alone. Recovery has also meant focusing on the 'work force' in order to recreate the well-being of a nation which has ended up being crushed by financial capital and, above all, 'the skill of workers' which, Hegel defined as the true capital of a nation in economics.

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