



# Journal of Co-operative Studies

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How to cite this article:

Kasparian, D. & Rebón, J. (2022). The production of change: The social power in recuperated enterprises. *Journal of Co-operative Studies*, 55(3), 25-36.  
<https://doi.org/10.61869/QSOH9669>

# The Production of Change: The Social Power in Recuperated Enterprises

Denise Kasparian and Julián Rebón

Worker-recuperated enterprises are experiences of social change in production. After over a decade of their spread and expansion in Argentina, this article takes stock of such experiences originated by the processes of worker-recuperated enterprises once they were consolidated, by posing the following question: To what extent does this form of “new cooperativism” imply social empowerment? Based on the comparative analysis of ten recuperated enterprises, we have characterised these enterprises with the aim of depicting potentialities and limitations regarding the dynamics of change and the growing social empowerment they portray. We suggest that recuperated enterprises represent a form of production which combines the control by the social power of associated workers with the competition in the capitalist market.

## Introduction

Since the end of the twentieth century, the crisis of state socialism together with tendencies towards inequality and social exclusion that global capitalism and neoliberalism entail, debates around alternative forms of production and economies have drawn impetus from multiple strategies for social change (Coraggio, 2008; de Sousa Santos & Rodríguez, 2011; Quijano, 2011; Vieta, 2010; Williams, 2014). Within those strategies, it is possible to highlight a set of socio-productive experiences encompassed by the fields of social and solidarity economy and co-operativism. Considered either as institutional innovations that expand spaces of social empowerment (Wright, 2019) or as enlargers of economic imaginaries towards building diverse economies (Gibson-Graham, 2006), co-operativism’s potential lies in representing what would be desirable in a postcapitalist future. Moreover, in doing so, these experiences uncover the heterogeneous character of social formations.

One experience that has led to the development of productive alternatives to the capitalist mode of production in twenty-first century Argentina is that of *empresas recuperadas por sus trabajadores*, or worker-recuperated enterprises. At the time of writing, there are 431 recuperated enterprises in Argentina (Instituto Nacional de Asociativismo y Economía Social, n.d.); all share three characteristics. First, each involves a critical situation in capitalist companies, broadly marked by generalised dismissals and non-payment of wages (Salgado, 2012). Second, they represent processes of collective resistance by workers, ranging in intensity, with the take-over or occupation of enterprises as the most emblematic form of struggle (Fajn, 2003; Rebón, 2007; Ruggeri, 2018). Finally, there occurs an organisational conversion of companies; in practically all cases, new enterprises adopt the legal status of a worker co-operative.

This social change can be understood through the notion of *new cooperativism*, in that: it is a response by citizens and working people to crises in neoliberalism; its protagonists do not necessarily have tight links to older co-operative movements or pre-existing co-operativist sentiments; it deploys a more egalitarian distribution of income; it promotes horizontal labour relations; and it prioritises community development through the pursuit of social objects (Ridley-Duff, 2020; Vieta, 2010, 2018). Given the innovative characteristics of worker-recuperated enterprises, such as being a response of working people to crises of neoliberalism, having their origins in grassroots movements and in an adaptive recurrence to cooperativism within the framework of work-related struggles, and deploying more equal and horizontal practices, these ventures are framed within the so-called new cooperativism (Kasparian, 2022; Ridley-Duff, 2020; Vieta, 2010, 2018). Seeking to assess this process of new cooperativism after two decades of its initial spreading, it is relevant, therefore, to analyse those cases in which social change is institutionalised and sustained.

From the perspective of social innovation theory, worker-recuperated enterprises would represent an innovative form characterised as *social entrepreneurship*, since they produce change by founding new organisations (Ridley-Duff, 2020). Conversely, they pose a challenge to this conceptualisation. These enterprises, which no longer pursue profit maximisation and collectively reproduce their work conditions (Rebón, 2007; Rebón & Salgado, 2010) can, at the same time through financial and other pressures, recreate elements of the pre-existing socio-productive organisations. Therefore, their peculiarity lies in the fact that social change is not complete.

From the perspective of political economy (Polanyi, 1944/2007) and other works on social economy enterprises, we understand that the consolidation of an experience does not depend exclusively on market exchange (Coraggio, 2008; Fernández Álvarez, 2017; Hintze, 2018). On the contrary, we consider that market exchange takes place within the framework of plural economic exchanges, appealing to principles that limit the market dimension, such as redistribution relations from the State or reciprocity with other actors. As de Sousa Santos and Rodríguez (2011) point out, the criteria for evaluating the success or failure of economic alternatives to capitalism must be gradualist and inclusive, that is, not solely on the basis of economic performance, but also the multiplicity of dimensions of what they generate and their emancipatory potential. As a co-operative is simultaneously an enterprise and an association of people (Vuotto, 1994), analysing the consolidation of a co-operative presupposes an account of the ways in which the co-operative achieves its objectives in both fields: production and association.

We understand co-operative consolidation as a process of at least two years of productive continuity over time, in which a company reaches different goals, both in its labour-economic dimension as well as in the associative dimension. This entails consolidation of the labour community with adequate work conditions within the framework of the practice of associative and self-managed work. Adequate work conditions refer to the access to certain rights conferred by formal wage labour, including pension contributions, health care, paid vacations, and a 48-hour working week. We must recall that the members of recuperated enterprises had this type of employment contract in the failed companies and thus links to the objective of the recuperated enterprises to collectively reproduce their work conditions. Table 1 outlines the labour-economic and associative characteristics of co-operative consolidation.

Table 1: Labour-economic and associative characteristics of consolidated co-operatives

<b>Labour-economic characteristics</b>	<b>Associative characteristics</b>
Productive continuity maintained for at least two years	Elected Board and regular assemblies (in accordance with legal co-operative frameworks)
Maintained or increased the numbers of workers since its foundation/takeover	
Wages equal to or reaching levels above minimum wage	All workers registered as members of the co-operative, except temporary workers or those in a trial period (in line with co-operative regulation)
Registered pension contributions and access to health care for workers	

At this point, we pose the following questions: what socio-productive forms have originated from the productive units resulting from the recuperation of enterprises once consolidated? To what extent do these forms of new cooperativism imply social empowerment in the field of production? Seeking to answer these questions, we have focused on co-operatives that have managed to consolidate in both productive and associative terms.

In the next section, we outline the methods approach to research. We then characterise the productive units based on four dimensions that refer to their socio-productive form: a) property relation; b) the criteria and purposes that guide production; c) the political dimension of the relations of production; and d) the configuration of groups and the structuring of conflict. Finally, we reflect on the socio-productive form shaped by worker-recuperated enterprises, in relation to the difficulties and potentialities that they face with respect to their dynamics of change and social empowerment.

## Methods and Approach to Research

The study is based on the individual and comparative analysis of recuperated enterprises that have reached co-operative consolidation. It is worth mentioning that consolidated enterprises do not represent the majority of recuperated enterprises in Argentina, as such the findings cannot be generalised. However, they offer food for thought, and contribute to the debate on the potentialities and limitations of recuperated enterprises in their best-case scenario.

The research takes a pluralist perspective, with an emphasis on a sociological approach, drawing on the neo-Marxist analytical scheme of Wright (2010, 2013, 2019) with some adaptations depending on the specific case and the unit of analysis. Taking into consideration the hybrid nature of recuperated enterprises, defined by the combination of social power within the productive unit and competition in the capitalist market (Rebón & Salgado, 2010), we undertook a systematic analysis of the process of enterprise recuperation in its different dimensions. We have utilised different primary and secondary sources, including surveys, interviews, and observations.

Fieldwork was structured into two stages. First, a preliminary list of recuperated enterprises that achieved consolidation was created based on interviews with key informants, available databases, and existing studies on the subject. Afterwards, we selected ten enterprises that had existed for over four years, with the aim of analysing cases that have overcome the foundation and constituting stage of their organisational lifecycle. In this regard, the selection was executed considering a theoretical criterion of maximisation of differences. This criterion was followed in order to assess the process as a whole, while taking into account its heterogeneity. Hence, this study allowed us to identify commonalities as well as differences (via thematic analysis) between relatively heterogeneous experiences. Said maximisation of differences was made in reference to the following variables in enterprises: sector, region, size measured in number of workers, and period of recuperation (see Table 2).

Table 2: Sample characteristics

<b>Sample characteristics</b>		
Sector of Activity	Industry	5
	Services	5
Region	Metropolitan Area of Buenos Aires	4
	Buenos Aires province	2
	Centre	3
	Patagonia	1
Size	Small (between 11 and 60 workers)	4
	Medium (between 61 and 150 workers)	6
Period of recuperation	Pre-crisis (before 2001)	2
	Crisis (2001, 2002, 2003)	3
	Post-crisis (2004 onwards)	5
<b>Total</b>		<b>10</b>

Additionally, we selected 4 recuperated enterprises that had not reached consolidation in terms of the proposed conditions: two cases from the industrial sector that had reached consolidation in the labour-economic aspect, but not in associative terms; and one case from the services sector and one from the industrial sector that had reached consolidation in associative terms but not in labour-economic terms. Cases were selected from the following activity sectors: food, dairy, metallurgy, textile, gastronomy, ceramics, cold-storage, media, education services, waste management services, hotel services, and passenger transport; and from the following locations: Buenos Aires City and Greater Buenos Aires (Metropolitan Area of Buenos Aires); Buenos Aires Province (Interior region); Santa Fe province, Cordoba province, and Entre Rios province (Centre region); and Rio Negro province, and Neuquén province (Patagonia region).

The second stage of fieldwork (September 2017 and October 2018) consisted of observations at the premises of the enterprises and semi-structured interviews with workers in key positions to provide information about the co-operatives. Additionally, we undertook an analysis of documents and articles published in communication press media.

With the aim of keeping the co-operatives anonymous, the analyses do not provide disaggregated data or quotations from respondents that enable identification. Rather, the findings set out four theses on recuperated enterprises which are the result of a dual process. First, there is a theoretical reflection informed by the results of research carried out by the authors (see Kasparian, 2022; Rebón, 2007; Rebón & Salgado, 2010), and relevant literature. Second, there is a process of testing and refining our theses based on the selected recuperated enterprises.

## **Findings: Four Theses on Recuperated Enterprises**

As mentioned above, without overlooking the tensions and heterogeneous dynamics that develop in these processes, we introduce four theses to characterise recuperated enterprises in terms of property relations, the logic of production, the political dimension, and the cleavages structuring conflict. In each thesis, we first restate definitions and previous frameworks and then present the findings emerging from the fieldwork.

### **Consolidated recuperated enterprises express a form of social ownership of specific extension, medium-high intensity, and limited primary inclusiveness.**

Recuperated enterprises alter ownership relations, building up processes of transition from the private ownership of the productive unit by capital towards forms of social ownership exercised by associated workers. It is they, as a collective, who tend to build a relation of appropriation with the productive unit. To the extent that the community or association of workers owns the right of usufruct, utilisation, and enjoyment of the means of production, we find ourselves in the presence of a form of social ownership (Wright, 2013). But this form of social ownership poses different limitations. We postulate that a form of social ownership of specific extension, of medium and high intensity, and of limited primary inclusiveness tends to prevail in the analysed consolidated recuperated factories. We here-below further delve into these three aspects.

Firstly, the measure of extension of social ownership refers to the group of assets involved. In the most comprehensive cases (5 cases), this extension is limited to the specific productive unit: movable property, brands, and premises. In less comprehensive cases, the extension is only limited to the movable property of the productive unit at stake (5 cases). In most cases, as shown in Table 2, assets involved refer to small and medium-sized means of production. Recuperated enterprises are small and medium-sized units, or else large ones that were undergoing a resizing process at the time of recuperation.

Secondly, a high or medium-high intensity of the disposal of the productive unit prevails, where legal occupancy was achieved in all cases. Since recuperation processes began, this matter has been considered a limitation to be addressed in the future. However, in the wider population of *empresas recuperadas*, there are few cases that have managed to achieve ownership, and different forms of possession prevail. The situation of consolidated enterprises differs from that of the sector as a whole. In half of the cases analysed, full ownership was achieved by means of purchase, the enforcement of expropriation laws or, even in one of the cases, the construction of a new facility. Expropriation basically entails that the State — in almost all the cases at provincial level — declares movable property, brands and real estate of public utility, and grants them as ‘comodato’ (gratuitous loans) to workers’ co-operatives. Comodato is like lending the premises or brands for a while under specific conditions. This can be perpetuated for a long time. Then, the expropriation means that the State buys the companies and can sell them to co-operatives on very favourable terms. Thus, an ownership process begins under the name of the co-operative, which, under generally favourable conditions, has to pay for the asset within



a certain period of time. In practice, most expropriated enterprises have not concluded the transfer of ownership, whether from lack of interest or funds by the State.

In the other half, different ways of possession were achieved, such as by means of leasing or inconclusive expropriation proceedings. Some of the cases presented mixed situations for example, in one case through the purchase of production tools and leasing or pledging of the facility. In sum, beyond the different modalities, all the analysed co-operatives achieved legal occupancy. Overall, achieving such status makes the process more foreseeable and enables the associated workers to focus on production.

Finally, inclusiveness refers to a low scale aggregation of the social group appropriating the asset. Recuperated enterprises are made up of a collective group of workers, who associate to work together, using and disposing of the productive units within the above-mentioned boundaries. All workers enjoy equal rights, at least in principle, to participate in the collective decisions regarding the asset. The nature of the association — based on work — prevents the development of a cleavage between owners and producers at the core of the productive unit; the full division between subjectivity and objectivity, which according to Marx (1858/1992) is characteristic of capitalist production. In this way, productive consumption of the salaried workforce does not prevail. This is not only linked to the origin of the experiences that establish equal relations among workers, but also to the legal form of a worker co-operative, which sets forth the joint ownership of the means of production based on the association of workers, limiting the hiring of employees. Besides, this joint ownership means that the assets of the co-operative cannot be divided among individuals. Nonetheless, the fact that ownership is limited to the collective of workers implies that the rest of society is excluded from it. This situation is not necessarily different from that of private owners as it is rooted in competition and exclusionary relations that maximise the enjoyment of property and, thus, foster an emerging private-corporate logic in tension with the logic of social appropriation (Deux Marzi, 2020; Rebón & Salgado, 2010).

Conversely, and in line with the thesis of new cooperativism (Vieta, 2018), as an element that counteracts the commercial link between co-operatives and society, we can point to the development of non-market liaisons with communities, such as donations or the co-ordination of community outreach activities (7 cases). This way social innovation does not only assume an intrapreneurship or intra-co-operative nature, but also transcends through extrapreneurial relationships with other actors (Ridley-Duff, 2020). This does not necessarily imply a social allocation of the surplus to the links with the community. In some cases, we only registered a partial cession of the premises for community activities (2 cases). That being said, in half of the cases a social allocation of the surplus does emerge. For example, the textile and the waste management co-operatives are characterised for being strongly rooted in the social fabric, both developing a systematic policy of community outreach. One case offers a socio-community workspace, open to the community, with workers allocated to such tasks. The other has built a sports centre that is open to the families and children living in the surrounding area, or developed *bachilleratos populares* (progressive secondary schools created in 2004 within the framework of social organisations and worker-recuperated enterprises in Argentina) to ensure that both their workers and the community can access high school education. Moreover, the analysed cases usually revolved around ventures that are part of a wider social framework, such as unions and recuperated enterprises movements (8 cases). This element is key for ventures to develop their co-operative identity. However, in contrast with new cooperativism, it should be noted that this community building does not usually involve the participation of other stakeholders in the formal process of decision-making.

The type of ownership structures a set of social relations in which the occurrence of certain types of processes becomes more likely. The nature of social ownership favours the development of equality among co-operators. Although the majority of the analysed enterprises (8 cases) establish forms of differentiation of earnings (e.g., according to skills), these are relatively small in comparison with previous enterprises. At the same time, the limited feature of its inclusiveness implies that the principle of community, and the emerging solidarities, does

not necessarily transcend the collective group of workers (Itzigsohn & Rebón, 2015). In other words, the social aspect prevails within the core, but in relation to the outer sphere, this can develop as sociocentrism); a tendency similar to that of any other private owner. One of our additional cases (successful in economic terms, but failed in associative ones) portrays an ultimate expression of this tension: they outsourced the hiring of staff and created a commercial partnership to produce on behalf of the co-operative.

A productive unit producing a specific set of means of production or livelihood demands that, in order for workers to reproduce, they surely need to develop exchange relations with other productive units. The possibility of self-consumption as an end is not feasible. In the singular context of a capitalist society, this exchange consequently adopts a predominantly commercial form and compels workers to maximise their productive processes with the aim of competing in the market.

### **Recuperated enterprises are oriented by the logic of social reproduction of workers which, for its fulfilment, depends on the production of exchange values.**

Recuperated enterprises are born as a strategy of workers to defend their employability. They arise as alternatives to unemployment rather than to capital (Quijano, 2011), and for this reason, working in an associated and self-managed way becomes an adaptive solution rather than an ideological preference. The co-operative legal form is adopted in that it better suits the features of the process (Palomino, 2003). Despite the fact that over time workers may become aligned with a self-managed style and relate their experience to the fight for a more comprehensive social change, defending their jobs tends to be the utmost goal at all times (Rebón, 2007; Salgado, 2012). The resulting enterprises are structured as per this original logic, so that the predominant criterion that guides production is that of preserving the source of employment as a way to realise the social reproduction of workers. Out of the group of analysed enterprises, only two did not create new job positions and some have even quadrupled their initial workforce. An identified limitation is that workers' growth still fails to amount to the numbers seen prior to the crisis that led to the recuperation.

Recuperated enterprises tend not to be oriented towards accumulation, neither economic, as in the case of capitalist companies that seek to maximise and reinvest earnings, nor political, as in the case of public companies. On the contrary, recuperated enterprises are founded on the consumption needs of workers and their families — that is the reason why relatives often occupy job positions when enterprises expand. As theorists in the field of social and solidarity economy express it, recuperated enterprises are oriented towards the reproduction — simple or expanded — of life (Coraggio, 2008).

As recuperated enterprises are not driven by profits, even when there is no revenue or surplus after wages have been paid, they still find the production profitable as long as work conditions of the associated workers are maintained. Even though co-operatives have managed to preserve job positions and even create new ones, there are hardships in the reproduction of the social identity as workers. On the one hand, when an enterprise is recuperated, as per the existing law, workers usually begin to contribute under the “autonomous” social security system. This is detrimental to their social rights, such as prospective retirement, health insurance, and family income support, among others. On the other hand, the level of compensation offered in the sample enterprises portrays heterogeneous situations. There are some enterprises in which compensation amounts fall below the average salary in the sector, though it is always equal or above the minimum wage stipulated for any formal worker in Argentina with some enterprises equalling or surpassing the level of the sector. Beyond this heterogeneity, income levels prove that these enterprises have been successful in reversing the original unemployment and impoverishment processes. However, it is also worth noting that the analysed enterprises represent just a minority of recuperated enterprises.

Despite being driven by consumption, given they are productive units under market conditions, the immediate production goal is mainly and necessarily the production of exchange values.

The feasibility of production mainly depends on market exchange. In order to successfully compete in the market, they need to maximise the production process, order it as per an instrumental rationale to allow them to compete in terms of costs and quality. Facing the challenge of competition, workers need to reinvest the surplus, otherwise, the lack of investment to replace machinery or obsolete technology may drive the enterprise into a production crisis in the mid-term. This becomes a pressing issue for recuperated enterprises, as in many cases, their productive units already start off from a situation of technological backwardness.

In this sense, the logic of exchange value welcomes the logic of accumulation to guide the process. If workers are exclusively driven by a logic of consumption and do not reinvest in production, the feasibility of the productive unit may fall into a crisis. On the other hand, if they exclusively stick to the logic of accumulation following market competition, they may affect their own work conditions or those of other workers. To put it another way, they need to creatively tackle this tension at the different stages of the enterprise cycle. The analysed enterprises have been relatively successful in managing these tensions.

Firstly, they tend to offer competitive products in the market (in terms of price, quality, uniqueness), having developed their own brands in most of the assessed cases. In many cases, those brands had already been acknowledged and had achieved a status with the previous company. It should be noted that, innovatively, in some enterprises the co-operative feature of the production becomes an added value which is incorporated into the promotion of the product. However, unlike other forms of new cooperativism, we only registered 2 cases where there was a special emphasis on ecological-ethical engagement in relation to products and their production processes. For example, the passenger transport co-operative invested in the purchase of new buses which are in line with Euro 5 standards. It should be noted that by the time the interview was carried out, they were the only company with this kind of bus in the city.

Besides the utmost importance of market exchange, the functioning of the analysed co-operatives coexists within the framework of a plural economy, appealing to other exchange principles (Polanyi, 1944/2007), the most relevant of which is the redistribution by the State. Similar to other forms of new cooperativism in Argentina and Latin America (Hintze, 2010, 2018), the relationship with the State is key. This poses a relevant challenge to the perspective of new cooperativism, which lacks a focus on the role of the State in Latin American experiences. All of the assessed cases have received state funding. These relations of redistribution by the State are usually a fundamental support to perform a necessary investment or to face critical stages of the recuperation cycle, and in some cases, to finance the purchase of the real-estate property (3 cases). Nevertheless, this situation has not built a bond of economic dependence on public policies in the analysed cases, nor has it generated absence of collective actions and bargaining. This condition differentiates them not only from those co-operatives that are promoted by public policies, but also from other recuperated enterprises which have not managed to consolidate.

In other cases, the State regulation of a market that is key to the industry is essential. In the case of the media company, the regulation of paper price proves to be extremely beneficial. In the case of the transport enterprise, political decisions by the State are fundamental to access the concessions of services that kick start the production activities of co-operatives. Lastly, half of the cases have implemented transference and innovation schemes and projects with universities, public schools, and other science and technical institutions that, driven by different exchange principles, contribute to the resolution of social-productive issues. Support by the local community also proves to be key in most of the ventures. This includes both affective solidarity (Fernández Álvarez, 2017), spontaneously exercised by neighbours, as well as those solidarity actions developed by different political and civil society institutions.

### **Recuperated enterprises express the democratisation of production relations.**

With regard to the political dimension of production relations, recuperation represents a process of democratisation of the function of management over the original capitalist company. Social



power tends to dominate the production space. To a greater or lesser extent, self-management is exercised, and important decisions are the direct or indirect result of a collective decision-making process. This implies higher levels of horizontal participation and workers' engagement in their environment, as well as a tendency to express their thoughts and ideas.

Workers partner and voluntarily group together as a worker co-operative. By collectively recuperating the enterprise, with a higher or lower level of awareness, workers develop self-determination spaces in the production process that tend to be incompatible with capitalist production. These enterprises represent productive units that are more democratic than their predecessors. They are managed by their workers and there are no third parties involved in the management. One of the characteristics of recuperated enterprises, in comparison with other co-operatives, is the importance granted to assembly dynamics, resulting from their origin in social conflict processes (Pizzi & Brunet Icart, 2014). This type of dynamic significantly permeates most of the experiences. In only one of the cases, the assembly is restricted to its mandatory ordinary form to approve the annual balance sheet or to meetings aimed only at reporting, and not debating. In most cases (7 enterprises) assemblies are not the only and exclusive space for debating and decision-making. Sometimes, assemblies are combined with sector meetings or expanded board meetings, that is to say, meetings that are open to all members who wish to participate. Complementary to this, the creation of members' committees to address specific matters and the encouragement of debates in work areas acknowledges that an assembly is not always the best environment to exchange views and achieve work progress.

Even though recuperated enterprises were initially assessed as laboratories of direct democracy, over time, daily management has often become rooted in boards. Within the analysed cases, we have observed there were no changes in the composition of boards in half of the cases, which is not a negative aspect per se, but it does pose the need to monitor the danger of a cleavage arising between the leaders and the led. In this context, the metallurgic enterprise and the media co-operative are the only ones actively and explicitly encouraging the swapping out of board members. As regards to women's participation in governance roles, the textile co-operative had considered gender equality in the creation of boards.

The decision-making and the management of enterprises spawn potential tensions and conflicts that are in principle an expression of the classic issues of political sociology. On the one hand, the assembly, as a form of direct democracy, faces the difficulty of maintaining high levels of participation and involvement of all members over time, as well as potential challenges regarding the time it takes to make decisions and their preservation. Besides, not everyone has the same weight and the same ability to express and assert their point of view; those with greater political resources will be more capable. On the other hand, delegation to the board entails the classic issues of representation hardships and the risk of autonomisation over the represented; oligarchical tendencies as depicted by Michels (1911/1962). Notwithstanding, it is worth noting that none of the referred issues is unsolvable nor is it specific to recuperated enterprises. Bottomline, the recuperation of an enterprise represents economic democratisation and, as such, poses the difficulties inherent to democracy.

### **The recuperation dissolves the class cleavage at the core of the enterprise and shapes more horizontal and multiple conflicts within the framework of a politicisation of the function of management.**

The above-mentioned elements regarding the production dimensions significantly change the axes of conflict in relation to the original capitalist enterprises. After the recuperation, there is a strong process of collectivisation and social equality, which tends to dissolve or attenuate pre-existing (class-based) hierarchies within the production environment (Wycickier, 2009). The most significant change is that conflict at the core of the productive unit is no longer structured by the relation between workers and capitalists, as the latter ones disappear from the productive unit. When this pillar of inequality disappears or is displaced, conflict is democratised, that is to

say, it tends to become more horizontal and is organised as per multiple topics (wages, control of the production process, availability of leisure time, possibility of personal self-fulfilment at work, lack of information, among others).

Higher horizontality is evidenced because groups tend to be less hierarchical and do not imply class relations; the groups are diverse and flexible. Yet, the leaders and the led, founding members and new members, qualified and unqualified workers, manual and non-manual, members and non-members, are some of the multiple pillars of inequality amongst emerging groups (Kasparian, 2022; Salgado, 2012). Although these pillars may not necessarily develop, and often tend to present vague and temporary boundaries, these multiple cleavages recurrently appear in the narration of conflicts and tensions within recuperated enterprises. For example, as several studies point out (Dicapua et al., 2011; Hudson, 2011; Rebón, 2007), interviewees of the analysed cases highlighted the repeated tension between workers that are deeply committed to the co-operative and undisciplined workers with a low level of commitment, often marked by the culture and practices of the salaried worker who is only interested in cashing the compensation. Additionally, some of the enterprises studied identified a key tension related to the difficulties of accepting collective decisions in a deeply democratic organisation.

As observed, the democratisation of work environments in recuperated enterprises — which fosters higher levels of horizontal and equal participation among workers in comparison to a worker immersed in a salaried relation — gives rise to the emergence of group conformation cleavages, such as, for instance, those regarding the meanings of work, which, even though they may be present in other socio-productive forms, do not manage to emerge or express themselves within said contexts.

Finally, the recuperation politicises the function of management in a dual sense. On the one hand the job in a recuperated enterprise is to produce goods, but also to participate, negotiate and face movements, political parties and the State (Fernández Álvarez, 2017). In this struggle, it is evidenced that the function of management in recuperated enterprises involves a political dimension that exceeds the strictly productive aspect at the core of the enterprise. For example, as mentioned previously, this political dimension in the enterprises interviewed implies managing the redistribution relations with the State and achieving the legal ownership of the premises.

On the other hand, the democratising feature of the process turns the management role into a debatable object of the collective group, that is to say, it promotes and legitimises the discussion and debate by the collective group of workers (Kasparian, 2022). The different cleavages and emerging tensions are expressed with regard to the governance of co-operatives, promoting the creation of political groups. Generally, these arise from certain orientations towards the political-productive project of the enterprise and are usually rooted in the leadership, while the collective group of workers tends to align itself based on personal relations. For this reason, for a group to build a political-productive hegemony at the core of the co-operative is key to order and process conflicts and, thus, to ensure the political-productive feasibility of the co-operative. The hegemony understood as the control of a project sustained over time, and which is based on the active consensus of the associated workers, is an element evidenced in all the analysed co-operatives. Its relevance portrays the importance of governance as an element that stabilises the enterprise and allows it to grow in a certain direction. The type of enterprise project that the rightfully dominating group promotes heavily influences the resulting type of social-productive unit. In the different cases, the common element cutting across experiences is that they are co-operative projects, in which economic management is deemed utterly significant to achieve the reproduction of the collective group of workers.

## **Final Remarks: Conceptualisation of the Process and Horizon of Change**

Having emerged from active disobedience to the prospect of unemployment in a context of crisis, recuperated enterprises represent a signature form of new cooperativism in Latin

America. Their collective action is translated into innovation (entrepreneurship, intrapreneurship, extrapreneurship) in the social nature of production. Although they represent a form of new cooperativism, they are defined more as a response from workers than from citizens, although sectors of the latter may accompany the experience and establish various relations with it. The fact that recuperated enterprises are experiences of workers' defence from the processes of exclusion of capitalism in its neoliberal phase means that social appropriation and emergent economic and political equalisation are mainly based on the labour collective and not on a broader social space. The focus is therefore on the successful production of commodities rather than on reflecting on their ethical and ecological conditions, or on other aspects, such as gender inequalities in companies. The aim is to produce without a boss in order to preserve work and not necessarily to adhere to the ideals of co-operativism. However, the development of the processes enables a learning process in which many of these issues are incorporated into the agenda of the new enterprises. Finally, it should be noted that this is a type of co-operativism in which what the state does or does not do is relevant, given the precarious nature of the legal and economic dimensions at the starting point.

The offered analysis allows us to propose that analysed recuperated enterprises interpenetrate diverse logics, representing a hybrid form in which their social nature is non-capitalist. In other words, this hybrid form is not structured upon the productive consumption of a salaried labour force. Recuperated enterprises shape a form of commodity production by associated workers, born of a *sui generis* conversion of capitalist companies. The form is *associated* insofar as it allows social appropriation — albeit limited — and democratisation of organisational forms and of conflict. It involves *commodity production* insofar as the object is the production of exchange values and its logic is oriented towards consumption rather than accumulation. Finally, it belongs to *the workers* because of the social composition of this hybrid form and because no other players participate decisively in the productive units through an associative link.

In sum, its structure is defined by the prevalence of social power at the core of the productive unit under conditions of market competition. The social power is limited and tense when articulated within the market and the wider capitalist society where it develops. Advances over production are not extended into the circulation process, and emerging enterprises integrate into the system as subordinates. The initial elimination of exploitation relations at the core of enterprises does not prevent the development of asymmetric transference relations with other players, such as suppliers, banking entities, stores or public utilities companies. Neither does it avoid the emergence of new forms of inequality and private appropriation within its core.

The tensions highlighted in this study could bring about displacements in the point of balance and tilt it towards forms of social capitalism, as is the case of recuperated enterprises where member workers hire other workers under salaried relations. In addition, they could hypothetically lead to combinations of social power with state power or, even, move social power forward into the sphere of circulation. Far from presenting a structuralist reduction, whether these displacements develop or not depends on multiple processes, dimensions and choices — adopted more or less consciously — by the players.

With this said, it should be highlighted that the progress of social power does not guarantee better work conditions even in these consolidated experiences. The freedom of working without a boss and the enrichment of the workers' field of action, jointly with the preservation of the source of employment, do not necessarily mean having better wages and enjoying more labour rights than formal salaried workers of capitalist companies. The advancement of the social power of self-managed workers at the scale of the productive unit does not necessarily represent improved remuneration conditions compared to those at the core of capitalist accumulation. Recuperated enterprises represent, to the eye of many workers, an alternative to unemployment rather than to capital. In fact, they represent an interstitial process of change at the productive unit level rather than a social change strategy at a systemic level. In consolidated cases, these changes are aggregated upon broader scales articulated by social movements, in an ambivalent relation with governments and the State. In this way, new cooperativism challenges the inherited conceptions of social change and explores new paths.

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