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Workers' self-management in Argentina: Contesting neo-liberalism by occupying companies, creating cooperatives and recuperating autogestión

By Marcelo Vieta

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Marcelo Vieta has produced a comprehensively researched account of the workers' takeovers in Argentina from 1995 to the early 2000s, and of the final period when the growth of Argentina's *empresas recuperadas por sus trabajadores* (ERTs) or worker-recuperated enterprises came to fruition. Hundreds of factories that were failing under the Carlos Menem government were taken over and put back into profitable production.

Taking office on a Perónista ticket in 1989 amid the worst crisis in a hundred years, President Carlos Menem began the systematic sell-off of Argentina's array of state enterprises, which had produced nearly half the nation's goods and services. Following 18 months of very mixed results, in February 1991 Menem's Foreign Minister, Domingo Cavallo, whose experience as an economist included a brief but largely positive stint as the nation's Central Bank president in 1982, oversaw the introduction of the liberalisation of the economy which was a condition of the financial bail-out the state had received from the IMF.

In the name of curbing hyperinflation and reducing a surging national debt, Argentina's liberalisations included the "dollarisation" of the peso (officially, the Plan de Convertibilidad), which led to sharp drops in interest rates and inflation; the privatisation of dozens of once-nationalised or public sector firms; the erosion of decades-old labour protection; and the foreign capitalisation of large portions of Argentina's industrial and agricultural base. All of which led to a fivefold jump in imports which far outpaced any resulting growth in demand and increasing unemployment, which rose from 7% in 1992 to 12% by 1994. This continuation of the collapse of the economy weakened the Peronist Justicialist Front's electoral support ahead of the 1995 election, although they still managed to retain an overall majority. After their re-election the layoffs continued, up to and after Menem's eventual fall from power in 1999.

The response of the Argentine workers' movement was to occupy, often for months and subsequently take over their failed firms as worker co-operatives. Rather than being impelled by a revolutionary cause, traditional union demands, or the leadership of mainstream political parties, these were responses by the workers to the otherwise total loss of their jobs. By so doing they were able to continue to feed their families and safeguard their self-dignity. They took on the challenges of self-management out of necessity, as they had no other choice.

These motivating factors for creating ERTs have continued over the years. Worker co-operation and union-based democratic shop floor institutions such as shop-stewards' committees and workers' councils are long-held traditions of Argentina's working class that extend as far back as the early waves of European immigration in the late nineteenth and early twentieth centuries. Many of these immigrants brought to their new country the anarchist, socialist, and co-operative ideals of their homelands, ideals that guided the early Argentine labour movement in the first years of the twentieth century and led them logically to seize power in the workplace.

The creation of thousands of ERTs led to a massive growth in the number of worker

co-operatives in Argentina. The number of co-operatives rose from 4,204 in 1985 to 16,008 in 2002, but counterintuitively co-operatives' membership decreased from 10,592,359 to 6,874,064 in the same period. This is postulated to be a result of the closure of a previous generation of false co-operatives used as a way of outsourcing labour by large companies, but it may also be due to a reduction in the size of the credit union movement. The new co-operatives formed were almost entirely worker co-operatives, and these by their very nature have a much smaller membership than consumer or financial co-operatives.

During the subsequent administrations of Néstor Kirchner and Cristina Fernández de Kirchner from 2003 to 2015, large scale government maintenance programmes overseen by the Ministerio de Desarrollo Social (Ministry of Social Development) were created. Crucially, these programmes included the promotion of beneficiary-run social, pre-co-operative, mutualistic, and co-operative enterprises. These initiatives account for much of the growth in worker co-operatives in Argentina from 2003 on, creating, for instance, more than 7,300 new worker co-operatives between the inception of the Plan Argentina Trabaja programme in 2009 and March 2011. By 2014 there were 22,516 worker co-operatives in Argentina: 78% of all co-operatives.

Overall, this is a good read, and informs in precise detail the struggles of autogestion, the compromises and the difficulties, although it is very much an academic book, as you would expect from an Associate Professor at the University of Toronto, and it explores the theory of autogestion as much as documenting the events. During this research, Vieta visited 11 co-operatives and interviewed 57 people, as well as attending dozens of meetings. Personally, I would have liked to hear more individual stories, but this is a detailed and well documented study with a fluent style and comes with a detailed theoretical analysis from a Marxist viewpoint. He puts much emphasis on the difficult position of the ERT co-operatives existing in an intermediate state between capitalism and socialism, and the compromises they are forced to make to exist in a capitalist market economy.

Vieta focuses on many things, including the fundamental need to accumulate capital, which he perceives to be solely the result of existing in a capitalist market. Raising capital is particularly difficult for worker co-operatives, especially industrial manufacturing co-operatives, as a small number of people need large amounts of capital to buy expensive machinery. In consumer and community co-operatives there is a much larger number of people (customers/ stakeholders) to raise this capital. My view, as a long-time worker co-operator, is that the need for capital is partly a result of capitalism, but it is also a fundamental need to develop a collective strategic reserve to cope with whatever may come to pass, as well as to replace machinery as it wears out. Strategic reserves are essential under every economic/political system, the only differences are what form should they take, who should hold them and where. On this small point I think Vieta and I disagree, but that does not detract from a very comprehensive and well researched account.

The Reviewer

Alex Bird has over 50 years of management, board, and practitioner level experience in commercial business, social enterprise, and the public and voluntary sectors, together with 20 years as a freelance business advisor specialising in co-operatives and social enterprises. He is now retired from offering business advice, but continues as an independent co-operative researcher and activist.