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Argentina's Worker-Recuperated Enterprises, 2010-2013: A Synthesis of Recent Empirical Findings

ABSTRACT

Argentina's *empresas recuperadas por sus trabajadores* (worker-recuperated enterprises, ERTs) are formerly investor- or privately-owned businesses in crisis ultimately taken over and re-opened by their employees, most commonly as worker cooperatives. Since 2002, the Programa Facultad Abierta (Open Faculty Program) of the Faculty of Philosophy and Literature at the University of Buenos Aires has carried out a series of national studies of Argentina's ERTs. The aim of this article is to present the conclusions of the fourth survey of Argentina's ERTs carried out by the Facultad Abierta. This survey focused on ERTs that emerged between March 2010 and December 2013, providing the most complete and up-to-date database of the characteristics of Argentina's ERTs, and showing evidence of a wave of new worker-recuperated enterprises emerging in the post-crisis years, especially since 2010. The key findings presented in this article include: the political economic reasons for the emergence of ERTs; the characteristics of the growing ERT movement today as compared to earlier ERTs; the nature of the conflicts and issues leading to the creation of Argentina's new ERTs; a critical analysis of new legal frameworks for ERT firms, comparing and contrasting them to older legal outlets for their formation; and the involvement of unions with Argentina's ERTs.

KEY-WORDS

WORKER-RECUPERATED ENTERPRISES; WORKER-RECOVERED COMPANIES; WORKER BUYOUTS; BUSINESS CONVERSIONS TO COOPERATIVES; LEGAL PROCESSES; UNIONS; LABOUR MOVEMENTS; ARGENTINA

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1. Introduction

Argentina's *empresas recuperadas por sus trabajadores* (worker-recuperated enterprises, ERTs) are formerly investor or privately-owned businesses that were in trouble, had declared or were on the verge of declaring bankruptcy, and that are ultimately taken over and re-opened by their employees, most commonly as worker cooperatives. Usually these takeovers occur during conflicts between workers and owners or management. Beginning in the mid-to-late 1990s and into the early 2000s, ERTs would emerge as direct responses by workers to the worst effects of neoliberal structural reforms on small and medium-sized firms in Argentina and the subsequent rising tide of precarious work and unemployment. In recent years, ERTs have continued to grow as a consolidated and established response to business bankruptcy or succession issues, both saving jobs and strengthening local community economies in the process. In short, ERTs have been emerging as “bottom-up” and worker-led responses specifically to the ongoing crisis of capitalism as lived out on shop floors. As a phenomenon, they have also lasted much longer than previous waves of workplace recuperations and occupations in the country; have, despite their small numbers, influenced the reform of labour, business, and bankruptcy legislation; and have inspired new visions for social change and more egalitarian forms of work and productive life.

Since 2002, the Programa Facultad Abierta¹ (Open Faculty Program) of the Faculty of Philosophy and Literature at the University of Buenos Aires has carried out a series of national studies of Argentina's ERTs (Ruggeri, Martínez and Trincherro, 2005; Ruggeri, 2010; Ruggeri, 2014)². The purpose of these studies has been to construct the most complete picture of the universe of worker-recuperated enterprises in Argentina³. To do so, a large number of ERTs throughout the country were visited by our trained researchers and data were collected using a comprehensive survey protocol that was broadened over the years. This has allowed us to build a database that includes not only general information about the organizational, demographic, geographic, and sectoral characteristics of Argentina's ERTs, but also other related data covering themes such as:

- the development of the conflicts that led to workers recuperating their firms;
- how these conflicts were impacted by contemporaneous legislation and judicial decisions;
- the challenges to and advances made by workers' experiences of creating and sustaining an ERT;
- the various intricacies of self-managing production;

¹ See the program website at: <http://www.recuperadasdoc.com.ar/>

² The first survey took place between 2002 and 2003, sampling 59 ERT cases. The second survey sampled 72 cases in 2004. The third study was finalized in early 2010 and sampled 85 ERTs. Analyses and details of these earlier studies can be found at: <http://www.recuperadasdoc.com.ar/sitiosinteres.html#>

³ Andrés Ruggeri is the director of the Programa Facultad Abierta and has led these national studies since 2002. Since 2006, Marcelo Vieta has been collaborating with Andrés Ruggeri and the Programa Facultad Abierta in research activism, co-writing, and conference organizing on the themes of Argentina's ERTs, *autogestión*, and worker cooperatives as a part of the “workers' economy.”

- ERTs' technological characteristics;
- how these firms are administered;
- ERTs' relationship with the state and unions;
- how social welfare and workers' benefits are impacted; and
- new production and business activities taken on after the conversion of the firm.

The nature of our research program has allowed us to organize data longitudinally—over a ten-year period—and study the development of the ERT movement from the crisis years at the turn of the millennium throughout the period of the political and economic recovery of Argentina. In particular, the research has allowed us to account for how ERTs have situated themselves and consolidated over time from a new to an established reality within Argentina's broader workers' struggles and labour movements.

The aim of this article is to present the conclusions of our fourth survey of Argentina's worker-recuperated enterprises (Ruggeri, 2014). This fourth survey focuses on ERTs emerged between March 2010 (end of the third survey) to December 2013 (end of the fourth survey). As a result of our latest survey, we have collected the most complete and up-to-date database of the characteristics of Argentina's ERTs, showing evidence of a wave of new worker-recuperated enterprises that have been emerging in the post-crisis years, especially since 2010.

2. Some conceptual definitions

ERTs refer to companies that produce goods or services and that have at some point gone through the process of converting from private management to collective management by the original enterprise's former employees. In the conversion process, workers take charge of the economic activity of the enterprise under self-management. Generally, these enterprises (usually sole-proprietorships, family businesses, partnerships, or firms owned by a small group of investors) were abandoned by their owners and their employees experienced some form of lockout. The workers' primary motivations in taking over the firm, re-opening it, or keeping it open and productive is to save their jobs (Ruggeri, Martinez and Trincherro, 2005; Ruggeri, 2010). The legal form used in the vast majority of ERT cases in Argentina, is the worker cooperative, which has proven to be the most appropriate business form for workers' collective self-management in the country, given its legally recognized model and the simplicity of starting a cooperative⁴. Rather than the legal business type that ERTs take on, however, the fundamental feature to be considered when characterizing an ERT is *the collective form of self-management* that workers adopt, known as *autogestión* in Spanish (Vieta, 2012, 2014b). This is how ERT workers themselves define their firms—a self-managed enterprise

⁴ Over 95 per cent of worker-recuperated firms in Argentina, as in other countries in Latin America, are converted to worker cooperatives (Ruggeri, 2010; Vieta, 2014a).

(*empresa autogestionada*) (Vieta, 2014b). The worker cooperative form, nevertheless, does facilitate in many ways the ultimate desire for self-management of ERT workers and is, without doubt, the dominant business type in the universe of ERTs in Argentina (Ruggeri, Martinez and Trincherro, 2005; Vieta, 2009, 2014a).

This definition differentiates ERTs from other worker buyouts or social and solidarity economy organizations that do not emerge from previous experiences of conflict or economic exploitation. This definition also does not tie the existence of ERTs specifically to any pre-given legal form or legal process. Indeed, the main distinguishing feature of ERTs is the recuperation of practices of self-management by workers themselves.

The ERT phenomenon is not exclusive to the crisis that Argentina faced in 2001 and 2002, which is almost universally associated with the emergence of Argentina's ERTs (although the first ERTs predate this period). Workplace takeovers and recuperations by workers have occurred periodically in capitalist economies, and are found in the origin of the cooperative movement itself at the beginning of the nineteenth century (Miranda Lorenzo, 2011; Parker et al., 2014; Vieta, 2014b). In Argentina, workplace takeovers have emerged historically during key periods of political turmoil, market failure, or as labour bargaining tactics during times of particular tensions between employers, workers and their representatives, and the state (Munck, Falcón and Galitelli, 1987; Ruggeri, 2009; Wyczykier, 2009; Atzeni, 2010; Atzeni and Vieta, 2013). The first record of a recuperated business in the country dates back to the 1950s (James, 1988; Ranis, 1992; Brennan, 1994.), while the oldest ERT in the more recent neoliberal era dates back to 1992 (Ruggeri, 2010). Argentina's contemporary ERTs, however, while linked to the militant past of the labour movement and popular sectors, mark a somewhat unique moment in the history of the country's labour struggles.

Today's ERTs distinguish themselves and have drawn particular attention because of how they have addressed the failure of the neoliberal system. As a testament to their global influence, the concept and practices of *empresas recuperadas* have since been adopted in other Latin American countries such as Brazil, Uruguay and Venezuela (Ruggeri, 2009; Wyczykier, 2009; Atzeni and Vieta, 2013). ERT-type conversions have been emerging outside of the region, as well, given the international character of the neoliberal crisis that has extended into the self-described "developed world," sparking "Argentina-style" occupations of factories and workplaces in countries such as Turkey, Greece, Spain, Italy, France, and the US. The Argentine movement of worker-recuperated enterprises, however, remains the largest and most widespread within the neoliberal era.

It is worth to remark that when we state that the ERT movement continues to grow in Argentina, we are referring to a two-folded process: on the one hand, most of the older ERTs—those that emerged in the 1990s, throughout the crisis of 2001, and in the years immediately following; what we call ERTs' "first era"—continue to exist and mature as worker cooperatives. On the other hand, new ERTs have been appearing in more recent years in what we call ERTs' "second" and "third eras". In previous studies we detailed this dual growth (Ruggeri, 2010; Vieta, 2013). In this paper we

observe that the increase in the number of new ERTs in recent years has been almost as significant as those that emerged from first era's neoliberal crisis.

3. Argentina's *empresas recuperadas*' first and second eras

In this section we briefly review the highlights of the first two ERT eras between the early 1990s and our third survey in 2010.

ERTs' first era is what we term the period beginning with the emergence of the first ERTs in the early 1990s, continuing with their surge in the crisis years of 2001 and 2002, and ending in early-to-mid 2004 with the relative re-composition of the Argentine economy. According to Ruggeri (2010) around 140 ERT-based worker cooperatives would emerge during the first era. At that time ERTs started to emerge as a direct response to the negative effects of Argentina's neoliberal turn on the country's small and medium-sized firms and its working people (Vieta, 2010, 2012, 2013). Strategies and tactics of workplace takeovers and conversions into worker cooperatives started to be articulated and formalized by the merger of contemporaneous practices of anti-neoliberal and anti-establishment social movements with workers' collective memories of the historical Argentine labour tactics of shop floor occupations, militant rank-and-file unionism, and organized labour's public marches and general strikes (Ranis, 1992; Brennan, 1994; Vieta, 2013). These anti-establishment actions by the social movements of the time were characterized, most famously, by the *piquetero*'s (unemployed workers) tactics of blocking roads other popular protests (Almeyra, 2004; Belmartino, 2005; Palomino, 2005; Sitrin, 2006).

Throughout this first era, ERT protagonists and their most important political organizations and lobby groups—the National Movement of Recuperated Enterprises (Movimiento Nacional de Empresas Recuperadas, MNER) and the National Movement of Worker-Recuperated Factories (Movimiento Nacional de Fabricas Recuperadas por sus Trabajadores, MNFRT)—prioritized political mobilization, solidarity with other social justice movements, and struggles to legitimate workplace takeovers with the political-judicial system and the broader Argentine public. This was also the period when the process of the state expropriating bankrupted firms as “public goods” and ceding them to workers was articulated, in no small part due to the political and lobbying efforts of MNER, MNFRT, and other ERT workers and representatives. The strategy of expropriation of troubled companies, which we discuss later in this article, would eventually go on to save or create thousands of jobs and hundreds of businesses (Magnani, 2003; Fajn and Rebón, 2005; Ruggeri, Martinez and Trincherro, 2005; Ranis, 2006; Rebón, 2007; Aiziczon, 2009; Vieta and Ruggeri, 2009).

ERTs would continue to emerge as Argentina's economy improved due to the combination of Presidents Néstor Kirchner's (2003-2007) and Cristina Fernandez de Kirchner's (2007-2015) more heterodox nationalist economic policies together with the rise of world agricultural commodity

prices between 2004 and 2010 (Arroyo, 2006; Levy Yeyati and Valenzuela, 2007; Aiziczon, 2009; Felder and Patroni, 2011). In this more stable economic period in Argentina—ERTs' second era—new *empresas recuperadas* would emerge specifically as worker-led responses to *micro*-economic crises at the point of production. Most noticeably, these second era ERTs contrasted with the first era because they were less suffused by popular indignation towards the severe macro-economic crises of the late 1990s and early 2000s and the neoliberal system that undergirded it.

During the second era, ERT protagonists learned about the processes of workplace recuperations and conversions from the pioneering struggles and support of first era ERTs. Besides receiving much sympathetic media coverage during the first era, by the time the second era began ERT strategies of recuperations and self-management were discussed widely amongst social and political movements and parties of the left, social justice groups, cooperative associations and federations, organized labour, and researchers. These discussions would then migrate into workplaces in trouble across the country. This is also the case with more recent third era ERTs.

Second era ERTs faced new sets of challenges as they consolidated their production processes within their worker cooperatives, such as:

- securing organizational stability;
- gaining market share;
- fixing or replacing depreciated machinery;
- re-skilling workers;
- recuperating workers' social security benefits lost with the failure of the previous firms;
- educating ERT workers in the values of cooperativism;
- forging economic networks of solidarity with other ERTs or traditional cooperatives; and
- lobbying for the reform of bankruptcy, expropriation, social security, and cooperative legislation that could improve the competitive advantage of these firms and, more generally, the long-term wellbeing of its workers.

Many of these issues are still present and being struggled over today.

These struggles and challenges were directly taken up by the second era's three prominent ERT organizations: the National Association of Self-Managed Workers (Asociación Nacional de Trabajadores Autogestionados, ANTA), the Argentine Federation of Self-Managed Worker Cooperatives (Federación Argentina de Cooperativas de Trabajo Autogestionado, FACTA), and the National Confederation of Worker Cooperatives (Confederación Nacional de Cooperativas de Trabajo, CNCT). ANTA, for instance, had been active during the second era in the project of reforming national cooperative law that would see workers' pension plans and other social security guarantees carry over into a new ERT worker cooperative, a struggle which still continues today. These new struggles, directly engaging the state regarding the reform of applicable laws, were also exemplified in 2011 with the lobbying efforts of the CNCT, FACTA, and other ERT protagonists that would eventually see Argentina's national congress approving a crucial reform of national bankruptcy legislation (*Ley de Concursos y Quiebras*). Discussed in further detail shortly, this reform offers some guarantees to employees willing to take over failing firms but not without some paradoxical results, as we will show.

Finally, second era ERTs were also distinguished from first era ERTs in that the movement managed to institutionalize the conversion process. Overall, together with traditional business norms of declaring bankruptcy or “restructuring” a firm, the process of starting up a worker cooperative from the ashes of a failed sole-proprietorship or investor-owned firm has now become a possibility increasingly recognized by Argentina’s courts, legislation, and political establishment; this is perhaps the greatest contribution of second era ERTs. This has meant, in practice, that the conversion of companies into worker co-ops in Argentina is now one more legal option available to failing firms in the country (Rebón, 2007; Wyczykier, 2009; Ranis, 2014; Ruggeri, 2014; Vieta, 2014a).

In the following sections of this article we explore the empirical details of Argentina’s newest third era ERTs. While the third era of ERTs continues many of the gains of the second era, it has also brought with it new challenges.

4. General panorama of Argentina’s *empresas recuperadas* in the third era

Data from our fourth ERT survey, completed in December 2013, show that in Argentina there are 311 ERTs, located throughout the country employing 13,462 workers (Table 1). Of this total, 63 cases can be called “new worker-recuperated enterprises” as they were created between March 2010 and December 2013 (Table 4). Out of these 63 new ERTs, 41 appeared between 2012 and 2013.

As Table 1 shows, ERTs are present in 19 out of 23 provinces in Argentina and in the Autonomous City of Buenos Aires⁵. Their concentration is particularly high in the City of Buenos Aires and Greater Buenos Aires⁶. Besides the relevant quantitative growth in ERTs since our 2010 survey, today we observe a more equitable distribution of ERTs across the national territory than in previous surveys. Moreover, in some of the provinces we see a significant growth in ERTs, while in others, like Mendoza, which has had since the early 2000s a well established and influential group of ERTs, no changes are observed⁷.

Furthermore, we observe that the concentration of first and second era ERTs in the metropolitan area of Buenos Aires has undergone a steady decline in numbers. While ERTs still continue to be highly concentrated in Buenos Aires and its metropolitan area—as a result of the historical economic and industrial development of Argentina—proportionally, in recent years the growth in number of ERTs cases in the rest of the country has been much more significant.

⁵ The City of Buenos Aires is a non-provincial, autonomous political entity within the Argentine federal system.

⁶ The Greater Buenos Aires is the area of the Province of Buenos Aires that includes the surrounding municipalities outside the City of Buenos Aires.

⁷ See the report of the third survey at: http://www.recuperadasdoc.com.ar/Informes%20relevamientos/informe_Tercer_Relevamiento_2010.pdf.

Table 1. Total number of ERT cases by number of workers and by province (up to December 2013)

<i>Region</i>	<i>ERT cases</i>	<i>ERTs by province (percentage)</i>	<i>Workers (number)</i>	<i>Workers (percentage)</i>
CABA ¹	59	18.97	1,902	14.13
GBA ²	98	31.51	4,406	32.73
Rest of Buenos Aires province	46	14.79	1,726	12.82
Chaco	9	2.89	343	2.55
Corrientes	5	1.61	454	3.37
Entre Rios	5	1.61	328	2.44
Santa Fe	26	8.36	1,191	8.85
Chubut	3	0.96	45	0.33
Córdoba	14	4.50	1,003	7.45
La Pampa	5	1.61	157	1.17
La Rioja	4	1.29	133	0.99
Mendoza	7	2.25	173	1.29
Neuquén	6	1.93	837	6.22
Rio Negro	8	2.57	256	1.90
San Juan	2	0.64	39	0.29
Tierra del Fuego	1	0.32	30	0.22
Catamarca	1	0.32	27	0.20
Jujuy	2	0.64	80	0.59
Misiones	4	1.29	93	0.69
San Luis	5	1.61	232	1.72
Tucumán	1	0.32	7	0.05
<i>Total</i>	<i>311</i>	<i>100.00</i>	<i>13,462</i>	<i>100.00</i>

¹ Ciudad Autónoma de Buenos Aires (Autonomous City of Buenos Aires).

² Gran Buenos Aires (Greater Buenos Aires).

If we distribute the information by Argentina's main regions (Table 2), we observe a clear concentration of ERTs in the region of the Pampas (rest of the province of Buenos Aires outside of Metropolitan Buenos Aires Area (AMBA), plus the provinces of Sante Fe, Córdoba, Entre Rios, and La Pampa). If we group the AMBA and the Pampa regions, we find that it is home to 81.35 per cent of the nation's ERTs.

Table 2. Total distribution of ERTs by regions (up to December 2013)

<i>Region</i>	<i>ERTs (number)</i>	<i>ERTs (percentage)</i>
AMBA ¹	157	50.48
Pampas ²	96	30.87
Northeast ³	18	5.79
Northwest ⁴	8	2.57
Cuyo ⁵	14	4.50
Patagonia ⁶	18	5.79
<i>Total</i>	<i>311</i>	<i>100.00</i>

¹ Area Metropolitana de Buenos Aires (Metropolitan Area of Buenos Aires), including the City of Buenos Aires and surrounding municipalities in the Province of Buenos Aires.

² Province of Buenos Aires (beyond AMBA), and provinces of La Pampa, Santa Fe, Entre Ríos, and Córdoba.

³ Provinces of Misiones, Corrientes, and Chaco (while the province of Formosa is part of the Northeast region of the country, there are no registered ERTs in this province).

⁴ Provinces of Catamarca, Jujuy, La Rioja, and Tucumán (while the provinces of Salta and Santiago del Estero are part of the Northwest region of the country, there are no registered ERTs in these provinces).

⁵ Provinces of San Juan, San Luis, and Mendoza.

⁶ Provinces of Neuquén, Río Negro, Chubut, and Tierra del Fuego (while the province of Santa Cruz is part of the Patagonia region of the country, there are no registered ERTs in this province).

Looking at the distribution of ERTs by economic sector in Table 3, we notice that, while the metallurgical sector encloses the largest concentration of ERTs, its importance in relation to the universe of Argentine ERTs has decreased (compare Table 3 with Table 4). This trend was already identified in 2010 (Ruggeri, 2010) and in the third era of the movement, we observe a continued diversification of economic sectors containing ERTs. In recent years this has been transforming the ERT movement into one that is less industrial, now comprising more evenly all of the country's urban economic sectors, including the services sector.

Table 3. Total ERTs by economic sector and number of workers (up to December 2013)

<i>Sector</i>	<i>ERTs (number)</i>	<i>ERTs (percentage)</i>	<i>Workers per sector (number)</i>
Metallurgy	62	19.94	2,937
Printing & graphics	31	9.97	879
Textiles	26	8.36	1070
Restaurants	16	5.14	328
Glass	7	2.25	327
Chemicals	8	2.57	197
Plastic	5	1.61	95
Meat	22	7.07	2,041
Shipbuilders	2	0.64	62
Food processing	40	12.86	1,036
Construction	17	5.47	938
Leather	6	1.93	380
Health	11	3.54	517
Education	7	2.25	215
Hotels	5	1.61	233
Woodworking	8	2.57	146
Fuel	4	1.29	77
Pulp & paper	2	0.64	71
Shoemaking	5	1.61	601
Transportation	7	2.25	720
Logistics & maintenance	6	1.93	154
Media	6	1.93	244
Rubber	1	0.32	13
Retail	3	0.96	109
Mining	1	0.32	13
Others	3	0.96	59
<i>Total</i>	<i>311</i>	<i>100.00</i>	<i>13,462</i>

Finally, the panorama at the end of 2013 shows that Argentina's ERTs are, by number of workers, still primarily, as with our first and second era data, small and medium-sized enterprises (SMEs). This is in line with ERTs elsewhere, such as in Brazil, Uruguay, and Italy (Chedid Henriques, 2013; Vieta, Depedri and Carrano, 2015). While the average number of workers per ERT varies by industry and province, ERTs in Argentina, as with our previous surveys, have approximately 44 workers per firm⁸.

4.1 The new empresas recuperadas (2010-2013)

If we use the same criteria as we did in the previous section on ERTs that emerged between 2010-2013, we find new dimensions to the movement, now showing a greater level of regional and economic sector diversity. This confirms the trend for new Argentine ERTs in recent years emerging in non-industrial and more heterogeneous sectors generally. Focusing solely on new cases of ERTs in Table 4, the percentage of ERTs that are new industrial enterprises shrinks to 44 per cent, and we find that metallurgical ERTs recuperated since 2010 are now in the minority (only six cases, or 9.5 per cent of new ERTs). Instead, with 11 ERT cases, print shops are now the most numerous among new ERTs, one more than food processing. Restaurants (where the influence of the chain of five worker-recuperated restaurants in the City of Buenos Aires is notable) and textiles are the other two outstanding sectors populated by new ERTs.

The 63 new worker-recuperated enterprises that formed in the third era contradict the commonly held assumption that the ERT phenomenon in Argentina was limited to the crisis of 2001 and the years immediately following it. If we disaggregate the 63 new ERTs cases year-by-year (Figure 1), we note an important growth of new ERTs in 2012 with 23 cases, and 17 cases in 2013. That is, these two years witnessed the creation of 40 of the 63 new ERTs, comparable to the prior peak of new ERTs between 2008 and 2009 (44 new cases). Both periods coincide with two recent situations of economic crises resonating in Argentina, together with the declining of GDP (bottom line in Figure 1): specifically the outbreak of the so-called "subprime crisis" in the US in 2008-2009 and the expansion of the recession primarily to the European Union in 2012-2013. In order to find a period with similar numbers of new ERTs we have to go back to 2004, which is to say, the beginning of the country's economic recovery after the crisis of the neoliberal model of December 2001.

⁸ The average number of workers per ERT, according to our survey, is 43.84. This is comparable, for instance, with Italy's ERTs with an average of 41 workers (Vieta, Depedri and Carrano, 2015).

Table 4. Total of new ERT cases and number of workers per economic sector (2010-2013)

<i>Sector</i>	<i>ERTs (number)</i>	<i>ERTs (percentage)</i>	<i>Workers per sector (percentage)</i>
Metallurgy	6	9.52	715
Printing & graphics	11	17.46	305
Textiles	9	14.29	480
Restaurants	9	14.29	226
Glass	1	1.59	20
Meat	5	7.94	192
Food processing	10	15.87	384
Construction	5	7.94	134
Health	1	1.59	18
Education	1	1.59	58
Woodworking	1	1.59	18
Pulp and paper	1	1.59	13
Shoemaking	1	1.59	18
Media	1	1.59	34
Retail	1	1.59	29
<i>Total</i>	<i>63</i>	<i>100.00</i>	<i>2,644</i>

As supported by the broader literature on the emergence of labour-managed firms (Ben-Ner, 1988; Estrin, 1989; Dow, 2003; Vieta, Depedri and Carrano, 2015) it is noteworthy to point out that macro-economic downturns seem to strongly influence the formation of worker-recuperated enterprises in Argentina. A simple non linear comparison in Figure 1 between the rate of growth and decline of Argentina's GDP and the curve of new ERT cases shows an inverse relationship of notable symmetry: the greater the crisis, the more ERTs emerge; the greater the stability and growth, the fewer new ERTs. As already stated, the biggest wave of ERT cases occurred at the height of the economic crisis in Argentina between 2001 and 2003. As the macro-economic situation stabilized in the country, the curve of new ERTs diminishes until it levels out at around 10 new cases per year between 2005 and 2007. With the US sub-prime crisis in 2008-2009, the GDP rate dips to

less than 1 per cent growth for the first time in Argentina's post-crisis period and, concurrently, the curve of new ERTs begins to rise again. Between 2010 and 2011, the number of new ERTs returns to pre-2008 levels, while as the Argentine GDP fell again in 2012 and 2013, there was once again an increase in new cases of ERTs⁹. Besides the numbers, what increasingly changed by the second and third era of ERTs is the mix of ERTs by economic sector; new ERTs are not as concentrated in industrial sectors as they were during the first era and now include a more heterogeneous mix of firms found in all of Argentina's urban-based economic sectors.

Figure 1. Relationship between the Argentine GDP rate and business recoveries per year, (2000-2013)



Source: Created by the authors, based on data from Argentina's national statistics agency INDEC and our fourth survey of ERTs in Argentina.

We can further extend the analysis by taking into account the Argentine political economy in recent years. For instance, the decline in the percentage of ERTs in the metallurgical industry and other industrial sectors was in part due to the post-crisis process of reindustrialization over the last decade. This combined with the return of the bargaining power of labour and, in particular, the general strengthening of the national metalworkers union (Unión Obrera Metalúrgica, UOM) during the same period, afforded workers other outlets for protecting jobs besides taking over their firms.

⁹ Vieta (2015) and Vieta, Depedri and Carrano (2015) have observed similar ERT growth rates linked to the ebbs and flows of the GDP and other socio-economic indicators in Italy.

These union-based outlets had been greatly diminished during the neoliberal years (1990s and early 2000s). On the other hand, the rise of ERTs in other economic sectors in recent years, such as restaurants, food processing, and textiles, correlates with the deterioration of working conditions and economic circumstances in those sectors, where unsavoury business practices, outsourcing, and labour precariousness are still the order of the day. As such, it is precisely in these sectors where we currently find the greatest number of new ERTs. In other economic sectors, such as in printing and graphics, growth in ERTs is related to the influence of new union policies that seek to support the formation of new worker co-ops, that promote the ERT solution as a way to keep workers in the union, and that is helping build a cooperative-based printing and graphics sector with continuing ties to its unions (see last section of this article).

Regarding the geographic distribution of new ERTs in Table 5, for the first time since the beginning of the ERT movement, we also observe a greater presence of ERTs beyond the City of and Greater Buenos Aires. ERTs created in 2010-2013 are now distributed across 14 provinces plus the City of Buenos Aires. If we look at the distribution by region, we observe that since 2010 the greatest concentration of new ERTs is still in the Metropolitan Buenos Aires Area (38.1 per cent) and the Pampas region (36.5 per cent), which encompasses the bulk of the urban-based economic activity in the country. However, only 24 (38.1 per cent) of the country's new ERTs are located in the City of Buenos Aires (CABA) and Greater Buenos Aires (GBA), compared to 39 new cases throughout the rest of the country (61.9 per cent), even though, as Table 1 reminds us, the number of ERT workers in the city of Buenos Aires and its metropolitan area continue to make up 46.9 per cent of the total ERT-based workforce. Moreover, and as a testament to the expansion of the movement, there has been a comparative growth in occurrences of new ERTs in regions that, until now, had had low numbers of ERTs, like the Northeast (especially the provinces of Chaco and Misiones, totalling 6.4 per cent of new ERTs) or in the Patagonia region (in the provinces of Neuquén, Rio Negro and Chubut, totalling 8 per cent of new ERTs).

Table 5. Distribution of new ERTs by province (2010-2013)

<i>Region</i>	<i>ERT cases (number)</i>	<i>ERTs by province (percentage)</i>
CABA ¹	15	23.81
GBA ²	9	14.29
Rest of Buenos Aires province	11	17.46
Chaco	1	1.59
Entre Ríos	1	1.59
Santa Fe	5	7.94
Chubut	1	1.59
Córdoba	5	7.94
La Pampa	1	1.59
La Rioja	1	1.59
Neuquén	1	1.59
Río Negro	3	4.76
Catamarca	1	1.59
Jujuy	1	1.59
Misiones	3	4.76
San Luis	4	6.35
<i>Total</i>	<i>63</i>	<i>100.00</i>

¹ Ciudad Autónoma de Buenos Aires (Autonomous City of Buenos Aires).

² Gran Buenos Aires (Greater Buenos Aires).

5. Conflict and legal framework of Argentina's *empresas recuperadas*

5.1 The nature the conflicts leading to the creation of ERTs (2010-2013)

As we have pointed out, the conflictive origins of Argentina's ERTs is the characteristic that has garnered the most media, political, and even research attention, making this the best-known phase of the process of forming an ERT (Vieta and Ruggeri, 2009; Ruggeri, 2010, 2014; Vieta, 2010,

2012, 2013). This is not without some merit. It is worthwhile to reiterate that every workplace recuperation process means some sort of conflict between workers and owners, together with, at times, the added presence of management, bankruptcy court officials and judges, and other state actors. This is the case also when there is no occupation of the establishment by workers or any related social mobilizations. Indeed, with Argentina's ERTs, conflict often mediates the conversion of a firm into a self-managed workplace. In the transitional stage between the old capitalist firm and the new worker self-managed one, an inevitable tipping point emerges when workers realize that their jobs are at risk and when the preservation of these jobs becomes the key point of struggle. The transition of firms from private to collective management, even with ERTs that emerge in the best possible scenarios¹⁰, continues to create concerns and fears amongst workers regarding the security of their jobs or their ultimate ability to self-manage a business. Workers must inevitably change their mindset from being wage-labourers to self-managed workers, which includes the not so clear task of figuring out how to collectively manage a business that has been traditionally concentrated in the capitalist economic system with owners or "specialist" administrators/managers. These anxieties are exacerbated when the transition to workers' control is preceded by unmistakable signals heralding the closure of a firm, most usually taking shape in Argentina when previous owners have problems paying wages, when businesses experience a decrease in the rate and volume of work, with the disappearance or lack of maintenance of machines, and other signs that the business is in crisis.

In this regard, the new ERT cases emerged in 2010-2013 are not much different from earlier cases. Some of the reasons motivating workers to consider taking over and self-managing their firms have remained quite consistent over time: unpaid wages, lockouts and firings, owners' asset stripping their businesses (called in Argentina *vaciamiento*, literally the emptying of a firm's assets), the sale or neglect of machinery and facilities, or bankruptcy negotiations. Usually, the motivators for taking over a firm for workers are related to a conjunction of these factors that contribute, to a lesser or greater extent, to the eventual closure of the establishment (at times under fraudulent circumstances). Workers' main motivators for taking over a failing firm were related to problems with wages payment or the total absence of pay over an extended period of time, which occurred in more than 80 per cent of the 2012-2013 sample of cases (31 ERTs), and *vaciamiento*, which occurred with 60 per cent of the 2012-2013 sample of cases (25 ERTs)¹¹. Nevertheless, there are some particular variations in workers' motivations to create ERTs today when compared to the two previous eras. In the third era, relatively few workers were actually fired or locked out prior to closure or the commencement of the takeover, two circumstances which were more common in the first era. By way of comparison, in our 2010 survey we observed that all of the motivators for creating an ERT combined quite proportionally. In our 2004 survey, on the other hand, still within

¹⁰ For example, in the case of the owner of a family business who agrees to transfer it to its employees because of the inability to keep it going or due to succession issues where there are no heirs to take over the firm.

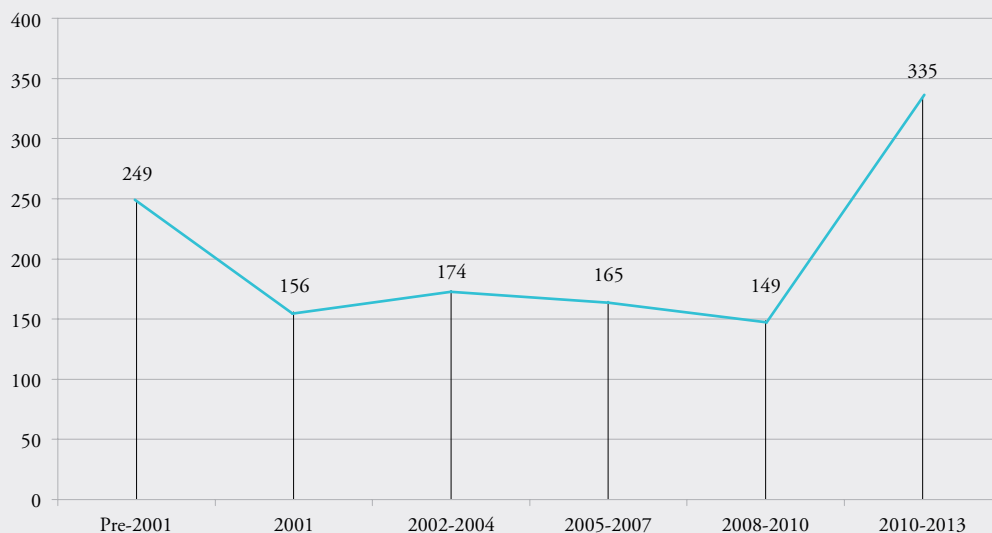
¹¹ Multiple answers were permitted for this survey question.

the effects of the 2001-2002 crisis, the lack of wage payment was the least-mentioned reason for creating an ERT, while firings and lockouts (and thus direct threat of job loss) the most mentioned reason. On the whole, and despite some variations over time, Argentina's ERTs are particular workplace conversion processes ensconced in prolonged and by now predictable conflicts that guide the beginning of the process of recuperating workplaces by employees.

In the third era, the rate of ERT experiences that have had to resort to the direct occupations of firms or other forms of direct action protest by employees remains almost unchanged from the previous era. In our latest survey, 61 per cent of ERTs said they had resorted to occupations or protests of different kinds, compared to 62 per cent in 2010. Of these, nearly 60 per cent were occupations of the firm, and the rest were other forms of direct action including encampments usually at the front doors of the firm, most often combined with community rallies, solidarity marches, strikes, and other measures. At the same time, the rate of repression of occupations and workers' protests decreased in this latest era compared to the numbers from 2010. Compared to the 50 per cent of ERTs who stated in our 2010 survey that its workers had suffered some type of repressive measures (for instance, forced evictions or attempted evictions), this data drops to 37 per cent of the newest ERTs. However, it is to be highlighted that this percentage corresponds to state repression attempts (generally ordered by judges), which do not always succeed (usually due to the pressure exerted on the state or local police authorities from supporting local community groups, workers from other ERTs or social movement protagonists, or from sympathetic media coverage). A further 20 per cent of experiences with repression are "private" eviction attempts or intimidation by returning owners through verbal threats or physical violence by security personnel, or even from hired and armed thugs (*matones*) who try to expel or intimidate workers, presumably paid by the owners or other beneficiaries of the auction of the business's assets. The increase in these situations, which we had already noted in previous surveys, continues to raise the alarm about ERT workers' ongoing difficulties, the risks they face in creating an ERT, and the continued lack of solid institutional protection for workers.

Figure 2 illustrates one of the most relevant and novel finding regarding Argentina's ERTs third era: the considerable increase in the duration of the conflict period that workers must go through to recuperate a firm. That is, the average number of days of conflict that workers must endure to recuperate a firm has increased with Argentina's newest ERTs. In the 2010 survey, we noted that, counting from the outbreak of conflict or the occupation of the firm to the beginning of workers' self-management as an ERT, the number of days of conflict and occupation during the second era had decreased in relation to the average period of conflict before 2001. Between 2001 and 2010, the length of time of these conflicts had stabilized to around four-five months. Data from our fourth survey, however, shows that the average period of conflict per ERT has increased considerably, now more than doubling the immediately previous period, as can be seen in Figure 2.

Figure 2. Average days of occupation/conflict



The extended duration of conflict periods for workers struggling to create an ERT in recent years increases the resoluteness required by a workers' collective willing to save their workplace and deepens the challenges they must face. First, the workplace usually remains closed during the period of conflict, or partly closed at best. Occasionally workers do manage to start some kind of informal activity during the period of occupation and resistance, but these are often a far cry from the usual levels of activity that they are accustomed to or that is needed to sustain the business. More concretely for the lives of workers in struggle, this extended period of conflict draws out the time they do not receive regular income and compounds the hardships that they and their families must continue to confront. Second, extended periods of conflict also makes it increasingly hard to restart production when and if workers regain control of the business, making it particularly difficult to gather necessary resources and continue to mobilize support. Third, the extension of periods of conflict increases the challenges faced by more technologically complex industrial plants, especially since machines remain unused and their maintenance neglected. Fourth, extended periods of conflict make it harder to rebuild value chains, retain or secure new customers and providers, or reintegrate competitively into the market. In sum, rather than a "heroic struggle" from the point of view of working-class militancy, pragmatically the excessive duration of conflicts is a serious hurdle for the successful recuperation and conversion of a business, adding significantly to the difficulties that worker-recuperated businesses already bring with them. An average of 11 months of conflict for the newest ERTs is no small detail to overcome and can become a strong disincentive for ERT formation and the future of workers' self-management.

If we connect these challenges with others related to ERTs' legal issues, we find several clues as to why this extended situation of conflict is occurring with Argentina's newest ERTs.

5.2 The reform of Argentina's bankruptcy law and its consequences

One event that caused great expectation amongst ERT protagonists in early 2010 was the impending approval of the reform of Argentina's national bankruptcy law (*Ley de Concursos y Quiebras*). This had been one of the first demands of MNER from its beginning in 2002. The bankruptcy law that was in effect until 2011, Law 24.522, dated back to 1995 and was built on the foundations of Law 22.917, approved by the military dictatorship in 1983. Carrying over the spirit of the preceding regulation, Law 24.522 maintained a marked neoliberal imprint on Argentine businesses, facilitating the disposal of assets while disfavoured workers. The law primarily enabled the quick disposal of inventory and assets to pay creditors, especially banks, while ultimately neglecting to consider workers' unpaid wages or severance, for instance, and overlooked more broadly the social and economic costs of closing a business. It also facilitated successive bankruptcies (reducing the time in which the same enterprise could again declare bankruptcy to a year), and eliminated asset stripping (*vaciamiento*) as an economic crime. It was essentially a law of business liquidation and, for that reason, the primary way to carry out the practice of asset stripping that precedes the large majority of cases leading to the creation of an ERT. Under the auspices of Law 24.522, the mission of judges and trustees intervening in bankruptcies was thus the quick liquidation of inventory and assets without taking into account the loss of jobs or the greater impact to a local community that the loss of productive entities (in many cases still in operational condition) would bring.

Because of this, ERT protagonists quickly identified Law 24.522 as an enemy of their most basic interests. In 2002, in the thick of the socio-economic crisis that was engulfing the country at the time, an earlier reform to Argentina's bankruptcy law, Law 25.563, was approved by the National Congress, introducing new changes in the procedural aspects of bankruptcy that lengthened the period of negotiation between debtors and creditors before reaching a resolution. Most directly related to the eventual creation of an ERT, this earlier reform envisaged the "extraordinary" recourse of giving "productive continuity" to a worker cooperative formed by employees of the failing firm as "caretakers" of the goods and assets of the business.

In June 2011, after being approved almost unanimously in both houses of Argentina's National Congress, a new reform to the *Ley de Concursos y Quiebras*, Law 26.684, entered into force, introducing more important changes to the country's bankruptcy proceedings, especially for cases of businesses in the process of being recuperated by ex-employees. The driver of this reform was the prioritization of "productive continuity" over the liquidation of assets. This was no longer to be an "extraordinary" recourse; ceding the business to its employees is now a possibility that the judge *must* take into consideration when certain requirements are met. Under Law 26.684, priority is given for workers to carry on the operation of the business when they are organized as a cooperative, both during the negotiation and the actual bankruptcy phases. This is enabled through the mechanism of "wage compensation" claims (or labour credits) that can be used for buying out the firm, which are essentially wages, overtime pay, and severance owed to workers. In this way, business debts owed to employees can serve as capital for the new worker cooperative to purchase

the business. In short, Law 26.684 stipulates that when debts to workers (via unpaid wages, salaries, and severance) are equivalent to the capital of the business, the bankruptcy judge can proceed to direct the adjudication of the proceedings in favour of the ex-employees' buyout of the firm¹².

While a promising reform, there were, however, several objections presented by ERT workers and their legal representatives with regard to its operational application. First, it was pointed out that bestowing to bankruptcy judges and court trustees the fundamental decision of whether or not to cede the firm to employees gives the courts too much arbitrary discretion. Their concern was that the margin for ideologically based decisions by court officials, ostensibly linked to the "technical merits" of the viability of the new business as a worker cooperative, does not require them to clarify the actual criteria used for their evaluations of the cooperative's business viability. Moreover, there is no independent consultative public body or ombudsperson in place that could give an alternative opinion on the case based, for instance, on the precedence set by prior experiences of ERTs or cooperatives. A second objection focused on the requirement that before a conversion takes place a cooperative must be formed by two thirds of the firm's employees. In fact, it might be difficult to reach this number and thus the possibilities of conversion can be blocked due to, for instance, the departure of administrative personnel, or those workers who do not agree with the proposal to form an ERT, or those who have found jobs elsewhere. Finally, as has been the case in numerous conversion attempts, workers' claims on outstanding company debts can fall short of compensating for the value of the bankruptcy, which again ultimately means that the workers either cannot take over the firm or end up being responsible for part of the former owners' debts. These early objections have been confirmed in actual experience since Law 26.684 entered into force, foreshadowing some of the new challenges faced by workers today wanting to carry out a workplace conversion.

Before assessing the actual outcomes of Law 26.684 for the new ERTs surveyed between 2010 and 2013 (two thirds of which had begun the recuperation process after the new bankruptcy law came into effect), we must first take a step back to explain the various legal processes that nascent ERTs have resorted to in light of the lack of a unified national policy for business conversions in Argentina. In doing so we will be able to more clearly see the paradoxical results of Law 26.684.

In the first place, we can see that there has been a notable decline in the application of the law of expropriation in the newest ERT cases since 2010¹³. Up to 2010, 63 per cent of the surveyed

¹² The new *Ley de Concursos y Quiebras* also enables the involvement of workers in *negotiating* bankruptcy proceedings and conversions, stipulates that workers should be the first to be paid back any bankruptcy-related debts owed, and essentially provisions a "right of first refusal" for employees to buyout bankrupted companies.

¹³ A savvy and pragmatic legal strategy developed early on in the ERT movement by some of its first leaders was to turn to constitutional law and its provisions for expropriation, also termed "eminent domain" in the US and other jurisdictions (Ranis, 2006, 2014). After forming the cooperative and securing the temporary control of the plant under usufruct from the presiding bankruptcy judge, ERTs began to seek and lobby for the *expropriation* of the firm by the state on behalf of the cooperative as a "public good." The appropriation of this law by ERT protagonists and lawyers has subsequently become a vitally important tool on a worker cooperative's path of securing the control of a failing business because it puts closure to further bankruptcy proceedings, legally eradicates the possibility of forced eviction and the auctioning off of the recuperated company's assets, and gives the worker co-op complete control of the plant, including its machinery, inventory, trademarks, buildings, and client base (Vieta, 2012, 2013).

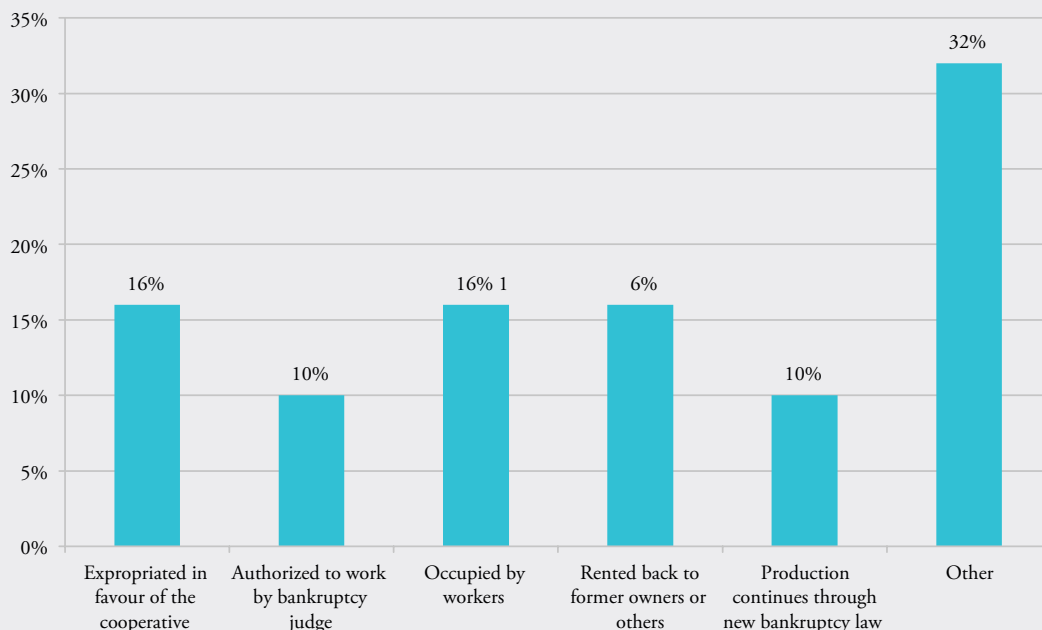
ERTs had been expropriated by the state on behalf of its workers. Of this group, 19 per cent had won “definitive expropriation,” while the rest were granted “temporary expropriation” (which grants ERT’s workers a period of time to work out remaining legal issues). To clarify, the “definitive expropriation” laws generally corresponded to cooperatives in Buenos Aires affected by Law 1529/04 which opened up the passing of case-by-case expropriation bills by the city legislature. In the majority of these ERTs, however, “definitive expropriation” was not applied, mainly due to the head of the city government Mauricio Macri’s systematic vetoing of its use. The percentage of ERTs denied definitive expropriation in recent years has been significant, prolonging the legal uncertainty for many of them. This scenario has resulted in a legal landscape pockmarked by a wide range of often ad hoc resolutions to the legal situations of new ERTs, including: temporary and definitive expropriation by regional governments on behalf of an ERT; ERTs with expropriation laws in process but as yet unresolved; ERTs granted operational continuity but without expropriation in sight; outright purchases of ERTs by workers at auction (a form of worker buyout); ERTs that have emerged by workers swapping owed severance or pay for machinery and other assets; concessions, agreements, and co-ownership schemes with managers or the original owners of the firm; rentals of the property; or other sundry forms of legal schemes.

As such, the context of the ERTs legal situation changed dramatically between 2010 and 2013. Before 2010, the main legal solution for ERTs was either temporary or definitive expropriation. Since 2010, however, ERTs’ legal situations in relation to the control and especially final ownership of the business have become more complex and diverse, as detailed in Figure 3. Scarcely 16 per cent of the newest ERTs are now able to obtain an expropriation law in their favour, while a similar number of ERTs remain under worker occupation without any legal progress or, more worrisome for the ERT movement, have even been rented back or otherwise returned to previous owners. An even smaller percentage (10 per cent) is in a situation where workers have successfully been able to rely on favourable provisions under the new bankruptcy law (and these are even fewer cases if we consider them against the total universe of ERTs). At the same time, we now find a wide variety of legal situations that fall under the “other” category, including the list of legal scenarios presented in the preceding paragraph.

This disparity allows us to assess the less-than-optimal and paradoxical effects of the bankruptcy law reforms of 2011. The anaemic use of Law 26.684 for facilitating the establishment and consolidation of new ERTs underscores the challenges anticipated by its critics within the ERT movement. Data explicitly shows that the expected hopes for the new bankruptcy law—that all or the large majority of new recuperations would be channelled through it—has not come to pass. On the contrary, as Figure 3 shows, only 10 per cent have been able to use its mechanisms to move along workers’ recuperation processes. Moreover, even considering that a similar percentage in our survey of ERTs that have been “authorized to work by the bankruptcy judge” are in a position to use this law, there still remains a very large number of cases, after the promulgation of Law 26.684, where, for varied reasons, it cannot or will not be used by the presiding bankruptcy judge. The introduction

of Law 26.684 has, thus, paradoxically had an opposite effect from what was intended by its authors and promoters, adding new challenges for workers intending to form an ERT, such as prolonging the periods of conflict and having to find ad hoc legal solutions. Indeed, a large majority of new ERTs—80-90 per cent—present a miscellany of legal situations where the bankruptcy law reform seems to actually have *blocked* the usual path of expropriation used previous to the introduction of Law 26.684. Considering this, we see that not only are fewer expropriation laws now passed, but there is also a similar number of ERT cases that have not even opted to try to find an expropriation solution. However, it may not be appropriate to completely attribute the decline in the approval of expropriation laws to the reform of the bankruptcy law, since the tendency towards the decrease in expropriations was already observed in the previous survey. The introduction of law 26.684 privileged it over expropriation, giving legislators who would otherwise have approved expropriation bills, as well as workers, the impression that, with this reform, the legal problems of worker-recuperated businesses could be resolved and that it was no longer necessary to go through expropriation. The reality, on the contrary, shows that since Law 26.684 entered into force, the legal precariousness of ERTs has increased.

Figure 3. The legal situation of the new ERTs (2010-2013)



Finally, when we correlate the increased average length of time in resolving the conflicts that workers must go through before securing a firm under their control (from four-five months in ERTs' second era to an average of 11 months currently) with the confusing assortment of hard

to secure legal tools for resolving the conflict, we can conclude the following: bankruptcy court officials presiding over conflicts engaged in by workers who aspire to convert the firm into an ERT now have at their discretion the ability to place workers in a situation of further vulnerability and dependence due to the particular whims or apathy of judges and bankruptcy court trustees. Moreover, rather than pursuing laws of expropriation (which come with much precedence from ERTs' first and second eras), the pursuit of bankruptcy law solutions are actually, in many cases that are presided over by ideologically insensitive bankruptcy judges, extending the length of conflict and uncertainty for workers seeking out a conversion solution and thus prolonging the time it takes to secure, consolidate, and stabilize a new ERT.

5.3 Empresas recuperadas and Argentina's unions

A significant issue emerged from our third survey in 2010 covering the second era of ERTs was that the presence of unions, both in the pre-existing firm and in the subsequent ERT, tended to be strikingly high. The third survey showed that a union was present in 90 per cent of all ERTs and that most of Argentina's ERTs emerge from unionized workplaces. Historically, however, the presence of unions have not been uniformly favourable or unfavourable to ERT workers; union representation in ERT workplaces show diverse characteristics in relation to the history of the particular unions, the kinds of activity traditionally engaged in by the union, the composition and characteristic of its leadership, and the particular operational policies in place and regards a workplace's union members. These factors also affect the relationships that are established between unions and an ERTs' workers once the cooperative is established, defining widely varying positions unions take vis-à-vis ERTs: from support and assistance for workers during the recovery process, to opposition to workplace takeovers, to being complicit with management, to undermining workers' own struggles against asset stripping and during their period of occupation of the firm. Sectors where unions have had a mostly positive role to play in supporting ERT workers include the printing and graphics, restaurant, metallurgical, ceramics, and textile sectors.

After 2010 we continue to see the important presence of unions in the printing and graphics sector, especially in the City of Buenos Aires. Despite not originally supporting workers' recuperations of firms during ERTs' first era, the printers' union, Buenos Aires Printing Federation (Federación Gráfica Bonaerense), would eventually change course, transforming into one of the principle promoters of ERTs. Over the past decade the Buenos Aires Printing Federation has provided important assistance and legal advice to ERT workers during conflicts and occupations. Moreover, it is important to highlight that the majority of ERTs in this sector also maintain important links to each other, such as with the Cooperative Printers' Network (Red Gráfica Cooperativa), a second-degree cooperative made up of ERTs and non-ERT co-op print shops that engages in shared production and lobbying efforts and that has gained the strong endorsement of the Buenos Aires Printing Federation. Similar support is offered by the Print Workers' Union in the province

of Cordoba (Unión Obrera Gráfica Cordobesa), which has also had an active role in supporting workers during occupations or encampments at businesses in conflict, while also participating in solidarity marches in front of bankruptcy courts while judges preside over ERT cases, or in front of legislatures during sittings where expropriation cases are being decided. Even when workers are unable to pay their union dues, both unions have maintained full rights for ERT workers, including health insurance benefits (which unions manage for their members in Argentina).

The Argentine metalworkers union (UOM) has also been a strong promoter of ERTs and has been present in conversion processes since ERTs' early days, especially in some of its local branches such as in the southern suburbs of Buenos Aires (e.g., UOM Quilmes). While the metallurgical sector has included the largest group of ERTs since the first era, there have been proportionately less metal shops converted to ERTs during the current third era, as we have already mentioned. Still, it is important to note the impetus that UOM Quilmes has given to the development of the National Metallurgical Cooperative Network (Red Metalúrgica Nacional Cooperativa) in May 2012, a second-degree cooperative association that unites cooperative businesses with the recovered metallurgical businesses of Argentina, following the model of the printers' network.

ERTs in the textile sector have also witnessed the presence of its various unions, although with more mixed results. The presence of various unions within each textile-based ERT follows the broader and historical pattern of the development of this sector in Argentina. Textile unions that are active in ERTs include the Worker Union of Clothing and Related Industries (Sindicato Obrero de la Industria del Vesido y Afines), Union of Employees of Textile and Related Industries (Sindicato de Empleados Textiles de la Industria y Afines), and the Textile Workers' Association (Asociación Obrera Textil). In the textile ERT cases we surveyed, we were able to observe different stances taken by each union—some more supportive, some less so—regarding workers' conflicts with management and owners, occupations, and the actual conversion of the enterprise.

Finally, it is also worth noting the important role that the restaurant and tourism union (Unión de Trabajadores del Turismo, Hoteleros y Gastronómicos) has played in the recent recuperation of six restaurants in Buenos Aires. Interestingly, while five of the six new ERT restaurants surveyed originally belonged to the same business group, a separate cooperative was created for each establishment.

In a way, the process of creating an ERT and their ultimate uptake of self-management has placed unions in an awkward position (Clark and Antivero, 2009). The traditional union model has been challenged in recognizing and representing workers from worker-recuperated and controlled businesses. Traditionally, unions represent wage labourers that are in a dependent relationship to employers and that encompass different forms of struggles that pit workers against owners and management, especially in bargaining for salaries and working conditions. In ERTs' first era Argentine unions that have traditionally played a strong role not only in sector-wide bargaining in the country but also in the working lives and culture of the country's working class and on shop floors simply did not know what to do with cases of ERTs where "the boss" was removed from the

equation. From one perspective, the existence of ERTs can be seen to question the traditional role of union organizations, particularly given that ERT workers stop having dependent relationships with an employer when workers themselves decide collectively how to run and manage their shop. Indeed, in an ERT, the boss disappears while the worker-subject—employees' identities as *workers*—remains¹⁴.

Thus, while many of the country's unions initially distanced themselves from or were indifferent to ERTs, most ERT workers continued to identify with their unions and working-class identities and have themselves often mobilized to bring their unions more fully into an ERT's shop floor. In addition, the increased proliferation of ERTs throughout the national territory, their longevity, and the impact they have had on the country's workers within and outside of the ERT movement has in recent years led to a notable change of attitude amongst unions regards ERTs. While certainly not all Argentine unions actively support ERTs, recent years have witnessed a much greater acceptance of and participation by unions in the process of creating new ERTs, in helping ERT workers secure pensions and other benefits lost during the struggle to create a new worker cooperative, and generally in the working lives of ERT workers. In a way, the processes of ERT creation and workers' self-management we have been analyzing throughout this paper has had an important impact within the broader labour movement in Argentina, pushing some unions with members that are actively engaged with ERTs to rethink their roles in supporting them and how to respond to the phenomena.

6. Final words

Argentina's *empresas recuperadas* emerged in the 1990s as a worker-led solution to neoliberal crisis. Not only did they save jobs and productive entities in the face of soaring bankruptcies and unemployment, but in the process they also helped restore and revive chronically depleted neighbourhoods and surrounding communities (Vieta, 2014a). ERTs, continue to emerge in Argentina and in recent years they have inspired the rise of ERT experiences in other countries, such as in Brazil, Uruguay, Spain, France, Italy, Greece, Turkey, and the US. ERTs, as methods of new worker cooperative creation, have become viable, locally based responses for community economic revival and job security, especially during times of macro-economic difficulties often caused by situations of international crises and austerity. In Argentina the ERT movement continues to grow and to consolidate as a viable and long-term method of creating new worker cooperatives. ERTs have become, in short, an established and institutionalized solution to business closures and unemployment.

¹⁴ The role of unions in creating and supporting worker cooperatives has historical precedence. In North America, the Knights of Labour were active in promoting worker co-ops in the decades spanning the late 19th and early 20th centuries, for instance. In Italy today, unions play an active role in business conversions to cooperatives and in the continuous support of workers and their labour rights once they are a part of a cooperative. And in recent years, the Basque's Mondragón has partnered with the United Steelworkers to attempt to create new worker cooperatives in the US.

The period this article focuses on—2010-2013, or ERTs' third era—also shows a new diversification of ERTs in relation to their activities and their geographic distribution. What was noteworthy from our study, and in contrast to the previous two ERT eras, is the comparative decrease of ERTs in industrial sectors in Argentina and the emergence of new ERTs in the service sector and other sectors marked by contingent and less secure forms of work. That is, an expansion has occurred in the ERT movement in economic sectors where job precariousness and subcontracting persist, such as in the restaurant and textile sectors. Of note too is the stronger and more supportive role of unions in the ERT movement today, particularly when compared to earlier periods of ERT emergence. Future research could take up the task of exploring the similarities and differences between these new service sector ERTs and older ERTs in the industrial sector in comparative case study work that might look at how these new worker cooperatives are re-structured, as well as the specific role of unions in securing social benefits, building networks, and stabilizing production processes.

The consolidation of Argentina's ERTs, however, is not reflected at the legal level. Our findings show that Argentina's new bankruptcy law—approved in 2011 with much promise for facilitating the conversion of troubled firms into worker co-ops—is not, as was initially intended, operating as the facilitator of business recuperations by workers. Rather, it seems to be prolonging the period of legal limbo and conflict for workers of nascent ERTs. In a nutshell, it seems that while the legal solutions available to ERTs appear to have expanded since the bankruptcy law reforms of 2011, the new bankruptcy law itself, left to the ideological discretion of court officials, has paradoxically created what has proven to be a false hope for many new ERTs as many of the legal challenges faced by these nascent worker cooperatives have not, in practice, been resolved. Further comparative case study research into the specificities of these recent challenges for emerging ERTs would also go a long way to better understanding their workers' new struggles and might serve to assist ERT protagonists and their representatives in advocating for further reforms to pertinent laws and policies in Argentina.

Since they first emerged in the 1990s, Argentina's ERT movement has become the most illustrative case of worker-recuperated firms in Latin America today. This is because it is the largest movement of workplace conversions, spans across most economic sectors and provinces of the country, and has resolutely survived and expanded over the past two decades as a direct result of workers' tenacity, social innovation, and effort. In spite of the many challenges they still face, the longevity of ERTs as well as their constant and robust expansion are testimonies to the resilience, agency, and innovative capacities of workers to successfully self-manage productive entities and their working lives, both within and beyond moments of macro-economic crises and shop floor conflict.

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