

***OCUPAR, RESISTIR, PRODUCIR.***  
**THE RECUPERATED FACTORIES OF ARGENTINA**

by

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## **ABSTRACT**

This study focuses on the recuperated factories movement (ERT) of Argentina, its dynamics, and outcomes. It investigates the ways in which the political and economic strategies of the ERT movement have affected workers' views of their social role, and their class position. Although the ERTs originate from workers' necessity to maintain their place of work and earnings, they have engendered deep transformations including modes of production, ownership of knowledge, redistribution of wealth, and patterns of social interaction. These changes are reflected in new worker identities that, despite being tied to the historical class consciousness of Argentina's working-class, bring elements of divergence with a classic Marxist interpretation of consciousness. This study reflects on the characteristics of this new socio-political identity and its association with historical practices and perspectives. It also elaborates on the economic, political, and social implications of this new consciousness.

**Keywords:** Argentina; recuperated factories; workers' self management; class consciousness

**Subject Terms:** Working class - Argentina; recuperated factories movement; social protest; neoliberalism – Argentina; economic crisis – Argentina

## DEDICATION

To Gianni, Andrea, and Chicco  
who have supported my endeavour  
with love and patience.

To the Argentine workers of the  
recuperated factories, who believe  
another world is possible.

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## GLOSSARY

ANTA	The National Associations of Self-Managed Workers ( <i>Asociación Nacional de Trabajadores Autogestionados</i> )
CGT	<i>Confederación General del Trabajo</i>
CORA	<i>Confederación Obrera Regional Argentina</i>
CTA	Congress of Argentine Workers
DNT	National Department of Labor.
ERP	<i>Ejército Revolucionario del Pueblo</i>
ERT	<i>Empresas recuperadas por sus Trabajadores</i>
FECOOTRA	Federation of Work Cooperatives of the Province of Buenos Aires ( <i>Federación de Cooperativas de Trabajo de la Provincia de Buenos Aires</i> )
FOA	<i>Federación Obrera Argentina</i>
FORA	<i>Federación Obrera Regional Argentina</i>
FREPASO	Frente País Solidario
IFI	International Financial Institutions
IMF	International Monetary Fund
ISI	Import Substitution Industrialization program
MNER	National Movement of Recovered Enterprises ( <i>Movimiento Nacional de Empresas Recuperadas</i> )
MNFRT	National Movement of Workers-Recovered Factories ( <i>Movimiento Nacional de Fábricas Recuperadas por sus Trabajadores</i> )
MTA	Movement of Argentine Workers
PJ	Justicialist Party
PTS	Workers' Socialist Party
TFAA	Free Trade of the Americas Agreement
UCR	Unión Cívica Radical
UGT	<i>Unión General de Trabajadores</i>
UIA	Argentine Industrial Union
UOLM	Metallurgic Union
USA	<i>Unión Sindical Argentina</i>

## INTRODUCTION

It is possible to describe what the last quarter of the 20th century meant for Latin America, in terms of “objective” social conditions, in four assertions: (1) debt crisis, economic stagnation, and the decline of economic conditions for the majority of the population; (2) the demise of military and authoritarian regimes and their replacement with democratically elected civilian regimes; (3) the widespread implementation of SAPs (structural adjustment programs) –an amalgamation of stabilization and austerity measures and “structural” economic reforms designed by the international financial institutions (IFIs);<sup>1</sup> and (4) the restructuring of capital accumulation processes and its associated class structure. Each country in the region has, to varying degrees, experienced those four sets of conditions associated with, and generated by, a far-reaching economic and social restructuring process.

These conditions provide the context in which the so-called “new social movements” have risen. The main feature of their struggles is the protagonism of “civil society”<sup>2</sup> that displaced the traditional organizations (political parties and unions) that dominated the terrain of politics. Other organizations, based loosely around the concept of work, are part of an emerging, alternative social landscape.<sup>3</sup> In certain situations, their efforts have been fragmented and isolated. In other contexts, they form part of powerful and popular political and social movements, leftist fronts and coalitions, political parties, and even programs that are at times stimulated by the State or, more directly, by public polices.<sup>4</sup> Regardless of the size and shape of these worker-contoured political expressions, the alternative social landscape they are creating revisits the question of

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<sup>1</sup> Including outward orientation, liberalization, deregulation, privatization, and State downsizing.

<sup>2</sup> Popular organizations drawn from and formed in diverse social sectors.

<sup>3</sup> These include rural cooperative settlements, worker-recovered factories, self-managed micro-enterprises, new types of unionized workers’ movements, networks of fair trade and fair work, unemployed workers’ movements, and numerous other kinds of self-managed organizations.

<sup>4</sup> See the miners’ movements in Bolivia; the movement of the landless (MST) in Brazil; the *piqueteros* in Argentina, to name a few.

workers' traditional roles in the management of a society's economy. At core, these struggles are not only about managing production from below; but also about (re)distributing wealth and political participation.

In response to the blighting of Argentina's working class and popular sectors by the past 30 years of neoliberal reform policies, the "new social movements" together with *piqueteros* (unemployed protesters), *asambleas barriales* (neighborhood assemblies), and the recuperated factories movement have contributed to the creation of myriad autonomous spaces for social renewal outside of capitalist enclosures. Through direct participation and community-based social initiatives, these movements have addressed the inability of Argentina's traditional institutions to contain historically high levels of unemployment and poverty in the face of the 2001 economic collapse.

Faced with the consequences of an economic crisis, thousands of Argentinean workers opted to exercise what they perceived as their only viable option: Participation in radical intervention in order to recover their places of work. Once in control of their former workplace, some of these workers experimented with horizontally governed and self-managed workplaces rather than replicating the top-down organization of the previous model. By the early 2000s, they had organized themselves into the movement of the recuperated enterprises (*Empresas Recuperadas por sus Trabajadores*, or ERT)<sup>5</sup>.

Although a small minority among Argentina's labor force, ERT workers currently run approximately 200 factories and establishments in the service sector as well as in manufacturing, food industry, and textile sector, among many others.<sup>6</sup> They also actively promote community activities, cultural events, and educational initiatives within their premises. The reactivation of production under a cooperativist method, and in some cases under workers' control, was and still is creating the possibility—as contradictory as it is at times—of a direct challenge to and a rearticulation of key aspects of the historical relation between capital and labor.<sup>7</sup>

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<sup>5</sup>This is the name given to the current workers' self-management movement in Argentina by Andrés Ruggeri, Carlos Martínez, and Hugo Trincherio in *Las empresas recuperadas en la Argentina*.

<sup>6</sup> Figures about the composition, location, and economic capability of ERTs are provided in chapter 3.

<sup>7</sup> Alongside the phenomenon of cooperatives, other processes are developing that are quite different from these, which directly question capitalist relations. This is expressed in the experiences of the occupation of the factories of Ingenio la Esperanza in Jujuy, the Baskonia in Matanza, Impa, Panificación 5 and Clínica Junín in Córdoba, Zanon in Neuquén and, for a brief period, Brukman in Buenos Aires.

ERT workers have demonstrated that crisis conditions can spawn new societal movements that envision historical departures from classic economic relations. Their refusal to passively accept unemployment and the expulsion from economic and political cycles forced them into the role of vanguard. This act constituted a challenge to “economics-as-usual” under Argentine neoliberalism (Ranis, 59). Operating between practical economic concerns and the theoretic-ideological debates that attempt to define them, the recuperated factory workers have been generating an alternative model to inaction and resignation or anarchic rebellion. A growing number of workers are developing new strategies to peacefully attain a more relevant role in the re-establishment and self-management of factories, thus assuming a limited, but more active role in Argentina’s economic growth.<sup>8</sup>

## **Objectives**

This study focuses on the recuperated factories movement (ERT) in Argentina, its dynamics, and potentials. It investigates the ways in which the political and economic strategies of the recuperated factories movement have affected workers’ views of themselves, their communities, and their place in society. Although the ERT movement originates from workers’ necessity to maintain a source of income and a place of work, it has brought deep transformations, including modes of production,<sup>9</sup> ownership of knowledge, redistribution of wealth, and patterns of social interaction. These changes are reflected in a new worker identity that, even though tied to the historical class consciousness of the Argentine working class, combines elements of divergence with a classic Marxist interpretation of consciousness. This study recognizes the characteristics of this new socio-political identity and its associations with historical practices and perspectives. It also elaborates on the economic, political, and social implications of this new consciousness.

The specific questions this research addresses include the following:

1. How has the history of political struggle prepared workers for the takeover and management of defunct factories?

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<sup>8</sup> These numbers are relatively low in the context of Argentina’s labor force.

<sup>9</sup> The abolition of hierarchical relations and workers’ control over the distribution of goods

2. How can we position the ERT movement within the context of the relationship between traditional labor movements and the State?
3. What vision does the movement have for social transformation?

To answer these questions, I review the history of labor and political conflict in Argentina. I also analyze the cyclical crises of capitalism and how this clash has impacted the relationship between labor and State. I outline the trajectory of the ERT movement from a confluence of workers in various recuperated enterprises into a recognized national movement and, finally, contextualize the ERTs within Argentina's larger labor economy.

In the fall of 2006, during my internship at the *Centro de Documentación de las Empresas Recuperadas*,<sup>10</sup> I interviewed approximately 40 male and female workers employed in various enterprises reflecting the broad panorama of the ERT movement.<sup>11</sup> These interviews, conducted mainly in enterprises surrounding Buenos Aires and the Greater Buenos Aires area, provided firsthand accounts of these workers' experiences and perspectives of work and life in Argentina's recuperated factories.

## Theoretical Framework

This work questions the centrality of the working class in a "post-Fordist"<sup>12</sup> society. It challenges the concepts of class and class consciousness and their relevance within this confluence of capitalism and neoliberal society. Do working-class struggles continue to play an important part in the shaping of social order into the 21st century?

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<sup>10</sup> The *Centro de Documentación* (Documentation Centre) surged from the partnership between the University of Buenos Aires (Faculty of Filosofía y Letras, Universidad Abierta), and Chilavert, an occupied printing factory in the popular Pompeya neighborhood. The centre is open to scholars, other *empresas*, and the media. Volunteer students collect and organize documents relevant to the ERT movement.

<sup>11</sup> To protect workers' identities, their names have been changed.

<sup>12</sup> Post-Fordism, as a labor process, can be generally defined as a production and accumulation system characterized, among others, by flexible systems and flexible workforce. It is based on flexible production, rising incomes for skilled workers and the service class, and increased profits based on technological innovations. The new paradigm of post-Fordism means that the primary economic functions of the State are redefined. States attempt to subordinate welfare policy to the demands of flexibility (Jessop, 2005).

What is the merit of analyzing class consciousness in a postmodern paradigm, where it is no longer a variable of social science? It is obvious that class no longer holds the same attraction it once did as an explanatory category. However, the conclusion that class no longer plays a key role in explaining ideological belief systems and collective mobilization is not warranted on theoretical or empirical grounds (Eder, 1993; Petras & Veltmeyer, 2000).

The concept of class, as defined in terms of the individual's objectively defined relationship to the means of production is at the center of Marxism.<sup>13</sup> Under capitalism, the core social relation is the exploitation of labor by capital and the extraction of surplus value. This structure produces objective and subjective conditions of social change—opening the opportunity for the revolutionary transformation of the capitalist system. The working class is the active agent of this transformation, the historical subject of the revolutionary project. Finally, the politics of this process require the unity of the diverse social forces built up through the organization of the subordinate classes—all the oppressed and the exploited in various sectors of society (Mandel, 15).

In the 1980s, within the context of Latin America and elsewhere, these propositions were generally and specifically rejected by an old (and new) generation of scholars (Melucci, 1994; Turner, 1984; Unger, 1987) who countered with a series of alternative propositions that placed political developments in the region in a very different perspective.<sup>14</sup> The notion of coercive and exploitative social relationships such as wage labor was replaced with the notion of diverse social actors, more or less in control of their lives, depending only on their ability to construct and project specific social identities.<sup>15</sup> Seen through the prism of postmodernist concepts, exploitative class relations are replaced by notions of a moral economy, where patron and employee are bound together by mutually beneficial relationships. The “objectively given” conditions of class exploitation and oppression are seen as figments of mechanistic structuralism and

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<sup>13</sup>Applied with reference to the idea that the basic structure of this relationship was based on the division between the owners of the means of production and the direct producers, or workers.

<sup>14</sup>In this perspective, the notion of a structurally specific mode of production that generates objective conditions for different classes of individuals was discarded.

<sup>15</sup>Eder, in his hypothesis of “modernization” of the class concept, suggests that class is a structure translating inequality and power into different life-chances for categories of individuals. It is therefore a structural determination of life-chances, a structure that distributes chances to act (12).



are reconstructed as a play of diverse actors searching for their social identity. In this process, manifestation of social discontent and resistance is seen to fundamentally alter class relations (Petras & Veltmeyer, 2000).

A Marxist interpretation based exclusively on class consciousness is perhaps not sufficient to explain the ERTs. An adequate theoretical framework needs to be enriched by theories that include an ideological understanding of “identity” in their analysis.<sup>16</sup> Following Marxist theories, I argue that to interpret the actions of the ERTs as a new form of socio-political consciousness, it is necessary to consider both their class location and their previous relationship to various external forces<sup>17</sup>.

Marx wrote that it is existence, or the daily life in which an individual develops and expresses him or herself as a human being, that determines consciousness or ideology and not vice versa. This interpretation provides a valuable tool for understanding the transformation of ERT workers’ consciousness.<sup>18</sup> It is not possible to see this movement solely through the lens of political identity, because the struggle of the recuperated factories is inseparable from the struggle for self-governance and the control over the means of production (Foweraker, 2001; Zibechi, 2004). The actions and the new forms of organization of the ERT relate to, and permit, an ongoing debate as to the objective and subjective dimensions of social movements and the question of their class character. In this respect, the ERTs are constituted as a class under the objectively given conditions of their relationship to the means of production and to the State. The ERTs have also identified themselves as a class in subjective terms, with reference to actions based on clear class awareness and as a group seeking to liberate themselves from the exploitation and oppressive structures of neoliberal capitalism.

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<sup>16</sup> I refer to “identity” not as a consolidated post modern term, but rather as a word that includes the positions taken by different subjects, and identified beyond a purely traditional economic infrastructure.

<sup>17</sup> Their economic and political oppression, their struggle to create a new identity and a new framework for labor, class consciousness, and modes of social relations.

<sup>18</sup> Work is one of the biggest parts of a person’s life and plays a vital role in how an individual and his or her family see themselves, experience others, and perceive the world. Even for people who are not involved in recuperated factories, the existence of this phenomenon allows them to imagine alternative ways of experiencing work and community. From this point of view, a number of researchers have evaluated the influence of recuperated factories on part of the working-class (Fernández Alvarez, 2004; Palomino, 2003).

## **Recent Debates on Class and Identity Formation**

Since the decline of traditional bases of the labor movement during the 1980s, some authors argue that class analysis is no longer useful (Gorz, 1982; Holton & Turner, 1989; Pakulski & Waters, 1996). Others recognize only the residual components of a once-dominant class presence. According to these scholars, a range of other identities has assumed prominent and irrefutable positions in the explanations of labor phenomena. Class has been subsumed or irrevocably split by more fragmented identities and precise categories. During the 1980s, the issues of class and identity began to take an increasingly dichotomous character as “new social movements” emerged in opposition to traditional forms of labor organizations (Hall & Jaques, 1989; Laclau, 1987; Laclau & Mouffe, 2001[1985]; Offe, 1985). As gay-rights groups, urban movements, and women’s groups asserted an independent identity with separate demands, it became less tenable to unite such diverse groups under a single class banner. Consequently, class came to be seen as increasingly archaic and irrelevant to modern conditions (Blackwell & Seabrook, 1997).

Postmodern theories question the Marxist’s privileging of the working class in the unfolding of history. These scholars suggest that two types of reductionism prevent Marxist theories from explaining contemporary movements of struggle. First, economic reductionism assumes that a single economic logic provides for the unity of a social formation and determines its political and ideological processes. Thus, economic reductionism gives theoretical primacy to economic factors and treats politics and ideology as phenomena of the economic realm (Canel, 2004). Second, class reductionism assumes that the identity of social agents is given to them overwhelmingly by their class position. Thus all social actors are, ultimately and fundamentally, class actors, and their identity only reflects economic class interests (Laclau & Mouffe, 1985).

Postmodern theorists argue that new “collective actors” had moved to the center of contemporary conflicts and displaced traditional working-class struggles. These new actors’ primary concern is not with economic issues but with collective control of the process of symbolic production and redefinition of social roles (Brennan & Gordillo, 1994; Melucci, 1994). They raise non-class issues related to gender, ethnicity, age, neighborhood, the environment, and peace. Their identity is defined in relation to these

issues and not by their class position. Thus, theorists continue to argue that contemporary groups' identities are the product of both ideological and political processes.

Furthermore, economic and class reductionism prevents Marxism from explaining the mediated nature of the passage from condition to action (Laclau & Mouffe, 1985). This transition is mediated, within this new framework, by ideological, political, and cultural processes (Alvarez, Dagnino, & Escobar, 1992).

Despite these developments, there have been a number of attempts to retain class as a meaningful category. Erik Olin Wright (1985; 2005) strenuously defends theoretical and "objective" measurable versions of class analysis. Attempts have also been made to show the profound effect of class on life opportunities (Adonis & Pollard, 1997). A further line of analysis interrogates life histories and subjective experiences to investigate new approaches to the meaning of class (Steedman, 1986). For some post-Marxist theorists (Barrig, 1997; Calderon & Santos, 1997; Jelin, 1990; Smith, 1991), the specific relationship between class and identity has been articulated in an analysis of class struggle based on Marxist theories. They argue that Latin America's displacement of political parties, unions, and other traditional instruments of class struggle from the contested terrain of politics has convinced an entire generation of sociologists of the constitution and existence of a new complex of social actors. These are the "subjects" of the current struggle of resistance and social change. The post Marxist theorists oppose the argument that the determination of class relations should not begin with an analysis of class relations (and their objective conditions) with forms of consciousness. Rather, they believe the interplay of experience and consciousness<sup>19</sup> is shown to be integral to the formation (and transformation) of productive, or property, relations.

## **Methodology**

The research undertaken for this study was divided into two phases. The first phase consisted of collecting and analyzing secondary sources. It included an investigation into the history of Argentina's labor struggles and the political and economic causes that led to the Argentine crisis of 2001.

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<sup>19</sup> Which so often in postmodernist discourse constitutes a vaguely defined subjective agency.

Chapter 1 explores how Argentina's working class established itself as a political and ideological driving force. It underlines the dominance of class consciousness in the labor history of the country. Only recently, a new wave of Argentinean historians has approached the research of labor history focusing on the central role of the working class. Such position has been expressed by the reevaluation of a past participation in social transformations that articulated a new political consciousness (Schneider, 2005). Another area of investigation includes the experience of *Peronismo*, the vast control that Juan Perón extended over, and still today, affects Argentina's popular sectors. The collective memory of the working class and its militancy, formed under historical and economic stages, continues to resurface and influence the new movement's decisions.

Chapter 2 examines the political meaning of the crisis of 2001. These events are best understood as the juxtaposition of past and current transformations in capitalist social relations. The 2001 uprising epitomized two simultaneous and interconnected processes, rooted in the events of the last 50 years. The analysis of the economic crisis provides a framework to understand how the Peronist autocracy of the 1940s, the 1976 military dictatorship, and the 1983 democracy attempted to restructure the Argentinean State by emphasizing the interaction between economics and politics. The economic crises that characterize these three phases of Argentine history can also be identified as significant stages in the development of political consciousness that persistently resurface and influence the workers of Argentina's recuperated enterprises.

The second phase of research included a series of semi-structured, open-ended interviews conducted in Buenos Aires with workers of the ERT movement. A further component of this research involved participatory observation. My purpose was to gather information about workers' relationships, attitudes, and other behaviors reflecting their political and social consciousness.

Chapter 3 comprises the analysis of interviews, field notes, and other data collected. It specifically ascertains how the recuperation of ERTs' workplaces has affected the behavior and attitudes of the workers involved. It raises questions including: Are the workers suggesting alternatives to traditional capital-labor relations in Argentina? Is this transformation merely a subjective one, or does it encompass other spheres of their

social and political lives? Do the ERT movement's direct-action tactics offer the potential for greater change?

Having identified the relative importance of "revolutionary" practices inside the ERTs, I assess both their expected growth and their modes of articulation. In other words, I explore whether reproduction of anticapitalist social practices is possible, and in which ways it integrates with capitalist social relationships. Both points are intimately interlinked. This encompasses a complex and diverse set of problems. Is reproducing these experiences possible? Can they subsist through time or are these movements tied to specific initial conditions? What are the constraints to growth of the reproduction of movements (regionally, socially, quantitatively)? Can these constraints be overcome? Are they strong enough to survive repression or co-optation? On the problem of articulation, the issue is to assess the extent to which the articulation might be a strategic or crucial part of the movement. To what extent is this set of practices truly autonomous? Are they strong enough to subsist without capital? To confront State repression? These and other questions are part of a larger debate over the potential for widespread, worker-inspired social and political change. At the same time, the ERTs' practices point at possible—if not easy—ways workers can seek to transform their social relation with capital.

In the concluding chapter, I synthesize the research and outline the type of consciousness ERT workers are developing. I also anticipate possible outcomes for the future of the movement. In particular, I note its implications for the formation of a more widespread socio-political consciousness.

# CHAPTER 1: THE EMERGENCE OF THE WORKING CLASS IN ARGENTINA

## Introduction

This chapter explores how Argentina's working class struggled to establish itself as a political and ideological agent of transformation. So far, little attention has been paid to the role of the working class; the majority of academic research and militant historiography has focused mainly on the relationship between State and union leadership (Alexander, 2001; Brown, 1997; Collier & Collier, 1991; Munck, 1987; Romero, 1994). Only recently, a new wave of Argentinean historians has privileged research primarily on the central role of the working class (Bayer, 1993; Pozzi, 2004; Schneider, 2005). In various moments of their evolution, Argentina's workers—particularly those in the industrial areas around Buenos Aires—have assumed a protagonist role that saw them radicalizing into positions outside the union and establishing an embryonic, (even if nonlinear in its development) class consciousness. Such protagonism had been expressed by an increasing participation in social transformations articulated in their consciousness and struggle against capitalism (Schneider, 35).

Another important historical element in the Argentine proletariat's formation has been the phenomenon of *Peronismo*, the great influence Juan Perón extended and still exercises over Argentines. Many labor historians tend to explain working-class formation as strictly linked to Peronism (Horowitz, 1991; Lewis, 1990).<sup>20</sup> Conversely, scarce attention is paid to other working-class dynamics and their impact on the political

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<sup>20</sup> The emergence of Peronism as a social and political movement in Argentina (circa 1943–1955) primarily depended on Juan Perón's ability to negotiate the consent of the working class, whose integration into the political arena paralleled his own rise to power. Furthermore, he organized corporatist unions as part of his political strategy (Romero, 97).

and economic development of the nation. A more dialectic approach<sup>21</sup> to understanding the Argentinean working-class experience locates workers' struggles in the process of democratic formation by recognizing the existence of organized struggles and a defined union role before the advent of Perón. At the same time, this approach recognizes the influence of the Peronist movement and its role within the labour movement.

Furthermore, the relationship between Peronist and non-Peronist unions provides a scenario of class contradictions and how these shaped particular patterns of State-labor relations and workers' consciousness.

By centrally positioning the working class in these transformative phases, I argue that the pattern of Argentina's strife has been the result of complex systematic operations of political and social discourse. These processes enabled the construction of a "new working-class" political identity. By placing workers and class conflict at the center of the history of Argentina, I maintain the existence of historical and ideological links between early struggles of the working class—with particular reference to specific moments—and the uprisings in recent years.<sup>22</sup>

In Argentina, resistance and opposition to neoliberal policies took different forms, one of which was the recuperated factories movement. The movement, as one of the progressions that characterize a segment of the Argentine workers in the last few years, rediscovers its roots of class struggle and political organization in addressing and searching for a "way out" of unprecedented levels of poverty and unemployment. At the same time, it exhibited, in some instances, an awareness of their shared position *vis á vis* the economic system that expressed both the political potential of the oppressed (and the exploited and the marginalized)—serving as a repository of their interests and social forces for change—and a desire to change. We are facing a new political scenario, where a part of the working class rejects traditional alliances and long-established forms of struggle, to create new alternatives and new possibilities. In such process, a new identity is taking

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<sup>21</sup> In *Capital*, Marx wrote about dialectical methodology: "...it regards every historically developed social form as in fluid movement, and therefore takes into account its transient nature not less than its momentary existence." (19) At the heart of Marxist dialectics is the idea of contradiction, with class struggle playing the central role in social and political life, although Marx does identify other historically important contradictions.

<sup>22</sup> Although this transformation is more dialectical than transformational.

shape, as well as a new class consciousness, different from the traditional pro-Peronist dynamic that has categorized Argentina's working class and popular sectors.

To better understand the events that characterize the presence and activity of the recuperated factories movement, it is important to locate the diverse stages of Argentina's working class formation into historical context. This timeline is divided into four major periods:

- The birth of organized labor in Argentina (circa 1850–1930);
- The rise of Juan Perón and the formalization of Peronism (circa 1943–1955);
- The experience of dictatorship (1976–1983);
- The emergence of neoliberalism and the economic collapse (1990s–2001).

This periodization follows the typology proposed by Ana Dinerstein in her analysis of the Argentine political scene<sup>23</sup> and complements the periodization of Argentina's economic development and its successive crises that led to the strife in 2001. Chapter 2 will analyze the historical and economic continuum among the 1940s Peronist autocracy, the 1976 military dictatorship, the 1983 implementation of democracy, and the attempt to restructure the Argentinean State by emphasizing the interaction between economics and politics. The economic crisis points that characterized these phases of Argentine history can also be broadly identified as significant stages in the development of class consciousness among Argentine workers. The connection between the two chapters lies in the common thread that runs through the periodization of a specific set of questions and relationships among the working class and the State, the ruling elites, and the unions.

The significance of such events can be better grasped if they are considered not as the effects of structural crises, but as the site of “conjunction” of past and present transformations in capitalist social relations in Argentina. Such periodization, however, is

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<sup>23</sup> Ana Dinerstein in her article “The Battle of Buenos Aires: crisis, insurrection and the reinvention of politics in Argentina” offers an analysis of the significance of the events at the end of 2001 and charts the various stages that preceded them.



the object of criticism among some authors who perceive this as a populist analysis of economic crises (Bonnet, 2006; Carrera, 2006; Grigeira, 2006).<sup>24</sup>

## **1. The Formative Years**

### **1.1 The Emergence of a Labor Movement (1850–1930)**

The rapid industrialization of much of Europe during the 19th century profoundly affected Argentina. Large amounts of European capital, mostly from Great Britain, were invested to exploit Argentina's resources. Creole elites and international investors established new industries to process meats, textiles, and minerals while encouraging the construction of transportation infrastructures. New export-related industries including textile and meatpacking were concentrated in Rosario and Córdoba, and in the country's main port, Buenos Aires. Between 1857 and 1916, almost 5 million immigrants entered the country. This represented 60 percent of Argentina's population growth during these years (Tamarin, 48). This immigration brought from Europe the ideologies that sustained the first labor organizations (Alexander, 23; Poblete Troncoso, 42; Rock, 85). However, they often also carried ethnic and ideological divisions that inhibited the construction of a unified movement.<sup>25</sup>

A further European contribution to Argentine labor was the Socialist doctrine brought by the new immigrant workers. In 1894, a nucleus of locally born, middle-class socialists joined the movement, forming the first expression of an intellectual Left in Argentina (Munck, 39). By the late 1890s, the Argentine Socialist Party made the first sustained attempts to organize the workers. Although it played an important role during

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<sup>24</sup> Bonnet and Carrera argue that Dinerstein presents a point of view that is widely shared among those who advocate radical change in Argentine society. Grigeira notes that Dinerstein's article "explicitly quotes many artifices of a populist diagnosis, and generally relies on their theoretical interpretation of Argentine capitalist development and macroeconomic cycles since the mid-1970s." (204) Dinerstein relies on the idea of a financial form of accumulation inaugurated in Argentina by the military coup of 1976 and collapsed in December 2001. At the same time, stressing a turning point in the beginning of 2002 puts forward a misconception: that a new form of capital-labour relation is about to take place, in order to support the new governments (Duhalde, then Kirchner) that present themselves as detached from neoliberalism.

<sup>25</sup> The immigrants' contributions began with the proliferation of ethnically based Mutual Aid Societies. Although they were not 'labor' organizations, these cooperatives constituted an embryonic form of collective action. They also proved extremely limited in addressing the workers' specific concerns: Wage increases and improved working conditions (Rock, 80-88).

the subsequent 40 years, the Party never acquired control over the key units of working class organizations, the anarcho-syndicalist movement, and the unions.

Argentina's early working-class history has often been regarded as homogeneous, with the supremacy of a single anarcho-syndicalist movement (Alexander, 44; Munck, 89). However, the anarchists and syndicalists had different agendas. The rise of Syndicalism coincided with the emergence of larger units of production, higher levels of skills, wage differentiations, and the appearance of native-born workers whose political position was generally less radical than that of the immigrants. With rare exceptions, therefore, anarcho-syndicalism consistently championed the concept of trade unionism rather than mass labor organization (Alexander, 57; Kuczynski, 13).

By 1890, the *Federación Obrera Argentina* (FOA), the first central labor union, was created, which cleared the path for later organizations such as the *Federación Obrera Regional Argentina* (FORA). For a decade, FORA served as the most powerful leader in labor activities and the voice of Anarchist and Syndicalist ideologies (Munck, 87). Another major union active in the early 1900s was the *Unión General de Trabajadores* (UGT), whose activities are identified with early Argentine Socialism (Decker, 13). At the turn of the century, syndicalism became increasingly powerful; in 1909 UGT merged with other groups to form the *Confederación Obrera Regional Argentina* (CORA), which vigorously attacked the labor code passed by the Argentine Congress in 1908.<sup>26</sup> The positions of UGT and CORA that saw the general strike as an efficient means of destroying the capitalist system was by 1915 discouraged, while the primacy of its "positive" aspects became established. These would be represented by actions that tended to gain prominence in the factory through the organization of workers. At a broader level, it would lead to a challenge of capitalist power through a new producers' law and the refusal to engage in the political process.<sup>27</sup>

The first decade of the 20<sup>th</sup> century was of singular importance in the formative process of the Argentine working class. Labor conferences and congresses, solidarity among workers of neighboring States, and strikes and boycotts characterized the fervor of

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<sup>26</sup> CORA argued that the labor code was a *bourgeois* legislation aimed at suppressing organized labor's class spirit.

<sup>27</sup> By reducing the sphere of working class politics to the economic struggle and rejecting the system of political parties, this new strategy favored and developed a corporatist practice focused on wages, working conditions, and social security that was later repropounded by Perón (Romero, 56).

labor activities of the period. The increased level of political participation and public rights not only led to the expansion of political and trade union organization, but to a significant growth of working-class cultural activities and foremost, to the formation of class consciousness.<sup>28</sup> During these years, the experiences of the last periods of the 19<sup>th</sup> century were built upon, which led to the establishment of traditions that would guide the development of the labor movement in the years to come.

Under the presidency of Hipólito Yrigoyen (1916–1921), the State implemented a certain degree of integration of the labor movement. The President pressured employers to settle conflicts on terms favorable to the workers.<sup>29</sup> However, in 1919 a series of riots culminated in full-scale repression, ending in the so-called “Tragic Week,” when violent incidents took place between strikers and police in Córdoba, showing that there were limits to the reformist tendencies operating within the State (Rock, 33). The events also underlined the social crisis caused by the continued political marginality of the working class and the conflictive national integration of the immigrants. As well, it showed the weakness of the political system and the growing influence of the armed forces, with its tendency to intervene in the relationship between State and organized workers (Munck, 46; Rock, 40).

The development of the trade union movement was opposed not only by the Army, Church, State, and the oligarchy, but also by legislation.<sup>30</sup> One of the most influential measures was the Residency Law, passed in 1902, that empowered the government to deport any alien considered a menace to State security (Baily, 26). Similarly, the 1910 Law of Social Defence was used to destroy the anarchist movement, since it “prohibited anarchists from entering the country, propagating their ideas, or holding public meetings.”(30)

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<sup>28</sup> The 1912 political reforms had very defined limitations with regard to the working class. The new electoral law did not concede the right to vote to foreign-born workers, women, or to working minors: Over half of industrial workers were excluded from the political process. The political marginality of large sectors of the working class was a constant source of conflict in Argentine Society. On the other hand, this national marginality had as its counterpart a strong level of integration within the trade union movement (Munck, 70).

<sup>29</sup> This new balance of forces set the stage for Perón’s conciliatory role between labor and capital.

<sup>30</sup> Under strong pressure exerted within the propertied class, the government, in collaboration with a right-wing paramilitary organization, the *Liga Patriótica* (Patriotic League), abandoned its flirtation with reform and returned to the classic mechanisms of repression. The Church unified all catholic organizations under the Argentine Popular Catholic Union, an army commanded by bishops and parish priests that organized a full-scale war against socialism (Baily, 56).

Despite these repressive efforts by the State, it was only in the 1920s, with the emergence of rising wages and a more economically viable society that the unions began yielding to cross-class associations. The end of intense labor struggles, the decline in union membership affiliations, and the weakening of the *Unión Sindical Argentina* (USA) foreshadowed the decline of social conflict and the advent of what become known as the “Infamous Decade.”

## **1.2 Labor Realignment and the Rise of Perón<sup>31</sup> (1930–1943)**

From 1930 through to World War II, rapid industrialization and modernization began a momentous transformation of Argentina’s economy and society, imposed by external circumstances including the Great Depression and the war.<sup>32</sup> The disruption of traditional social structures and speed of industrialization coincided with a profound crisis in the nation’s political life. Anti-democratic governments—in the form of authoritarian military regimes or oligarchic civilian governments ruling through the manipulation of the electoral apparatus—defined the political climate (Tamarin, 85). The pattern of the modern Argentine labor movement was shaped in response to these economic, social, and political conditions. During this period, the nationalist Peronist movement began its dominance of the working class.

In politics, the overthrow of the Radical government of Yrigoyen in 1930 marked the beginning of a long line of military interventions. The new ruling group demonstrated its hostility to labor by ordering deportations, driving opposition leaders into silence, and arresting labor leaders. Employers made drastic adjustments to labor standards through labor code violations, arbitrary salary reductions, and wrongful dismissal of workers. The Argentine Industrial Union (UIA) formalized these changes in labor relationships by

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<sup>31</sup> The first military president, General Uriburu, aimed to install a full-blown corporatist system and to dispense with elections. Popular discontent was circumvented by controlled elections and open fraud. A succession of presidents preceded the 1943 military *coup* that provided the vehicle for the rise of Colonel Perón.

<sup>32</sup> The 1930s’ accelerated industrialization occurred in response to the Depression and the need to replace imported goods with locally manufactured ones. Import-substitution was particularly notable in the textile industry and in the metallurgic sector and produced a change in the composition of the working class. International migration, previously the bulk of the working class, was replaced by internal migration from Argentina’s impoverished rural areas. The organized labor movement’s slow response to these changes resulted in a lack of representation and a weak presence for much of the 1930s (Munck, 107; Tamarin, 146).

repealing labor legislation and supporting a corporatist-styled system of labor relations that would continue throughout the decade (Poblete Troncoso, 36-45).<sup>33</sup>

During the years between the military “revolution” of September 1930 and the 1943 *coup* that launched Perón’s rise to power, Argentine labor underwent a tortuous evolution amid constant structural upheavals and political obstacles. Internal problems and divisions wracked it as much as it was hemmed in by external adversity. Though it would be inaccurate to read Argentina’s history before 1945 as mere prehistory of Peronism, it represented a fundamental “remaking” of the Argentine working class (McGuire, 78; Romero, 89; Snow & Manzetti, 124). Yet, to dismiss the labor movement during those years as inconsequential, because it failed to consolidate a powerful and integrated modern industrial labor organization—comparable to that developed later under the tutelage of the Peronist State—grossly distorts the process of Argentine labor’s evolution (Tamarin, xii).

In the 1930s and early 1940s, the evolution of Argentina’s economic and social patterns and labor’s consciousness made a modern mass-movement feasible, even in the presence of massive divisions within the labor movement. According to many historians, such divisions within the working class translated in a political fragmentation in the unions (Decker, 68; Horowitz, 37; Tamarin, 12).<sup>34</sup> These divisions, which eventually fueled a split in the *Confederación General del Trabajo* (CGT), also fueled the syndicalist positions shared by a sector of the CGT, and encouraged further abstentions from national politics (Munck, 117-118). One group was aiming at the construction of a labor party to directly represent the interests of the working class; while the other, known as CGT N.2, saw the unions as loyal to the Socialist or Communist ideologies.<sup>35</sup>

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<sup>33</sup> The trade-union movement was heavily persecuted in line with the general suppression of freedoms that followed. Conversely, the CGT, a new central trade-union organization, was formed. The CGT declared its political neutrality and autonomy from non-union organization and refused to ally with left-wing political forces (Poblete Troncoso, 49).

<sup>34</sup> In 1935, these divisions in the CGT provoked an “internal *coup*” led by socialist leaders against the “apolitical” stance of the syndicalists’ sector. While the “class against class” line advanced by the Third International dominated the period between 1930 and 1934, in 1935 the Argentine Communist Party (CP) aligned with the Popular Front strategy (Munck, 118).

<sup>35</sup> The relative harmony between left-wing parties and the trade unions ended abruptly in 1939 with the signing of the Nazi-Soviet pact, which led the Communist Party to call for neutrality of Argentine workers. This switch from a popular-front strategy to an anti-imperialist position found some support among syndicalist sectors of the trade union movement (Romero, 212).

On the eve of the military *coup* of 1943, the Argentine labor movement was marked by profound contradictions. After a decade of repression and internecine ideological conflict that had twice resulted in the rupture of the CGT, the movement was clearly in crisis. Yet, in some respect, Argentine labor had evolved dramatically and taken on a number of new and dynamic features since 1930. Despite its appeal for economic nationalism, for example, labor maintained an implacable hostility toward industrialists' organizations.<sup>36</sup> Labor never failed to differentiate its economic nationalism from that of the industrialists. It consistently linked the issue of industrial protection to the demand for the expansion and enforcement of protective social and labor legislation. For labor it was an elementary question of social justice—*justicia social*, a banner that Perón would inherit from the labor vocabulary of the 1930s (Tamarin, 167).

## 2. Peronism

### 2.1 The Rise of Juan Perón (1943–1955)

By 1943, middle-class army officers had become convinced that Argentina was drifting toward a coalition with the Allies, and staged a *coup*. The idea was to establish a corporatist State that would represent the major interest groups in Argentine society: The military, business, the Catholic Church, and landowners. Among these officers was Juan Perón, whose conception of the corporatist State included the integration of the working class into the political life of the country. A broad series of social reforms garnered him the support of the nation's workers as well as the popular sectors (Brown, 145).<sup>37</sup> Perón's subsequent victory in the 1946 presidential elections then consolidated the alliance between labor and the populist leader.

As president from 1946 to 1955, Perón maintained a commitment to both harmonious class relations and industrial growth, which often produced contradictory tendencies. On one level, Perón advocated national industrial development and promoted policies favoring domestic capital. He promised to control labor for the industrialists. On

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<sup>36</sup> Labor was quick to point out that capital's demands for industrial protection was accompanied by its unshakable hostility to protective social and labor legislation.

<sup>37</sup> For the trade unions, which administered a great amount of these programs, it also provided a level of power and legitimacy seldom seen before in Latin America.

the other hand, he maintained his popular appeal by identifying himself with working-class aspirations (Romero, 235; Collier & Collier, 340).

His government encouraged unionization and enhanced workers' control on the shop floor. Perón's public speeches reinforced traditional cultural antagonisms between the "people" and the "elite," to perpetuate labor's allegiance. However, the steady industrialization of Argentina required the containment of the very rank-and-file combativeness that such top-down appeals legitimized. Perón's nationalist and anti-Communist ideology would not allow the free association of workers or trade unions formed under the banner of revolutionary ideals. Communists, anarchists, and all those who opposed his rule were intimidated or persecuted. The result of this wave of repression, together with the political appointment of loyal labor leaders, was the development of a movement that was parasitically attached to the State apparatus. As the result of this relationship, the CGT became Perón's principal tool for the control of the labor movement.<sup>38</sup> Workers perceived Peronism as a means of advancing and defending their class interests, which often conflicted with the political and economic objectives of the Peronist elite. During Perón's term, this contradictory union of social justice and industrial growth created inevitable antagonisms between the rank-and-file workers and their political leaders (Brown, 60).<sup>39</sup>

Recessionary pressures during the early 1950s led the Peronist government to impose economic austerity and to repress rank-and-file dissent. The process weakened the hegemonic link between Perón and the Argentine workers. Nonetheless, *Peronismo* remained—at the grassroots level—a firm source of political identity and the basis of a working class culture of resistance well after its leader's fall in 1955.

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<sup>38</sup> The power-holders within the CGT had been transformed largely into corporative bureaucrats and administrators, while the rank-and-file activists still believed the State was on their side, providing the benefits they demanded (Romero, 106).

<sup>39</sup> The capacity of the Perón's regime to cultivate working-class support during the 1940s derived from its practical commitment to *justicia social*. Social reformism, in turn, depended on sustained economic growth. Economic expansion had been possible following World War II when Argentina remained a leading agricultural exporter. However, during the latter years (1949–1955), economic decay gradually undermined those social conquests that workers had gained (Brown, 157-160).

The nature of *Peronismo*, and specifically its relationship to organized labor and Argentine masses, has been and continues to be the subject of considerable controversy.<sup>40</sup> For the most part, debate over Perón's initial relationship with labor has centered on the origins of his working-class support. According to traditional interpretations, working class loyalties were divided and Perón counted prevalently on the wide support of the recently urbanized industrial workers, who were steeped in traditional rural *criollo* values of the Argentine interior. Meanwhile, the older urban working class, largely composed of European immigrants and traditionally sympathetic to socialist ideology, became actively hostile to Perón's top-down, authoritarian labor policies (Baily, 35; Kirkpatrick, 109).<sup>41</sup> Other scholars strongly argue that the leader's ascent was strictly linked with the division and disorientation in the labor movement and its failure to adapt to new realities (James, 141; Pozzi, 35).<sup>42</sup>

Labor's incorporation into the political system as a fundamental part of Peronism shaped its relations with the State. Between October 1943 and October 1945, Perón threw the power and finances of the State behind labor and social reforms. His labor and social programs accomplished many of the immediate goals that the Argentine labor movement's diverse currents had drafted during the preceding decade. By delegating the resolution of most grievances to his secretariat, and nurturing close relationships with union leaders, Perón became the symbol of labor's newly won gains and aspirations (James, 57). Prompted by the rapid changes within the country's social and economic structures, labor's attitudes toward the capitalist State's regulatory role in society underwent a dramatic transformation.

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<sup>40</sup> Perón's relationship with labor and the working class during the crucial years of 1943–1946 has attracted particular interest; it was in those years that he transformed the Argentine labor movement into the cornerstone of his political base (Collier & Collier, 331).

<sup>41</sup> More recent interpretations have challenged the validity of this hypothetical dichotomy, arguing that Perón's support was generalized throughout the working class by the time of the 1946 presidential elections.

<sup>42</sup> Perón's dual labor strategy included fomenting division within the movement and positioning himself as defender of working class interests through the revitalization of the discredited National Department of Labor (DNT). To subordinate labor, he seized upon long-outstanding grievances and the movement's inclination to seek governmental arbitration. He attempted to halt the advance of communism through implementing "social justice," the vague ideology of *justicialismo*. In effect, this was a skilful exploitation of old divisions and rivalries within the traditional labor movement. As well, Perón utilized the ideological and political divisions both to pursue allies and to discredit the movement as a whole (Pozzi, 40; Romero, 243).



Class consciousness appeared superfluous with increased government control, better collective contracts, higher wages, and improved labor guarantees (Alexander, 80). The presence of a strong State, whose goal was to satisfy the demands of a larger portion of the working class and the most marginalized sectors of society, the so-called *descamisados*, rendered almost obsolete the necessity for class struggle and consequently consciousness-formation. Meanwhile, the major political expressions of labor—anarchism, syndicalism, and socialism—were either in decline or unable to adequately express the current needs of the working class. Although a minority defended their political independence, a laborist policy emerged in the late 1930s as the dominant trend. Peronism became the movement that organized unions from the top-down as a major player in politics (97).

Labor leadership and rank-and-file both enthusiastically supported Perón's policies. Women in particular—whose cheap labor was a prime ingredient of the 1930s industrialization—saw a dramatic change in their position within Argentina's economic and political structures. By 1947, they had gained the right to vote and assumed a major role in the political system, thus joining in the popular support of Perón. According to Fraser and Navarro (cited in Carlson, 88), Eva (Evita) Perón's effect on the condition of women in Argentina and on their political life was decisive. Masses of women who cared little about women's rights and class struggle had entered politics because of Evita.

Since the mid-1940s, *Peronismo* had meant more for Argentine workers than a series of social reforms and institutional structures through which improved living and working conditions were channeled.<sup>43</sup> Peronism had many aspects. While on one side it signified a process in which workers created a social movement and reinforced a well-established culture of resistance. The means they had perfected included mass

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<sup>43</sup>Perón's strategies, fueled by popular support, enabled him to utilize existing laws, shaping a union he later manipulated to his own advantage. In November 1944, he integrated the trade unions into a central national confederation, allowing exclusive authority over collective bargaining and the right to call strikes (Lewis, 141). Perón also enacted the Law of Professional Association. Once established, no union could claim legal status unless first granted recognition by the Secretariat of Labor (McGuire, 57). This move allowed him to recognize the most sympathetic unions and use the "most representative" clause to marginalized dissenting unionists. Perón then provided many short-term benefits to workers and added a welfare component to the State (Corradi, 58). Through such strategies, he manipulated the working class into accepting limited civic and political rights in exchange for economic stability and regulated participation.

mobilization, strikes, and shop floor struggles. Those experiences established new standards and new rights, transforming rank-and-file consciousness. New perceptions of the State, unions, and the limits of employers' authority on the shop floor, in turn, guided the rank-and-file in defence of its collective interests. At the same time, by co-opting working-class struggles and directing its energies mostly into economic demands, Perón controlled strategies of confrontation, mechanisms of resistance, and organization outside the paradigms of the union. These tactics normalized the paradoxical situation where the State was so successful at channeling working-class demands, to hinder the formation of class consciousness.

Perón promoted the unionization of the working class that in 1943 represented only 20 percent of the urban labor force (James, 88). By extending the scope of labor law, Perón encouraged Argentine labor to call upon the State to play a benevolent and conciliatory role in its conflicts with capital. At the same time, he fomented opposition within the unions' various currents. Such divisive practices entrenched corporativism and discouraged workers to organize independently (92).

Perón faced a different obstacle among the oligarchy. The Argentine business and industrial elite regarded his labor and social policies with hostility, despite attempts to extend the base of his support to middle-class and entrepreneurial interests. The *Unión de Industriales* (Industrialists Union) supported "social harmony" while criticizing State intervention in labor relations. They also strenuously opposed compulsory arbitration and wage and price regulations. These polarized forces pressured to end the dictatorship and move toward democratic elections (Snow & Manzetti, 46). The 1946 presidential elections, the first genuine expression of popular will since 1928, captured the essence of the Peronist/anti-Peronist political division.<sup>44</sup> Party and interest-group divisions translated into social class dichotomies—with most urban and rural workers, plus the middle class from Argentina's interior voting for Perón.

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<sup>44</sup>Support for Perón's newly formed Labor Party was mostly comprised of key elements of the trade unions organized in the CGT. Pro-Peronists also included top echelons within the Catholic Church, nationalist elements in the army, and small industrialists. The opposition consisted of all political parties, from Socialists and Communists on the left, to Progressive Democrats on the right. Anti-Peronist forces included big business, large sectors of the press, the navy, and ultra-conservative elements of the army (Epstein, 17).

After 1948, State-sponsored strikebreaking, union interventionism, economic austerity measures, and the government's repressive response to industrial unrest all exposed Perón's weakened commitment to social justice. The government's devotion to industrial growth enticed Perón to neutralize the State's role in mediating labor-capital conflicts, forcing workers to confront employers directly. They now possessed the organizational structures and collective consciousness to do so. These processes weakened the hegemonic link between Perón and the rank-and-file. More important, the experience of struggle strengthened workers' commitment and capacity to defend their class interests (Brown, 158-159).

The Peronist years saw the emergence of *sindicalismo Peronista* (Peronist trade union movement). Leaders of textile workers, meat packers, and railway, metallurgical, bank, telephone, printing, sugar, and construction workers became loyal to Perón. These groups experienced a sudden increase in wealth and power that translated into upward mobility for the urban working class (Lewis, 141). By 1950, the CGT, which once claimed political and ideological independence, became formally synonymous with the union branch of the *Partido Peronista*. As workers traded loyalties, they became Peronists and unions grew more powerful. Perón transformed the relationship between unions and the State into one of dependence, rendering the unions more vulnerable to changes in governmental policies. As the State further controlled the economy through massive industrial nationalization, it also cemented the relationship between government policies and workers by linking a welfare system to the unions.

Eva Perón played a large role in Perón's relations with the most marginalized sectors of society. Her death in 1952 represented the weakening of the CGT leadership and, it has been suggested, was one of the major reasons for Perón's downfall (Lewis, 177; Romero, 256). In addition, the deterioration of Church-State relations paralleled Perón's relations with the military.<sup>45</sup> In 1955, the middle and upper classes, alienated by the leader's corrupt economic and authoritarian policies, allied with the National Liberating Alliance to stage a military *coup* (Romero, 224). The de-Peronization process began immediately.

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<sup>45</sup>Despite his efforts to "Peronize" the army, the alarming project of forming a workers' militia based on the CGT threatened military supremacy.

## 2.2 Post-Peronism (1955–1976)

No major land reform was undertaken under Perón's presidencies. Although he raised the standard of the working class with respect to elite groups, he did not diminish the fundamental power resources of landowners and industrialists. Although the latter could no longer set wages and working conditions as unilaterally as in the past, in 1954, Perón backtracked on union control in the workplace (McGuire, 77). As labor's share of the national income rose, the oligarchic elites increasingly gained economic power. Perón had set the stage for the post-1955 political and economic conflict among Argentina's major social players.<sup>46</sup>

In the CGT and other national unions, Peronist leaders were replaced by a new generation. Communists controlled a few unions, while others reverted to the Radical, Socialist, or Anarchist leadership of the pre-Perón period. The Frondizi administration, elected in 1958 with reluctant support of the working class, proceeded to adopt unpopular economic programs. The unions prepared to struggle against such measures, in an effort to deal with inflation and budget deficits.

During Arturo Illia's presidency (1963–1966), Peronist union leaders and neo-Peronist politicians tried to build a political party autonomous from Perón. Augusto Vandor, the leader of the powerful metalworkers' union, spearheaded the initiative. Vandor's party-building project reflected long-standing tensions among union leaders, who wanted increased access to policy-making, and Perón, who favored direct links between himself and his followers. It was also an attempt to carve out a more autonomous role for union leaders in the Peronist movement.<sup>47</sup> A crucial event in Vandor's rise to prominence was the May/June 1964 CGT factory occupation campaign,

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<sup>46</sup>From 1955 to 1966, Argentine politics were polarized around Peronism and anti-Peronism. Although a third of the electorate, including most urban workers, maintained allegiance to Perón, who was exiled in Europe, powerful civilian and military elites stood firmly against him or any government demanding his return to political life.

<sup>47</sup>It recalled Cipriano Reyes's fight against Perón's order to dissolve the Partido Laborista; Louis Gay's resistance to Perón's efforts to install a more manipulable CGT secretary-general; and the emergence of more independent leaders in many unions during the waning years of Perón's presidency (McGuire, 112).

the culmination of the confederation's *Plan de Lucha* (Plan of Struggle).<sup>48</sup> The national strikes, factory occupations, and large protests that ensued aimed to warn the Illia government, and implicitly any military or civilian successor regime, of the dangers involved in ignoring the demands of the top Peronist union leaders (O'Donnell, 34).<sup>49</sup> Intra-Peronist polarization among different factions led to open rebellion in the Peronist union leadership, resulting in a further fragmentation of the CGT (Romero, 150; Snow & Manzetti, 127). In the long run, the factory occupations helped create a climate of instability propitious for the 1966 military *coup*.

If the 1955 military *coup* had been an attempt by the Armed Forces and the upper *bourgeoisie* to restructure the State and its social relations by depoliticising and demobilizing the workers, the 1966 military *coup*'s plan was to break down the institutionalized power of the working class. The main objective of the newly imposed bureaucratic authoritarian State was to politically deactivate the popular sector, which was a perceived threat to the elites and their economic interests.<sup>50</sup> This deactivation was to be accompanied by the reimposition of "order" and the stabilization of the economy (O'Donnell, 56).

The so-called *Cordobazo*—a mass uprising launched by students, workers, and middle-class sectors in the city of Córdoba in 1969—was an expression of the political process in action. It was preceded by a wave of protests from students and workers in various regions. It stemmed from the so-called *sindicalismo de liberación*, the idea that located unions' practices in a context of the struggle for workers' "social liberation." Fundamental to this was the battle against union bureaucratization and the promotion of liberation's objectives, both these were accompanied by workers' organizing themselves (Brennan, cited in Ghigliani, 104).

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<sup>48</sup>During a 1-month period, workers seized thousands of factories throughout the country. Central demands included freedom for those detained for political and labor disputes, application of social security laws, a new minimum-wage law, workers' participation in political activities, and freedom of press and speech (Romero, 167).

<sup>49</sup>The main target of the occupation campaign was not employers, but the government. Precisely the aim of the campaign is a matter of dispute. Its stated goal was to win concrete changes in policy, but some suggest a broader goal. Peter Snow argues that the campaign was launched to show Illia's "intrinsic weakness," while independent unionists accused the organizing leaders of trying to "create a climate of chaos and violence in order to provoke an eventual *coup*." (McGuire, 119)

<sup>50</sup>Lacking a specific strategy to *desperonizar* the trade union movement, the military dictatorship opted to "divide and conquer" by repressing labor protests while encouraging selected unions to ally themselves with the government.

Particularly important was the *Rosariazo*,<sup>51</sup> during the military dictatorial rule of *de facto* President General Onganía, which represented a seminal episode in the social protests that followed.<sup>52</sup> The Cordobazo triggered further radicalization, especially by emboldening emerging guerrilla groups. The months after the protest saw the appearance of a number of guerrilla groups, including the *Montoneros* (Peronist and mostly urban) and the *Ejército Revolucionario del Pueblo* (ERP), a Marxist group with both urban and rural operations (McGuire, 159). While the military, in their anti-Peronist stance, were trying to “de-Peronize” the unions, students and the nucleus of militant and highly political workers created structures of armed urban guerrillas and took a leadership position within civil society. The Cordobazo signalled that the military leadership was unable to prevent the emergence of armed urban guerrillas and that it was also ineffective to control the institutionalized power of the working class (Gillespie, 209). By suppressing the political parties and generally freezing the political arena, the military had blocked any other outlet of social discontent. Two separate, though related, revolts came to a head in 1969: The demands of the most “advanced” sectors of the working class and the more basic economic and democratic demands of the broad masses. The Cordobazo showed that the labor movement was able to articulate the interests of society as a whole. It also broke the long-lasting hegemony of Peronism over the masses. The direct action of these days created new methods of struggle that threatened to outflank the traditional labor leadership.<sup>53</sup>

Waves of social mobilizations expressed their new consciousness in diverse ways. One of these was new trade-union militancy, manifested particularly in the big firms of the automobile sector. Workers with job stability and relatively well-paid positions did not limit their demands to wages. Their expectations included improved working conditions, control in production rhythms, and defined job classifications. While the old-

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<sup>51</sup> A protest consisting of demonstrations and strikes in Rosario, in the province of Santa Fe, between May and September 1969.

<sup>52</sup> Several conditions made Córdoba ripe for a radicalization of union protest. First, it had a long-standing tradition of radicalism and traditionally its Peronist leaders would challenge the hegemony of their counterparts in the Buenos Aires area. Second, many of the province’s workers were employed in huge, foreign-owned vehicle assembly plants located fairly close together; so collective protest was easy to organize. Third, many autoworkers could afford a university education, making them receptive to the student protest of the late 1960s (James, 216-218).

<sup>53</sup> In its aftermath, there were to be concerted measures to re-establish control over the mass movement and prevent the development of a Socialist tendency among the working class (Munck, 174).

guard union leadership restricted itself to negotiating wages and secured its control through demobilization, cooptation, and thuggery, the new union leaders emphasized honesty, internal democracy, and attention to shop-floor problems (Romero, 1822; Schneider, 321).<sup>54</sup>

In the period after the Cordobazo, a new class struggle or *clasista* leadership emerged in some areas. Such mobilization shaped a singular union activity, where it was possible to move from economic demands to broad questioning of social relations and even private property (Munck, 180). The new unionism demonstrated an ability to mobilize the rest of society, especially in urban centers, where factories occupied a visible place and where, during strikes, workers took to the streets in a call for citizens' solidarity. These forms of protest created extensive networks. By promoting issues that affected daily existence rather than exclusively work issues, these new union leaders mobilized sectors beyond unionized workers. Participants ranged from members of the informal economy who did not belong to unions, to middle-class groups whose participation was one of the most novel aspects of these protests (Schneider, 187). These processes activated a deep transformation in workers' consciousness, which had been dormant under the paternalistic and populist policies of Peronism.<sup>55</sup> With their grassroots base, and a firm belief in participatory democracy, these groups advanced the possibility of a different society, based on participation, solidarity, and ideals of socialism.

It soon became evident that the project that ideologically connected the process of modernization of Argentine capitalism, society's organization in disciplined structures, and a political institutionalization, was not sustainable, even though the military forces were behind it. Once more, the dominant elites were facing their inability to generate growth, order, and legitimacy, while the old phantom of the non-governability of Argentine society was taking precise form (Torti, 131). The new working class, which emerged during the intensive de-industrialization of the 1960s, had not become a labor

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<sup>54</sup> In the interest of "national reconciliation," the CGT strove to demobilize the working class. The union did call for national stoppages in 1970, but its main efforts were set on negotiating with the government and building up its presence within the Peronist movement.

<sup>55</sup> Another variant of radical trade unionism was the *combativo* tendency, where again Córdoba led the way. The local power workers' union, *Luz y Fuerza*, was a prime example of this orientation with its emphasis on grassroots democracy and militant action. The union was regarded as a tool in the struggle for national and social liberation, and a formative school for workers. The aim was to establish a model for a revolutionary trade unionism, the *sindicalismo de liberación* (Schneider: 77).

aristocracy. Rather, it was a central element in the vanguard movement that emerged during and after the social uprising of late 1969, representing the most advanced organizational and political experience of the Argentine working class to date.

Since the 1966 military dictatorship was unable to demobilize the working class, it was not surprising that a Peronist candidate won the 1973 general elections, ending 18 years of Perón's exile. However, the unsuccessful attempt to implement a *Pacto Social* (Social Pact) among the State's main players revealed the government's inability to assert its authority. Perón could no longer control the internal struggles in either the Peronist Party (or Justicialist Party [PJ]), or the revolutionary youth wing. Union opposition and the activity of armed urban guerrillas, which were part of the Peronist movement—namely the *Montoneros*, defeated him. The struggle surrounding the *Pacto Social* ran parallel to that unleashed in the heart of Peronism, which drew in the government and the State itself (James, 215).

However, Peronist union sectors and the party were capable of restricting the most extremist sectors of workers and civil society. Deportations, imprisonments, and massacres ensued to eliminate the most vocal and active leaders and workers. The political and social changes sought by these sectors were crushed. Rather than impose his vision of Argentina's working-class objective as the achievement of a "social revolution," Perón chose to maintain the political and economic achievements of 1946 to 1955 (Schneider, 249).

The populist, nationalist, redistributive program of Peronism held workers within the capitalist system. By supporting State action on behalf of industrialization and social welfare, Peronism enlisted laborers in the cause of reform, not revolution (Drake, 65). In the second part of the 20<sup>th</sup> century, the labor movement's political and class consciousness became almost totally silenced, in favor of economic demands.

### **3. The Dictatorship (1976–1983)**

#### **3.1 Labor Recomposition and Trade Union Resistance**

In 1973, the Armed Forces had failed in their attempt to impose order and stabilize the economy. In 1976—two years after Perón's death—the military again took



over in a *coup d'état*, imposing a social discipline maintained through harsh repression. They then launched the Process of National Reconstruction, with the objective of enforcing a *disciplinamiento social* (social discipline) by subordinating the working class in both political and economic spheres (Tedesco, 13).<sup>56</sup> The military's objective was the defeat of the mass movement, thus breaking the "pendulum" pattern of politics in Argentina that began in 1930 (Munck, 211; Romero, 257).

Repression in itself was not sufficient—a fundamental restructuring of the working class was to be a prime element in weakening the labor movement. The political demobilization of the working class and the defeat of the armed urban guerrilla movement were achieved through the implementation of state terrorism, the establishment of concentration camps, and the "disappearance" of an estimated 30,000 people (Drake, 151). During the infamous "Dirty War" years, between 1976 and 1979, Argentine labor endured the worst persecution in its history. The operation sought to eliminate all political activism, including social protest. State terrorism was the principal political means for achieving social discipline and demobilizing the working class. Thirty percent of the *desaparecidos* (disappeared) were workers and union members (173).<sup>57</sup>

At the end of 1975, the base of the working class was struggling against a Peronist government and trying to cross the barriers imposed by a bureaucratic union. The economic elites understood the need to refrain the combative Argentine proletariat. The dictatorship's objective was to reshape the country, sweeping away existing structures and newly conquered spaces. To do this, the Armed Forces needed to annihilate radical political organizations and rid themselves of those sectors leading social struggles with the intent to create an alternative future.<sup>58</sup> The State-endorsed terrorism would quickly crush the efforts to create a new society that had taken the form of class struggle (Schneider, 267). Another form of repression was the dramatic increase in the level of exploitation in the plants, where, among other measures, the working day was extended

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<sup>56</sup> In fact, the objective of the military dictatorship was not only to subordinate the working class, but also to restructure the *bourgeoisie* (Cavarozzi, 79).

<sup>57</sup> Considering the official position of the Junta was to eliminate subversion and the armed struggle (expressed by *Montoneros* and *ERP*), there should not be such a high percentage of workers among the disappeared.

<sup>58</sup> Terror in itself would have not been sufficient to inflict a historic defeat on the labor movement. To do that, Argentina's capitalists and new military rulers needed to restructure the economy completely so as to reduce the social weight of the working class.

to nine hours. The true significance of the *coup* was becoming brutally clear: It meant implementing conditions that would favor a super-exploitation of workers and the virtual destruction of the organized labor movement. The latter lost its cohesion and mass mobilizing power based on its centralized structure.<sup>59</sup>

The 1983 military defeat in the Malvinas/Falklands war against Great Britain, itself a product of fissures within the Armed Forces as well as growing economic pressures, heightened the financial crisis of the Argentine military regime.<sup>60</sup> Voices that had never been silent, such as the human rights organizations and especially the Mothers of the Plaza de Mayo, resonated with greater force both nationally and internationally (Murillo, 131). As the repression declined, various social protagonists began to organize and the economic crisis created further reasons to mobilize. By protesting, society challenged both economic policy and the absence of political participation. In the factories and workplaces, shop-floor committees were re-established and union activity resumed.

During the dictatorship, unions had emphasized concrete objectives, such as wages, rather than political goals that directly challenged the regime. In this period, labor's behavior was defensive, stressing job security and retention of previous privileges. As the labor movement resurfaced, demands included higher wages, expanded employment, restoration of legal rights, and protection for national industries. By 1982, the CGT and other workers' organizations emphasized re-democratization as a fundamental demand and began to reorganize and launch protests (Drake, 173).

### **3.2 The Return to Democracy**

If Argentine labor leaders succeeded at channelling workers' grievances within the system, they failed at changing the economic model. After a brief recovery in 1983 to 1984, real wages and employment levels fell. Labor succumbed to international pressures for austerity and debt payments imposed by the International Monetary Fund (IMF). The

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<sup>59</sup> By 1981 the recovery of the labor movement started to consolidate as one firm after another laid off workers or closed down. Strikes and slow-downs spread with unheard-of frequency, in spite of the Junta's anti-strike laws.

<sup>60</sup> The period 1976 to 1982 inaugurated in Argentina a new form of accumulation of capital, which favored the agro-export model, at the expenses of national industry.

CGT efforts to advocate an anachronistic Peronist program in favor of populism, nationalism, and the welfare State were unsuccessful and weakened the union. Between 1984 and 1988, the fragmented labor movement organized many protests and halted a hostile labor reform law. Nevertheless, leaders of capital, labor, and government were unable to achieve the *Concertación Social* (Social Pact).

The public's repudiation of the government's inactivity, and the response to the dramatic economic crisis facing Argentina, were expressed in the 1989 elections with the victory of Carlos Menem's Justicialist Party (Lewis, 489).<sup>61</sup> Faced with a potential "social explosion" resulting from economic instability, human rights and labor protests, military uprisings, and pressure from international creditors and the IMF to accommodate the already elected president Menem, Alfonsín resigned before completing his term in office (*Latin America Weekly Report*, 1 June 1989). After preaching populism, Menem pushed through neoliberal reforms and completely reversed the mandate of Peronism. Unions were divided over the party's agenda for reducing State services and privatizing public companies. The agenda also advocated growth more than redistribution, liberalizing trade, and promoting free enterprise. By restricting the right to strike and other legal prerogatives, Menem also divided and weakened the CGT and forced it to abandon its trade-union character in favor of a more traditional political party ideology.

In 1989, under pressure by various factions, the CGT Congress split into two irreconcilable bodies: One weak and marginalized, the other co-opted by the government. Faced with high unemployment caused by a long-term recession, the rank-and-file workers had no option than to accept subordination. The government expected organized labor to make the major sacrifices required for a significant economic revival while also accepting a subordinate position (Epstein, 143). In the mid-1990s, a small group of unions broke ranks and organized a new confederation: The Congress of Argentine Workers (CTA). In contrast to the more conciliatory CGT, the CTA was formed by the most combative leaders and staked out intransigent positions. In 1994, the formation of a third confederation, the Movement of Argentine Workers (MTA), left the official and

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<sup>61</sup> Hyperinflation dramatically resulted in a tremendous increase in both monetary speculation and poverty. While before the "inflation explosion" of 1989 and 1990, there were 9 million people under the poverty line, after hyperinflation, in 1990, the number had increased up to 15 million—that is 47.2 percent of the population (Boron, 4).

largely pro-government CGT in the hands of a group that actively supported Menem's 1995 election campaign and his economic reforms (Murillo, 161).<sup>62</sup>

#### 4. Neoliberalism and the Economic Collapse (1990–2001)

The period 1989 to 1999 characterized a seeming break with the past in which both political and economic stability was achieved. The elections of Menem concluded the formal process of democratic consolidation initiated in 1983. Economic stability became a priority, inspired by the Washington Consensus.<sup>63</sup> This period characterized a new rationalization of class antagonism. Stability emerged as social imagery, which appeared to be a break with the past, in terms of the consolidation of democracy. Thus it was presented as the means of achieving certainty and economic growth, but it was in fact sustained by a progressive legitimization of uncertainty, poverty, and disillusion—the cancellation of the future (Dinerstein, 15).

The 1998 crisis saw new forms of dissent by the increasingly discontent population. In addition to strikes, workplace struggles, and massive demonstrations, sectors previously marginalized and not included in the strategies of the working class appeared alongside the most combative trade-union leaders. Roadblocks in the oil-producing provinces of Neuquén and Salta—heavily hit by mass firing caused by industry privatizations—were organized by the unemployed, public sector workers, and local communities; they became the most visible form of protest under Menem (Romero, 311).<sup>64</sup> They demanded employment programs, job creation and investment, and participation in the decision-making processes regarding these matters. Pickets and tire-

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<sup>62</sup>Despite its austere economic measures, the government encountered little organized resistance. Unions and political organizations were strongly affected by the new economy and the political demobilization of society. Patronage linkages helped to defuse popular-sector protest in this context of economic crisis and neoliberal reform.

<sup>63</sup>It describes a set of economic policy prescriptions that constitute a "standard" reform package promoted by institutions such as the IMF, World Bank, and US Treasury Department. Such policies are broadly associated with expanding the role of market forces and constraining the role of the State. The widespread acceptance of Washington Consensus was a reaction to the macroeconomic crisis that hit much of Latin America during the 1980s; however, it did not take into account either the differences among Latin American economies or the domestic consequences of the services of the external debt. (Meller, 33).

<sup>64</sup>The roadblocks led to the emergence of new identities (*Piqueteros*) and new organizations (*Comisiones de Piqueteros*), with negotiating capacity regarding the allocation and management of employment programs and community concerns.

burning bonfires in other provinces followed, and when the economic crisis increased, the middle class joined the protest. In the following years, the roadblocks expanded until they reached a protest of nationwide proportion in 2001.

The two years preceding the December 2001 insurrection were characterized by the progressive empowerment of resistance and expansion of social unrest, namely a weakening of stability and the decomposition of the political, economic, social, and financial forms that sustained it. When De la Rúa took office in December 1999, as the candidate for the *Alianza* created by the *Unión Cívica Radical* and the left-wing/Peronist front FREPASO (*Frente País Solidario*), expectations arose that the new coalition would put an end to the neoliberal adjustment. However, the new administration committed itself to a tight stability plan and deepened austerity, despite a social atmosphere of discontent (Cotarelo, 33). The tension between persistent social and labor struggles and the pressure from financial institutions produced, in April 2001, a political crisis that broke the coalition. As the social and labor struggles strengthened, the government was increasingly incapable of controlling them. In December 2001, the economic crisis brought down the De la Rúa administration. The economic turmoil precipitated the sacking of supermarkets by impoverished consumers, resulting in a declaration of state of siege, counter-demonstrations, and the death of 27 people (Ranis, 97).

In the vacuum left by the discredited political forces, social movements organized and demanded new forms of negotiation with the State. Argentina had never experienced such a spontaneous multi-class uprising. It represented the poor, the working class, the unemployed, the retirees, civil servants, students, and the middle class. The “new way of doing politics,”(21) as Dinerstein called it, seemed to be—via direct and autonomous organization—the new direction elected by social forces. With the slogan *Que se vayan todos*, the protesters rejected “the parody of democracy.” (24) For other analysts, on the contrary, based on the inability to discern beyond immediate appearances, the slogan revealed one’s inability to seize power with one’s own hands.<sup>65</sup>

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<sup>65</sup>The impotence expressed by this demand was the real essence contained in “out with them all” as the key proposal for political action to face the crisis (Carrera, 204).

Nevertheless, not all of them left.<sup>66</sup> President Rodríguez Saá appeared as the reincarnation of populist nationalism. He declared the default on the foreign debt, something acclaimed as a nationalist victory by those very same representatives that supported Menem's neoliberal policies. Furthermore, new agreements with the IMF and a dramatic drop in real wages followed.<sup>67</sup> Just one week later, the Justicialista Party withdrew support for Saá forcing the president to abandon office (Carrera, 205). The Congress appointed Duhalde as President. With the default already declared and the devaluation of the *peso* an unavoidable condition for the banking system to start operating after more than 15 days, Duhalde was ready to devalue and to re-launch negotiations with the IMF.

## Conclusion

With contradictions and internal ruptures, through concessions and repressions imposed alternatively and by both democratic and military governments, a coherent working class began to organize itself. From the anarcho-sindicalist organizations of the early and mid-1900s, to the highly militant Peronist organizations, and the organization outside Peronist unions of the mid-1960s, Argentine workers have displayed their ability to organize and articulate demands to improve not only their working conditions, but democratic ruling and broader social issues.

Carrera and other scholars (Bonnet, 2006; Grigera, 2006) argued against embracing the illusion that the rising political awareness of Argentine's popular sectors will *per se* engender a radical change in the national process of capital accumulation. In Argentina the failure of capitalist industrialization has left the working class with "a mass of obsolete means of production materially unfit to support the development of the productive forces of society...and an increasing transformation of the working class into a surplus population for capital."(200) For Carrera, this is a clear indicator of the

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<sup>66</sup>Immediately after the government had fallen, the Peronist majority at Congress with the *Alianza's* agreement, appointed Rodríguez Saá as the new President (Carrera, 203).

<sup>67</sup> By May 2002, real industrial wages had fallen by 24%. The national rates of unemployment and underemployment soared to 21.5% and 18.6%, respectively. For the second quarter of 2002, the GDP had fallen by 13.5%, compared to the year before (INDEC 2002). However, the CGT and the MTA supported the government and remained inactive. The CTA carried out protests but with no practical results.

significant weakness inflicted on the Argentine working class and the popular sectors during the last quarter of the 20th century.

Nevertheless, some embryonic forms of resistance have appeared amid a climate of disarmament and defeat—the direct result of the structural crisis prevalent in Argentina since the late 1990s.<sup>68</sup> They are also born out of workers' need to re-articulate their demands *vis à vis* a now weakened State. The principal objective appears to be the reconstruction of social relationships and ways of workers' relations to capital. However, the experiences of these organizations, exploded in the crisis of 2001, tend to indicate, amid many contradictions, the possibility of a new model for social change. Their levels of political awareness and consciousness diverge greatly and continue to be part of the process of re-articulation of key aspects of capital and labor relations that will be analyzed throughout this work.

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<sup>68</sup>Neoliberal policies, the dismantling of State's structures, and an exploding informal sector have forced a small working-class sector to organize itself in less orthodox ways.

## **CHAPTER 2: A POLITICAL-ECONOMIC ANALYSIS OF ARGENTINA'S CRISES**

### **Introduction**

The crisis that exploded at the end of 2001, and the previous crises that affected Argentina, are examined here primarily in terms of their effects on the country's economy, their political impact, and the consequences imposed onto Argentine society—particularly on its working class. Significantly, this last crisis ended a continuum of crises that have marked Argentina's history and embodied the collapse of the Argentine State and its social relations.<sup>69</sup>

The impact of the economic crises provides a framework within which the attempt to restructure the Argentinean State by the 1940s' Peronist autocracy, the 1976 military dictatorship, and the 1983 return to democracy can be understood, emphasizing the interaction between economies and politics, rather than analyzing them as two separate spheres. The economic crisis points that characterize these three phases of Argentine political history can also be identified as significant stages in class contradictions, articulated in particular patterns of State-labor relations and the conception of a new consciousness in the development of class consciousness among Argentine workers. As outlined in the preceding chapter, this periodization complements the historical one and better represents the different variables of class consciousness.

Information in this chapter addresses various aspects of the issue, dividing each into segments. First, an analysis is presented of the events that occurred under Perón, and how these events paved the way for subsequent transformations that affected political, economic, and social spheres of the country. Second is an examination of the economic

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<sup>69</sup>The populist State “Perón-style” – imagined as the organizer of, and provider for, the working class– has morphed into the neoliberal State. This dominates through the representation of the State as the guarantor of law, order, and efficiency and provider of the legal framework to permit the markets to flourish.



and political changes implemented by the 1976 military Junta—and their outcomes. The government of Raúl Alfonsín is examined with the aim of understanding the reasons for the implementation of far-reaching reforms during the 1990s.<sup>70</sup> An argument is presented that the genesis of the 1990s' reforms, the military dictatorship, and the Peronist years must be understood through historical analysis. Finally, this chapter examines how the interrelation between the economic and political factors runs through these historical periods that culminated in the final crisis of 2001. To analyze the causes and consequences of the impact of these periods, three players will be analyzed: The trade unions, the State, and the international economic forces.

## 1. Peronist Autocracy

The first crisis point began with the rise of Peronism in the 1940s. Peronism represented a new populist political style, which brought with it a broad restructuring of the national economy and the cementing of corporatist and clientelistic relations among the three major power-holders of Argentina: the State, business, and the trade unions (Véganzonès & Winograd, 34).<sup>71</sup> Assisted by the accumulation of reserves during World War II (WWII), the government launched an Import Substitution Industrialization program (ISI), focusing on the creation of a broad industrial capacity able to satisfy internal demands (de la Balze, 43).

Notable aspects of Peronism included expansion of the State's economic role and its drive for the nationalization of vast sectors of foreign companies. This ensured economic independence from North America (31). Nationalization of the Central Bank, and thus the ability to manage monetary and credit policies, was key to this expansion (Romero, 104). Through such policies, Perón controlled the economy and supported the industrial sector. In turn, this action created opportunities for mass employment while surplus from the ensuing boom years was channeled into a web of new services for the

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<sup>70</sup> The Alfonsín government initiated a new era in Argentina. It faced serious challenges: To consolidate democracy and achieve economic development in a country devastated by military dictatorships, human rights violations, a lost war, high inflation, a huge external debt, neoliberal reforms, and a weakened State.

<sup>71</sup> Peronism not only changed Argentina's social and political scene, but its economic structure. The heightened demand for agricultural products during the World War II provided the perfect conditions for Argentina to export its agricultural products to both the Allied countries of Europe and the Axis powers (Lewis, 177).

working class, and marginalized and subaltern sector of the population.<sup>72</sup> It also garnered support among workers, controlled by the trade-union movement, built through the development of corporatist relationships between government and union associations (133).

With the end of World War II, high prices for Argentina's exports on the international markets normalized, leaving the country with little revenue to subsidize the stagnant industrial sector and the welfare State (Lewis, 181). The economic crisis following WWII occurred when international institutions challenged protectionism and internally focused economic models. The concept of modernizing the economy and opening it up for foreign investment was touted as one of the most broadly prominent "solutions" for inflation and the balance-of-payment problems in Latin American countries (Tedesco, 14). The internationalization of the economy was made possible by dismantling State control over foreign exchange, prices, and wages, and by allowing imposition of international "market rules." (15)

Perón restructured the national economy by establishing reciprocal client relationships among government, big business, and trade unions, thereby cementing nationalism. By linking political and economic interests of a growing national elite to issues of State-controlled development and a welfare State, Peronism was able to mobilize patriotic feelings and popular support (Véganzonès & Winograd, 36). Perón's political system of trade-union involvement in the government gave workers a sense that they played an important role in the State. While this investment in the government emboldened workers to pursue political reforms, it also encouraged their identification with the government and therefore a reformist stance.

The politically unstable period of 1955 to 1966, with democratically elected governments and military dictatorships, was marked by recession, social unrest, increasingly large foreign debt, repression, and fiscal deterioration. Each successive administration favored exponential growth of foreign investments that resulted in the denationalization of capital and the liquidation of small- and middle-sized domestic

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<sup>72</sup>Peronist economic policy was geared toward a strong managing and regulating role for the government (de la Balze, 45). Perón's policies resulted in considerable wage increases, creation of social programs related to workers' rights, health care, public housing, retirement, and making education more readily accessible to popular sectors (Romero, 105).

industries (Corradi, 90). As a result, cycles of economic crisis surfaced with runaway inflation, balance-of-payment deficits, and high unemployment.

Economically, between 1955 and 1966, the most significant period is the Arturo Frondizi presidency (1958 to 1963). The main objectives of Frondizi's *Desarrollismo* (developmentalism) were Argentina's strategic pursuit to deepen its economy to construct an integrated industrial complex centered on basic industries (steel, chemicals, machinery, and so on). In order to do this, it had to free itself from the international division of labor under US domination and finally, develop large-scale, highly capitalized agro-industrial enterprises (Smith, 33).

Furthermore, the Frondizi government negotiated Argentina's entrance into the International Monetary Fund (IMF), and supported its Stabilization Plan. This Plan included dismantling the Argentine government's economic intervention and implementing an austerity program that embraced the removal of price controls and State regulations, the devaluation of the peso, and the freeze of wages (Lewis, 276–277).<sup>73</sup> The 1963-to-1966 Radical administration that followed was marked by recession, a large foreign debt, and fiscal deterioration. The Illia government, like Frondizi in 1962, allowed Peronist forces to run in the 1965 mid-term elections. This, together with the growing opposition from the trade-union movement, provoked the 1966 military coup.<sup>74</sup>

The objective of the 1966 military dictatorship deviated from previous Armed Forces' efforts to politically stabilize Argentina, because it intended to be a "revolution" to sweep aside the "corrupt" system of political parties rather than merely replace an existing political party or individual (Romero, 114; Tedesco, 18). Economically, the military attempted to stabilize the economy by reducing the role of the State.<sup>75</sup> The military dictatorship, however, could not politically suppress the struggles of the workers and civil society. The popular uprising in Córdoba (*Cordobazo*) and other provinces

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<sup>73</sup> The IMF recommendations included a set of laws on foreign investment and industrial promotion, making Argentina more enticing for investors. Foreign investment, close to \$20 million in 1957, increased to \$248 million on 1959 and to \$348 million by 1961, but did not reach the target of the \$1 billion hoped by Frondizi (Lewis, 302–303).

<sup>74</sup> Illia's administration was economically successful, mainly due to its management of the external debt problem. However, the 1955–1966 period was characterized by the government's incapacity to control the trade-union movement and demobilize the workers. Thus, the crisis of the Argentinean State was expressed, from 1955 to 1966, in a political form rather than an economic one.

<sup>75</sup> They reduced government expenditures, trimmed the number of State employees, raised taxes, and declared a national wage freeze.

destroyed the 1966 experiment, which suggested that the military dictatorship could neither control nor politically demobilize the workers or civil society. On the contrary, the 1966 dictatorship witnessed many popular uprisings and the emergence of the armed urban guerrilla. Finally, the military were forced to call elections, which were eventually won by a Peronist candidate (Tedesco, 19).<sup>76</sup>

With the democratically elected return of Peron in 1973, a Social Pact was established between trade unions and the business sector. The Pact aimed to re-establish previous social and economic gains, expand domestic markets, redistribute income, achieve full employment, and open new foreign markets (Smith, 39).<sup>77</sup> After the death of Perón, the Social Pact was abandoned; in 1975 the Economy Minister Celestino Rodrigo announced an IMF-style shock treatment in a desperate attempt to stabilize the economy.<sup>78</sup> The economic crisis soon became a political crisis. The State was under pressure to restructure economic and social relations, but it was unable to do so because the unions had become, by this time, a barrier to any restructuring (40–41). The response to this crisis in Argentina took the form, politically, of an authoritarian government. The 1976 seizure of State power by the Armed Forces was a political attempt to restructure the State and its class relations. The tasks of disbanding the workers, defeating armed guerrillas, and implementing structural reforms were undertaken to preclude any later attempt to a return to the economic and political advantages previously realized by workers.

## 2. The Military Dictatorship

The 1976 Military Dictatorship represents the second major point of crisis in Argentina's modern political history. The Armed Forces and the upper *bourgeoisie*<sup>79</sup>

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<sup>76</sup> From 1955 to 1973, the armed forces attempted to destroy Peronism and control the workers. The Cordobazo and the electoral victory of the Peronist candidate in 1973 highlight that not only the military lost power but, worse, they lost it to the political movement they had set out to banish (Tedesco, 18).

<sup>77</sup> Perón's third presidency was marked by the confrontation of different sectors within Peronism, mainly the trade unions and the revolutionary youth wing. During his exile, the trade unions had achieved a high degree of autonomy from its former leader. Perón was defeated by the unions and the activity of the armed urban guerrillas, which were part of the Peronist movement called the *Montoneros* (Lewis, 35; Romero 233).

<sup>78</sup> A 100% devaluation of the peso and an increase of 90% in publicly controlled prices were the main measures of the plan (Smith, 40).

<sup>79</sup> Support came from these and important segments of the "*capas medias*", ie middle sectors.

viewed the coexistence of urban guerrillas, an organized working class, and a weak government as an opportunity to install their own form of “social order.” This *disciplinamiento social* was achieved both by State terrorism and structural economic reforms. Its objective was the establishment of a new order through Christian values, national security, and justice. The alliance’s primary agenda was to subordinate and control the working class, to undermine workers’ capacity to organize as a class, and to repress political expression (Tedesco, 24). According to Guillermo O’Donnell, further objectives were the removal of guerrilla factions and the recovery of the State as “the guarantor not of the *immediate* interests of the *bourgeoisie*, but of the ensemble of social relations that established the *bourgeoisie* as the dominant class.”(2) The military and its supporters saw State terrorism as the principal political means of achieving social discipline.<sup>80</sup>

The Military Junta considered the Peronist welfare State and interventionist structure one of the main sources of economic and political problems. They considered recommendations of the IMF to be the only viable response to Argentina’s problems (Véganzonès & Winograd, 39). The market would be the force to “discipline” social actors, while dismantling corporationist relations that Perón had established among the trade unions, business, and the State (Teichman, 100). The economic proposal of the Junta’s Minister of the Economy, Martínez de Hoz, implied dismantling State social planning while controlling the economy according to a market-regulated system. This included liberalization of prices, opening up of domestic markets to foreign capital, the elimination of tariffs by deregulation of exports and imports, a wage freeze, and tax reforms (Tedesco, 27). The proposal favored a short-term capital market with high liquidity, increased public and private external debt, and boosted income redistribution through wage reductions.

Although the military dictatorship failed to stabilize the economy, national agro-industrial corporations connected to international financial circles increased their profits through financial markets and speculation. They purchased bankrupted small- and

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<sup>80</sup> This period of military rule was referred to as the “Process of National Reorganization.” It so violently rearranged the political and economic structures of the country that these changes would be cemented in posterity. While Martínez de Hoz was trying to achieve social discipline through economic structural reform, the Junta implemented State terrorism as another tool for achieving the *disciplinamiento* (Véganzonès & Winograd, 36).

medium-size companies, increased external debt, and diversified their activities from industry to finance. The nationalization of private debt also provided important government assistance to big business. In turn, the government became dependent upon private sector activity to repay all external debts (28). While a free market policy was prized as *the* solution to the country's problems, in reality, the military dictatorship facilitated economic liberalization through government intervention. The agro-industrial corporations were nourished and blossomed under State protection. The high concentration of capital in these sectors became a new feature of Argentinean social relations (56).<sup>81</sup> Following the increase in international oil prices, international credit became readily available and interest rates very affordable. After 1980, however, when the sudden rise in interest rates reached dramatic new levels, many debtor countries were deeply affected. The result was an international economic crisis that began with Mexico's 1982 default of its external debt and continued with balance-of-payment difficulties in most of Latin America (de la Balze, 56–58).

For the workers, conditions imposed by the Junta resulted in their expulsion from the social and political position they historically occupied. In addition to a drastic wage reduction and a longer working day, unemployment increased dramatically and lack of social infrastructures were accompanied by severe housing problems. Workers also experienced de-industrialization, unemployment, cultural, economic, and psychological repression, and increased economic instability.

Most glaringly, the Junta's activities resulted in the physical disappearance of 30,000 people: Some 30 percent of the *desaparecidos* were workers and unionists (Andersen, 154). Torture, imprisonment, kidnapping, and intimidation were part of the strategy of State terror.<sup>82</sup>

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<sup>81</sup>The industrial segment was the most severely affected by the Junta's economic policies. In 1974, wages represented 50.5% of the national income; in 1981 it had fallen to 32.5% (Tedesco, 27). The elimination of exchange control and tariff protection forced traditionally high-cost firms to face the effects of stiff competition from cheap imported goods. With 20% of the largest companies closing between 1975 and 1982, industrial production followed suit (Smith, 41).

<sup>82</sup>The Armed Forces argued that the situation was akin to a special war, due to the nature of the enemy. However, when the Armed Forces took control, the guerrilla movement already had been almost defeated by the *Triple A*, a paramilitary network close to the military. The guerrilla threat was an excuse to justify the use of violence as a means of achieving social discipline (Andersen, 87).

Although workers boasted that State terrorism and economic reform could not completely demobilize them, changing economic structures created new conditions for Argentina's industrial labor market.<sup>83</sup> This situation resulted in workers' overall impoverishment, their transformation into informal workers, and their transfer from the industrial sector to service sector. *Desalarización* and *terciarización* (reduction of wage-labor and increased participation in the service sector) were inflicted upon the working class. These processes modified the social structure of the country by deepening its inequalities. The industrial working class became both economically disadvantaged and politically weaker. Nevertheless, despite State terrorism, new forms of resistance emerged. The working class, human rights groups, and sectors of the middle class became increasingly involved in protests, strikes, and mobilizations against the military in an attempt to restore democracy (Dinerstein, 11).

The military dictatorship ended in 1983. Despite the process of democratization, Argentina's new economy could not easily be reversed. The policies started in 1976 defined the main features of a new Argentina: An economy that was opened to fluctuating financial capital, a deeply indebted State, a production machine in total ruin, high levels of unemployment, an impoverished and polarized society, and a weak and impotent State.<sup>84</sup> Raúl Alfonsín's democratic government found itself trapped in conflicting pressures: International creditors demanding repayment of the debt, the *bourgeoisie* clamoring for protection of its interests, and the working class claiming economic compensation.

### **3. The Return to Democracy**

#### **3.1 Alfonsín (1983–1989)**

The Radical government was, at the very beginning, much more aware of the political aspects of the Argentinean crisis than the economic ones. The main political

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<sup>83</sup>Despite violent repression and the prohibition of trade-union activities, the labor movement organized strikes, go-slows, and lightning-quick stoppages (Lñigo Carrera, & Cotarelo, 203).

<sup>84</sup>The neoliberal economic form had become so deeply entrenched in the political and economic structure of the State that successive democratic governments could not eradicate the new model. Furthermore, the size of the external debt, the concentration of capital in the hands of a powerful economic elite, and the expectations of an impoverished working class would restrict the options of subsequent governments.

objective of the Alfonsín administration (1983 to 1989) was the consolidation of democracy. By “democratize” he meant the reassertion of civilian control over the Armed Forces and the institutionalization of the basic features of liberal democratic rule. Behind Alfonsín’s intention there were the objectives to *desperonizar* the unions<sup>85</sup>—to control their disruptive power and demobilize them. Unions were viewed as a vehicle of social unrest that could provoke a military coup. The Radical government, by democratizing the unions, wanted to restrain and ultimately defuse their political power (Alfonsín, cited in Tedesco, 62).

The second characteristic of the Alfonsín administration was the struggle to cope with the consequences of State terrorism. The struggle for human rights reopened a new political space that did not exist in Argentina prior to 1976. The *Movimiento por los derechos humanos* (Movement for Human Rights), which emerged during the dictatorship, was the catalyst for democratization. Within it, various organizations became the voices of the *desaparecidos*.<sup>86</sup> Finally, economically, the 1983 to 1989 period is important for the negotiations regarding the external debt. During this period the government agreed, after an initial rejection, to sign the first letter of intent with the IMF. In addition to a changed socio-economic structure—the result of massive layoffs and the growth of urban informal sector—Alfonsín inherited a huge economic crisis (McGuire, 185; Romero, 224).

After 1983, interest on the foreign debt skyrocketed, world prices for Argentine’s exports declined, and capital flight continued. By 1985 Alfonsín implemented the *Austral Plan* and planned the privatization of State companies and the further deregulation of the economy (Romero, 271; Teichman, 134).<sup>87</sup> Despite these measures, the external debt gave the IFIs (International Financial Institutions) a significant role as regulators of Argentina’s domestic economy. The only perceived choice was to pay the debt and apply

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<sup>85</sup> *Desperonizar* the union was intended to break down of the traditionally powerful role of Peronist trade unions within the union movement.

<sup>86</sup> At the same time, an important sector of the labor movement, led by public-sector workers, resumed an open fight to regain decent wages and working and living standards. This intensified their institutional reorganization and democratization and the fight to recover their bargaining and political power. Human right activists, workers, and trade-union activists aimed for recognition by the new democratic State (Romero, 212).

<sup>87</sup> The Austral Plan was based on wage and price control, elimination of monetary emission, foreign exchange and interest rate regulation, and a rigid discipline in terms of spending (McGuire, 186).



IMF measures. High inflation rates and fiscal deficits were significant features of the economic crisis. This was a direct consequence of the burden of the external debt, tax evasion, and State subsidies to the private sector. It represented the monetary expression of the appropriation of wealth by the international creditors and the wealthiest sectors of Argentina.

By mid-1987, the Plan had unraveled, mostly from the pressure from the international creditors and the upper *bourgeoisie* for the full implementation of the monetary restructuring. With the collapse of the Plan, the economic crisis became a political crisis. This was also combined with barriers presented by the working class to such restructuring (Manzetti & Dell'Aquila, 24). The debt crisis coincided with the democratization of the State, but in the context of declining real wages and the consequent increase of exploitation of Argentine's labor by local and international capital (Dinerstein, 172; Tedesco, 83).

Hyperinflation rose once again, reaching such drastic levels that social conflicts were inevitable. Furthermore, concerted efforts to curb military power and bring human rights violators to justice provoked rebellions by military factions. Although these revolts were not aimed at installing a new military regime, they forced Alfonsín to backtrack on the human rights trials and contributed to the further weakening of his credibility. To avoid the breakdown of democracy—there was rioting in the capital and in the provinces, Alfonsín was forced to step down. Power was handed to a Peronist candidate, Carlos Menem.

### **3.2 El Menemato (1989–1999)**

The presidency of Carlos Menem (1989–1999) set the scene for the most recent crisis point. Menem's government implemented a series of changes, partly set by the preceding dictatorship, and partly in response to globalization. Economic stability became a priority, inspired by the Washington Consensus. The policies of 1976, besides contributing to a drastic solution of the social conflict, were in line with the new neoliberal order slowly emerging in the Western world: The opening of the economy to world markets, the removal of all controls over financial capital, the suppression of State subsidies, and the reduction of social spending. Payment of the interest on the external

debt and the opening of the economy to global capital required fiscal discipline, economic stability, and growth.

To halt rising inflation, the Minister of the Economy, Domingo Cavallo, introduced the Convertibility Plan.<sup>88</sup> This plan did not occur in a vacuum, but in the context of a strong and prolonged deterioration of Argentine economy. As political economist Jorge Schvarzer suggests, the country had entered into a spiral of elevated inflation and relative stagnation that contrasted with the previous ISI period (73–74). To combat the crisis, the government embarked on a path of trade liberalization, deregulation, and privatization of most public enterprises. In 1991, it implemented radical monetary reforms that pegged the Argentine peso to the US dollar.<sup>89</sup> Inflation fell sharply in subsequent years. The Plan implemented another drastic decision: The reduction of trade barriers, which made a reality of the often-announced *apertura*. The result was a quick revitalization of the economy, due mostly to the excess revenue accumulated through the privatization of State-owned companies, and to the halting of inflation (Romero, 291). In this way, Argentina benefited from three lucrative years. Stability emerged as social imagery, which appeared to be a break with the past, in terms of consolidation of democracy and the defeat of inflation. It was presented as the means of achieving certainty and economic growth, but in fact was sustained by a progressive “legalization” and legitimization of inequality, poverty, and disillusionment (303).<sup>90</sup> The government imposed a restructuring of the State and its class relations. Menem did what

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<sup>88</sup> In December 1989 Argentina fell into hyperinflation. Inflation reached a monthly rate of 95% in March 1990, and the economy collapsed as residents scrambled to find alternative means for setting prices and maintaining savings. A sharp contraction in monetary and fiscal policy brought inflation down to a monthly rate of 11% in April 1990. Further reductions in inflation were not achieved in 1990, and GDP, which fell by 6% in 1989, did not grow in 1990. In March 1991 Argentina announced its Convertibility Program, a new initiative to establish macroeconomic stability. The Program established a currency board with a fixed exchange rate of 10,000 Australes per U.S. dollar. The board was required to provide full backing in U.S. dollars for any issue of Australes, and subsequently for the new peso. Moreover, the U.S. dollar was established as legal tender within Argentina (Schvarzer, 71).

<sup>89</sup> A fixed exchange rate is a type of exchange rate regime wherein a currency’s value is matched to the value of another single currency. As the reference value rises and falls, so does the currency pegged to it. In Argentina, the unchecked State spending and international economic shocks disbalanced the system and ended up forcing an extremely damaging devaluation.

<sup>90</sup> The “great transformation” was achieved by the privatization of almost 100 state-owned enterprises, tax exemptions, deregulation of financial and labor markets, and labor flexibility. In addition, decentralization of collective bargaining and linking wages to productivity, the reduction of employers’ contributions to union welfare funds and social security, the marketization of health, social security, and work accident insurance contributed to the process (Dinerstein, 15).

his predecessor Raúl Alfonsín could not: He politically demobilized the trade-union movement and the Armed Forces. Menem's extreme deregulation and liberalization of the economy resulted in massive layoffs and a process of phasing out the industrial sector. The systematic dismantling and sale of public structures followed. The windfall income from the sell-off of public properties, plus heavy borrowing from the IFIs, gave the regime the appearance of affluence (Tedesco, 46; Romero, 31).<sup>91</sup>

The introduction of the neoliberal developmental model in the early 1990s was accompanied by a radical redefinition of Argentina's labor policy.<sup>92</sup> As early as 1991, the federal government implemented a series of policies to increase the flexibility of the job market and limit employment protection (Teichman, 151). For the working class, each privatization scheme resulted in extensive layoffs, increasing unemployment, and a growing army of informal workers.<sup>93</sup>

In 1995 President Menem was elected for a second term.<sup>94</sup> Labor opposition organized in two main groups, the MTA (*Movimiento Trabajadores Argentinos*) and the CTA (*Central de Trabajadores Argentinos*). While the MTA remained Peronist and concentrated its efforts on the struggle against labor flexibility, the CTA aimed to recover workers' combative attitudes against neoliberal policies and create a broader opposition movement (*Colectivo Situaciones*, 2000, on line). In addition to strikes, workplace

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<sup>91</sup>However, most of the inflows of capital only increased upper class consumption and facilitated wholesale corruption by the entire political class. As the domestic economy shrank, entrepreneurs fled into seemingly lucrative financial-speculative activities; debt payments skyrocketed and the flight of capital to external banks and enterprises accelerated (Sbattella, 86).

<sup>92</sup>It is worthwhile to note that, in Argentina, social security and policies developed historically around formal workers rather than citizenship. In the context of labor transformations, social and employment policies became a matter of corruption, paternalism, and confrontation. Faced with a lack of universal unemployment benefits, the allocation of employment and social programs were used to co-opt unions.

<sup>93</sup>Since the Convertibility Plan, unemployment increased from 6% in 1991 to 18.5% in 1995; it reached 2.4 million people in 5 years (INDEC EPDH). The main problem was the combination of unemployment and underemployment. In 1996, employment problems were experienced by 41.2% of the economically active population of Gran Buenos Aires (INDEC).

<sup>94</sup>Advocates of his neoliberal agenda considered this a sign of popular support for stabilization policies. Indeed, many politicians and citizens alike welcomed Menem's "strong hand" as necessary to combat hyperinflation. This situation was exacerbated by the government's success in stabilizing the economy, as a result of which Menem and Economic Minister Domingo Cavallo came to be viewed as "indispensable" by much of the economic elite and a significant fraction of the electorate. This perceived indispensability raised the threshold of public tolerance for abuses of power. It also facilitated Menem's effort to reform the constitution and run for re-election. The fact that re-election was backed by the bulk of the economic establishment and a large majority of voters helped Menem break down the opposition of the UCR [the Radical Party] via a threat to hold a plebiscite on the issue (Levitsky, 60). Still, the struggles contesting stability born by violence cannot be underestimated.

struggles, and massive demonstrations, other expressions of dissent became the most visible forms of protest under Menem (Tedesco, 179). Roadblocks assumed one of the new forms of opposition to mobilize workers and the unemployed. Public-sector workers, the unemployed, and local communities led these roadblocks. Demands included work programs, job creation, investment, and participation in decision-making processes. In the initial spontaneous protests, the buds of a new form of organization, free from the structures of parties and unions, started to take shape. Proletarians and the *lumpenproletariat*, aware of their conditions and of institutions' inability to alleviate them, began to see direct participation and autonomous organization as the only effective instrument to improve their economic and political exclusion.

The crisis conditions that gave birth to the phenomenon of "Menemismo" eroded during Menem's second term. Two developments were critical to this outcome. The first was the emergence of what might be called "post-crisis" politics. Between 1989 and 1993, the salience of the economic crisis was such that other issues, including those surrounding Menem's abuse of power, were devalued by a large sector of the electorate. Over the course of the 1990s, however, fears of a return to hyperinflation faded and economic stability was increasingly taken for granted. Because the Menem government fared poorly on most post-crisis issues (particularly corruption), its image began to erode as the atmosphere of crisis subsided. Issues like corruption, consumer rights, and judicial independence gained salience. The emergence of these new issues reshaped the dynamics of political competition, largely at the expense of the Peronists.

A second development was the resurrection and unification of the middle-class opposition. The UCR and FREPASO (*Unión Cívica Radical* and the *Frente País Solidario*), which had been widely viewed as incapable of governing in the early and mid-1990s, undertook two critical strategic changes beginning in 1994. First, they accepted the core elements of the new economic model.<sup>95</sup> Second, the UCR and FREPASO formed the *Alianza* (Alliance) in August 1997, which ended the Justicialista Party's (PJ) electoral "hegemony" virtually overnight. With the emergence of the

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<sup>95</sup> Aware that they could not build a winning electoral coalition in opposition to the Menem reforms, FREPASO leaders announced in late 1994 that they would not seek to modify the government's Convertibility Plan, privatization, or trade liberalization. Although the UCR opposed the Convertibility Plan in the 1995 election, most Radical leaders committed themselves to the new model after 1995.

Alliance as a credible alternative, Menem and the PJ ceased to be perceived as indispensable for economic stability. According to a September 1997 survey, for example, 95 percent of Argentines believed that economic stability would survive into the future, no matter who was in power (Levitsky, 60-62).

### 3.3 The Collapse of Stability (1999–2001)

Throughout the early and mid-1990s, the international financial institutions (IFIs) praised Argentina's liberalization program as an economic model for the Third World. These organizations offered public loans on the condition of greater liberalization and, during the initial period, they backed foreign investment in the country. But as the economy and Argentina's liabilities and social instability mounted, the IFIs imposed even harsher conditions for further loans (Petras & Veltmeyer, 2005 (a)). As a result, the Argentine economy went from a recession into a full-scale depression. When it became apparent that Argentina would default on most of its foreign debt, the IFIs refused new loans except under the most onerous conditions (*Página/12*, 7 April 2002).<sup>96</sup>

Fernando De la Rúa's presidency (December 1999–2001) inherited the failure of Menem's neoliberal economic model.<sup>97</sup> However, expectations arose that the new coalition—the *Alianza*—would change the neoliberal trajectory. Amid an atmosphere of social discontent, the new administration committed itself to a tight stability plan and deepened austerity. As in past occasions, capital fled the country, provoking a financial collapse. On November 30, 2001 \$1.3 billion was removed from the banks, precipitating national chaos (Observatorio Social de América Latina [OSAL], 43). This market *coup* justified the introduction of an unprecedented financial measure, the so-called *corralito*, a set of restrictive economic measures that effectively froze all bank accounts.<sup>98</sup> This provoked a unified reaction against the government by exasperated middle-class sectors

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<sup>96</sup>On August 1, 2001, faced with workers' intensified protests and the *vaciamiento* of the financial system by big corporations and banks, the US\$1,318,000 repayment was cancelled.

<sup>97</sup>One of its components was the once-praised Convertibility Plan, which was now a rigid structure that made the cost of exporting exorbitantly high but, if abandoned, threatened to unleash terrible social chaos (Romero, 334). Furthermore, Menem had left behind a \$15 billion deficit, while the country was in a deep recession and nearing default on the foreign debt.

<sup>98</sup>It was initially a short-term fix to halt the massive draining of deposits. However, far from stopping the flight of capital, which had already reached massive proportion before the crisis, the *corralito* once more harmed the working class and the already impoverished middle class.

joining in the struggle of a portion of population. In spite of the *corralito*, the government was denied a new loan by the IMF and was forced to accept the imposition of 15.2 percent cuts in the 2002 budget (*Página/12*, 9 December 2001).

The social movements and the unemployed called for national roadblocks accompanied by marches on Plaza de Mayo to demand the nonpayment of the external debt, the re-nationalization of banks and former State-owned companies, and the opposition of any further economic adjustment. A general strike against the IMFs' imposed financial restrictions took place on December 13, 2001. Three days later, the struggle intensified: Lootings and demands for food in the supermarkets of Buenos Aires, Mendoza, and Rosario were reminiscent of the hyperinflationary period of 1989 to 1991.<sup>99</sup> Simultaneously, the IMF withdrew its support for Cavallo by stating that the economic strategy was not sustainable, particularly the Convertibility Plan, and suggested default, devaluation, and fiscal adjustment (*Página/12*, 19 December 2001).

On December 19, thousands converged to the streets of Buenos Aires and cities around the country. Massive *cacerolazos*<sup>100</sup> demanded the resignations of Minister Cavallo and President De la Rúa. The protesters also called for the resignation of all politicians with the famous protest chant *Que se vayan todos!* (Get rid of them all), reflecting the population's hostility toward the major parties and political institutions. In the midst of a wave of protest and rioting, a succession of five presidents was sworn into power, each one resigning after only days or weeks.<sup>101</sup> On January 2, 2002, Eduardo Duhalde of the Peronist Party was selected to carry out the rest of De la Rúa's term. Duhalde announced the government's abandonment of the Convertibility scheme, proclaimed an impending devaluation, and pronounced a moratorium on debt repayment. For some months, the social effervescence broke the normality of the system, showing enormous creative potential. Although these buds of self-organization did not lead to any

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<sup>99</sup> At the end of the 1980s, Argentina again suffered an inflationary explosion, when prices increased 40 times in value in a few months. That economic crisis decisively contributed to the resignation of outgoing president Alfonsín and the early installation of President Menem.

<sup>100</sup> Organizations of all sorts collaborated to create a collective blackout and pot-banging sessions, symbolic of the hunger the country was being plunged into. Most shocking was the overwhelming presence of a formerly docile middle-class that had taken to the streets in opposition to the government.

<sup>101</sup> Fernando De la Rúa, Ramon Puerta, Adolfo Rodríguez Saá, Eduardo Camaño, and Eduardo Duhalde.

major political transformation, nevertheless a rupture with the past emerged among the heterogeneous and multi-class movement.

The driving idea of the popular insurrection, *Que se vayan todos!* must be seriously considered: It signaled a break with the past. It implied rejecting the “parody” of democracy, which particularly after 1983 had continued to repress popular demands and illusions of transformation. During the 1990s, although democracy was considered “consolidated,” it progressively became dispersed into frequently ignored formal rules, thus legalizing the social misery produced by the neoliberal model. Instead, *Que se vayan todos!* questioned the strengthening of democracy in the previous decade and further challenged the whole system of political representation (*La Nación*, 28 February 2002).

## Conclusion

*Que se vayan todos!* called into question key identities, organizations, and political practices of the unions and the Left’s organizations. Prior to the December rebellion, these players had mediated labor and social resistance against economic and political terrorism of the last decades. Clearly, the insurrection and the ensuing forms of mobilization did not mean either the re-emergence of the “Left” or the empowerment of traditional political parties and labor organizations. The Left and the labor movement were forced to rethink their views and strategies. The insurrection questioned them; their dynamic, structure, and strategies moved against the horizontal, anti-institutional politics and the idea of “reinvention of politics” that began in December 2001.

Some authors and political analysts have considered the events of December 2001 as an effect of structural crisis or an autonomous revolutionary force.<sup>102</sup> According to Ana Dinerstein, these events are best understood as the “site of conjunction” of past and current transformations in capitalist social relations in Argentina (8).<sup>103</sup> Although many interpret this unique moment in Argentine history as the return to instability and

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<sup>102</sup> Supporters of the structural crisis theory include Carrera, Grigera, and Bonnet. Negri, Hardt, and others supported, at least initially, a theory of the 2001 revolt as the initial momentum of a revolutionary force.

<sup>103</sup> The uprising epitomized two simultaneous and interconnected processes, rooted in the events of the last 50 years, which span the Peronist years, the dictatorship, democratization, and the neoliberal transformations of the 1990s. A form of accumulation, initiated in the 1950s, and the power of “stability,” as a form of organization of capital’s dominion over society, collapsed. Conversely, the development and consolidation of the resistance that materialized from such “stability”—and in the process stood up to it— were implemented (Dinerstein, 8-10).

uncertainty, the insurrection, and the processes that emerged from it, Dinerstein argues, instead concluded a particular period of capitalist anarchy and initiated a process of “reinvention of politics.”<sup>104</sup> As the Italian Marxist and social theorist Maurizio Lazzarato claimed, crisis is potentially an opening for the creation of “new social possibilities for living.”<sup>(7)</sup> In response to the blighting of Argentina’s working class by the national acquiescence to the neoliberal reforms prompted by the IFIs, organized movements of the unemployed, neighborhood assemblies, human rights groups, and the group at heart in this work, the worker-recovered enterprises movement applied new organizational structures and forms of resistance, contributing to the creation of myriad autonomous spaces for social renewal.

Through practices of direct participation and community-based social initiatives, these people began to imagine their roles as agents of transformation and demanded a “democracy from below.” (Svampa & Pereyra, 28) In the process, an embryo of acquisition or re-acquisition of a social consciousness and in some cases, a new class consciousness, seemed to take hold. Argentina’s new, horizontal “social protagonism,” emerging from the ashes of 2001, began to take shape through the struggle out of economic and political crisis, demands for human rights, organizations’ practices of resistance, and workplace occupations.

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<sup>104</sup> This process became apparent in the new organizational forms such as the *asambleas barriales* (neighborhood assemblies), independent sectors within the Movement of the Unemployed (MTD or *piqueteros*), the Movement of land occupations (*Tierra y Vivienda*), and the recuperated factories movement (*empresas recuperadas por sus trabajadores* [ERT]).



## **CHAPTER 3: EMPRESAS RECUPERADAS POR SUS TRABAJADORES: A WORKING MODEL OF A “NEW WORKER” IDENTITY**

### **Introduction**

Argentina’s most recent economic woes began to take shape with the fixed-rate exchange policy (*ley de convertibilidad*) introduced in 1991 to tide the acute inflation and hyperinflation that plagued much of Alfonsín government throughout the 1980s. The regressive neoliberal policies of the 1990s and the irreversible process of deindustrialization resulted in a situation of extreme necessity for the Argentine working class. A chronic trade deficit took hold by the middle of the decade; unable to do business in such an economic environment, an escalating number of once-profitable small- and medium-sized businesses were faced with dwindling national and international markets and went bankrupt (Velde & Veraciento, 98).<sup>105</sup> Workers found themselves among the creditors, because they were owed back-pay that in many cases had not been paid for years.<sup>106</sup>

Unemployment turned into a main social problem. Bankruptcies soared in 1991 from an average of 772 to over 2600 per month in 2001 (Magnani, 189). Jobs were disappearing with unprecedented speed. Welfare plans, the so-called *Plan de jefe y jefa de hogar*—prevailed in the government, whose economic policies unleashed and

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<sup>105</sup>Some of the ensuing bankruptcies were legitimate, while others were illegal, as many business owners were encouraged by the economic “free-for-all” to incur questionable debt or speculate their business assets in risky investment schemes. Many incurred unwieldy debt-loads to stay afloat amid drying up export markets. When business debts became cumbersome, various owners resorted to embezzlement or corruption to stay solvent. Others chose to skip salary and contribution payments to their workers; many attempted to sell off business assets while in the process of bankruptcy proceedings (Palomino, 82).

<sup>106</sup>Given the increasing incidence of unemployment and the commitment of the Menem administration to deregulate job markets, workers had no option but to accept exploitative contractual conditions to preserve their jobs. Louis Caro, a lawyer representing some recuperated factories, describes the practice applied to many workers: “Instead of borrowing more money from outside sources, owners would recur to skipping payments or drastically reducing workers’ salaries and contributions.” (Magnani, 54)

contributed to a feedback cycle of unemployment.<sup>107</sup> Demands for work were most prominent among the organized *piqueteros*—the unemployed who picketed major highways in protest.<sup>108</sup> Other grassroots groups attempted to improve living conditions by their own means. Numerous labor strategies were developed, from the *cartoneo*<sup>109</sup> of extreme poverty groups; to micro-enterprises such as baking centers and self-managed daycares that spread among different social groups; to the fleeting development of bartering networks among the impoverished middle class. At the peak of the economic crisis, toward the end of 2001, these barter networks grew exponentially, at one point involving two to five million people (Dinerstein, 29).<sup>110</sup>

Traditional trade unions, which had lost their credibility and position with most of the working class, were also powerless to provide adequate political responses to the dire employment shortages and working conditions. This lack of leadership, combined with workers' rejection of *desempleo* (unemployment), gave way to a different strategy that was perceived by the workers as a necessary, if risky, recourse—namely the self-management of their workplace. For thousands of workers, participation in direct action to recover their workplace—modeled after the new social transformations that were taking shape around them—seemed to be the only alternative left. Emboldened by the new social possibilities articulated by the *piquetero* movement and the protest of December 19 and 20, 2001, thousands of Argentine workers made the decision to experiment with self-managed and self-operated workplaces within the legal rubric of a cooperative.

## 1. The Sinuous Paths of Self-Management

Processes of self-management spearheaded by workers have a long history, beginning with the first experiences with cooperatives in the industrialized England of the mid-18th Century (Brown, 3; Thompson, 24). In Argentina and elsewhere in Latin

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<sup>107</sup>Government's action was focused on providing massive welfare plans that did not include job creation, work programs, or investments.

<sup>108</sup>Originally their claims focused on demands for work, but many became frustrated with their own organizational directives or were co-opted by the government's labor programs. This dispersion reduced, in some instances, the *piqueteros*' bargaining power and militancy (Svampa & Pereyra, 33).

<sup>109</sup>Collection of solid urban wastes in streets, (generally cardboard) for their subsequent recuperation and recycling, by self-organized groups.

<sup>110</sup>Although the barter movement later declined (2004–2005), it contributed to the ERTs' debate on how to trade outside of the monopolist market.

America, even when they emerged out of situations of labor conflicts, these processes occurred only rarely and in exceptional political and economic contexts.<sup>111</sup> Excluding the vast and deeply rooted but somewhat different practices of the cooperative movement, the workers had little experience in taking over enterprises in Argentina; there had been scattered cases throughout the 1970s and 1980s (Romero, 256; Lewis, 143).<sup>112</sup>

The phenomenon of the recovered enterprises (ERT) as we know it today—that is to say, the phenomenon of workers restarting production, in legitimately or fraudulently bankrupted firms, as a reaction to the threat of being hurled into structural unemployment—is a process associated with another type of socio-economic situation that emerges out of neoliberal politics of the 1990s. The experiences of the ERTs are, therefore, about the responses of workers to a situation of extreme necessity in the middle of a seemingly irreversible process of deindustrialization (Ruggeri, 50). Traditional union methods proved inefficient in offering any type of efficacious response that would prevent the passage of the Argentine worker into conditions of virtually permanent unemployment. The new struggle's approaches, together with the experiences of unemployed workers' quotidian efforts for subsistence, paved the way for a new, costly, and conflictive strategy that was, nevertheless, perceived by its protagonists as the only possible way of preserving jobs.<sup>113</sup> This marks a major difference with all preceding processes of self-management—demarcated and politically conceived as the ERTs are—by more offensive rather than defensive labor postures within conjunctures favorable to the development of practices that put capitalism into question (52–54).

As an economic phenomenon, the recovered enterprises are a consequence of the deindustrialization that submerged the productive structure of Argentina beginning in the early years of the 1990s. Generally, the productive sector experienced a long process of deterioration that, at the moment of recuperating the enterprise, employed considerably fewer workers than before the takeover. Furthermore, its machinery was generally

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<sup>111</sup> Such as in Chile during the Popular Unity government of Salvador Allende (1970–1973).

<sup>112</sup> Argentina's most recent experiences with factories under workers' control began with the recuperations of the Yaguané meatpacking plant and IMPA, an aluminum products manufacturer, circa 1997–1998 (Lavaca eds., 33).

<sup>113</sup> Workers were pushed to such dramatic actions both for material need—job security, dignity of life, stability within Argentina's precarious labor realities—and, at the same time, for reasons that are bound up in the struggle of the country's workers to recuperate their own capacities as workers and to recover the means of production (Ruggeri, 7; Vieta, 9).

obsolete, its installations precarious, and it usually carried a massive debt, including indemnifications and unpaid salaries. In 2001, in a climate of high economic and political conflict—expressed by the December riots—the experiences multiplied rapidly. Between 2002 and 2004, a large increment in the recuperations occurred and spread rapidly. The phenomenon of the recuperated enterprises evolved into a movement granting work a central position, in a context of massive economic crisis and expansion of unemployment. The recuperation posed control over production units as a valid mechanism, a viable solution, and an experience that could be reproduced.<sup>114</sup>

In formerly bankrupted and later recovered workspaces, spanning sectors from printing and publishing, health clinics, shipbuilding, oil refining, services, and metallurgy, workers' stories, while all unique, tend to follow a similar plotline: The enterprise's closure and abandonment, followed by workers' occupation and often violent repression by police. In many cases, workers lived in tents outside their factories for many months, waiting for the judge's sentence of expropriation, while defending the machinery from dilapidation and from theft by the previous owners. These people survived, thanks to the support of their neighbors, their families, and other workers. They were able to resist and organize themselves in autonomous organizations that offered legal and political support.<sup>115</sup> The time between the bankruptcy and full workers' control tended to be long and arduous. Lengthy periods of occupations were followed by battles with the courts for legal recognition.<sup>116</sup>

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<sup>114</sup> The number of factory takeovers reached its apogee in the early months of 2002, coinciding with the apex of bankruptcies that has been sharply increasing since 1999 and the economic crisis of 2001–2002. The takeovers had reached a plateau by 2003 with the relative stabilization of the national economy (Ruggeri, Martínez & Trincherro, 22). They were still occurring, albeit at a more gradual rate, throughout 2006.

<sup>115</sup> Some of the most important umbrella organizations of Argentine workers involved in recovering and co-managing their workplace include the National Movement of Recovered Enterprises (*Movimiento Nacional de Empresas Recuperadas*, or MNER); the National Movement of Workers-Recovered Factories (*Movimiento Nacional de Fábricas Recuperadas por sus Trabajadores*, or MNFRT); and the Federation of Work Cooperatives of the Province of Buenos Aires (*Federación de Cooperativas de Trabajo de la Provincia de Buenos Aires*, or FECOOTRA).

<sup>116</sup> Hotel Bauen, Grafica Chilavert, Global (balloons), Grissinopoli (breadsticks) are some of the hundreds of recuperated factories that struggled for expropriation. The first step in the process is the recognition of their legal status as cooperatives. Today, only 12 enterprises (Chilavert among them) have been legally expropriated. The others are still waiting for judges' deliberations (Personal interviews).

Such is the case of the Hotel Bauen.<sup>117</sup> On December 2001, after the management began systematic firings and emptied out the hotel, 150 workers were left in the street. However, all of that changed on March 21, 2003, when the workers decided to occupy the hotel:

About 40 ex-workers met secretly early in the morning with workers from other recuperated factories. We took over the building, cutting the locks on the side entrance and walking into the lobby. The hotel was dilapidated, without electricity, and ransacked. For months we stood guard inside the hotel, while putting up a legal fight to form a cooperative. (Personal interview, August 2006)

## 1.1 ERTs Composition

Héctor Palomino, a researcher at the University of Buenos Aires, described the political and economic impacts of the ERTs as more closely related to its symbolic dimensions than to its real strength. As of 2005, it involved approximately 170 small- and medium-sized enterprises estimated to include between 8,000 and 10,000 workers.<sup>118</sup> These figures reflect on one side the limited strength of the movement; on the other side, they are symptomatic of the shrinking industrial workforce, decimated by years of deindustrialization (72). Furthermore, the composition and location of recuperated factories indicate there is a historical element to these new practices.<sup>119</sup> In the past, workers in the interior industrial areas had experienced similar abrupt closures of their workplaces. Many had been part of militant union groups or leftist parties and had previous experience with struggles and confrontations.

A further characteristic of the ERT is sector diversification. Metallurgic and other manufacturers (textile, plastic, meatpacking, glass) compose approximately 49 percent of

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<sup>117</sup>The hotel was constructed in 1978, during the glory of Argentina's last military dictatorship, with government loans and subsidies. For almost 3 decades, the hotel has been emblematic of Argentina's *bourgeois* class. After 4 years and many efforts, its destiny is still uncertain. In August 2007, the Cooperative has received a court order to vacate the Hotel, with the intention to return it to its "owners."

<sup>118</sup>An optimistic figure of 10,000 workers involved in this movement would mean that only 0.1% of Argentina's employed workforce—or 0.07% of the economically active population of approximately 13.8 million people—are currently involved in this movement (Ruggeri, Martínez & Trinchero, 94).

<sup>119</sup>Recuperations began in Buenos Aires and its heavy industrialized surroundings, and later expanded to the factories in the interior of the country, and in particular in the industrial centers in the provinces of Santa Fe, Córdoba, and Neuquén (Palomino, 37).

the recuperated factories. Food production, health, graphic, and other services (hotels, newspapers, daycares) contribute to another 40 percent.<sup>120</sup>

**Table 1. ERTs' composition** <sup>121</sup>

<b>Recuperated factories divided by size of workforce (%)</b>			
	<b>1 to 20</b>	<b>21 to 50</b>	<b>over 50</b>
Metallurgy	25	23	39
Other manufacturers	25	22	16
Food production	17	10	16
Service sector	13	23	8
Textile	8	7	15
Graphic	8	13	0
Ceramic	4	0	8
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table 2. ERTs' location**

<b>Recuperated factories by area (%)</b>			
	<b>Buenos Aires</b>	<b>Greater BsAs</b>	<b>Interior</b>
Metallurgy	6	35	29
Other manufacturers	12	30	14
Food production	13	11	21
Service sector	19	3	21
Textile	13	8	7
Graphic	25	5	0
Health Clinics	12	3	7
Ceramic	0	5	3
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>120</sup> ERTs' distribution indicates a prevailing industrial presence around the Greater Buenos Aires area, with a large concentration of the metallurgic sector and "Other" manufacturers. In terms of workers' distribution, the metallurgic sector holds almost 40% of the factories employing more than 50 workers each. The graphic and service sectors follow with less than 50 workers per factory. For the most part (65%) these factories are old and machinery is largely obsolete (Ruggeri, Martínez & Trincherro, 39).

<sup>121</sup> Information based on data collected between 200 and 2004. (*Programa Facultad Abierta UBA*).

The information on Table 2 refers to the geographic distribution of recuperated enterprises: It confirms the prevalently industrial profile of the ERTs in the Greater Buenos Aires, where 70% of the industrial sector is located [including Metallurgy (35%); Other manufacturers (30%); Ceramic (5%)]. Conversely, in Buenos Aires, the panoramic of the ERTs is rather different, with a predominance of the tertiary sector: Food production, Service sector, Textile and Graphic. The leading sector is the graphic that, with a presence of 25% in the city, it is almost entirely concentrated there. In the Interior, Metallurgic represents the prevalent activity, although with a smaller percentage than the Greater metropolitan area.<sup>122</sup>

**Table 3. ERTs' sector diversification**

Recuperated factories divided by sector		(%)
Other manufacturers		20
Food production		18
Service sector		10
Textile		7
Metallurgy		29
Graphic		6
Health Clinics		5
Ceramic		4
Construction		1
<b>TOTAL</b>		<b>100</b>

These industries belong to the industrial park in existence before the processes of re-conversion that started in the mid-1970s. Less than 30 percent of the recuperated factories are part of the more modern industrial park, while factories created after the

<sup>122</sup> Ruggeri estimates that only approximately 6% of recuperated factories are producing at full capacity. Another small percentage (11%) stagnates with a production between 50% and 60% capacity, while a large percentage of recuperated factories (28%) produce only between 10% to 40% of their potential (71).

1990s represent only 12 percent (42).<sup>123</sup> Any estimate of the impact on GNP of these factories would therefore be minute, considering that their labor productivity was below average, they were owned by peripheral fractions of capital, and they are being used well below full productive capability, at an average of 54 percent of their productive capacity (Fajn et al., 56). Many other factors contribute to such low production levels, particularly those connected to economic constraints: A chronic shortage of investment capital, lack of access to credit, difficulties in accessing the market, and other problems related to management or lack of thereof.<sup>124</sup> Moreover, the limited relations developed between the recuperated factories and other sectors of the so-called “economy of solidarity” are a further impediment to sustainable productivity, since the recuperated factories purchase supplies and sell finished products largely from and to monopolistic enterprises (74–75).

Significantly, there is a tendency to reproduce the process of deindustrialization experienced in the country. The decreasing number of workers employed in each factory illustrates the process: Younger and more skilled workers gradually left the factories, leaving behind middle-aged, unskilled, or female workers—for whom opportunities of finding work elsewhere were almost impossible. The majority of the industries that disappeared in the 1990s correspond to those factories developed in the second phase of the process of substitutive industrialization, specifically in the decade of major industrial dynamism of Argentine history (43). In the majority of the recuperated factories, self-management has been implemented mostly by those workers who had experienced all, or in large part, the process of deindustrialization and the deterioration of their traditional working relations. The collective memory of these workers helped them understand their marginalized position and informed their approach to developing new working relations that generated greater control. At the same time, workers’ consciousness—largely co-

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<sup>123</sup> The average age of fixed capital of the occupied factories is estimated to be around 30 to 40 years, with no more than 5 or 6 exceptions, like Zanon or Valero, whose fixed capital is not older than 10 years. As this is currently very much a delicate question due to the valuing of assets (for auction or expropriation), data on fixed capital are not generally available. Fajn et al. (2003) provided an indirect measure, showing the factories’ average age as 40 years, with 75% of them older than 25 years. Most of these factories have had no re-investment in machinery since the mid-1970s (Ruggeri, Martínez & Trincherro, 59).

<sup>124</sup> The shortage of experienced workers in certain tasks, such as accounting and sales and marketing, also seriously jeopardizes the factories’ ability to recuperate old or create new market niches.



opted during the Peronist years—tends to re-compose itself and often become a component of workers' struggles in the new crisis phase.

## 1.2 ERTs and the Role of the State

The neglect on the part of the national executive, legislative, and judicial power in finding a political solution for the recuperated factories is daunting. Although the State appears to understand the complexity and depth of the recuperation process, it attempts to neutralize the recuperation's transformational potential through co-optation and division.<sup>125</sup> The State emerges as determined to avoid any policy that could promote support to the sector in relation to its multiple demands (Ruggeri, 16; Vieta, 18). A system of facilitated access to credit for the recuperated enterprises has been promised, but never executed.<sup>126</sup> The two main contributions to resolve the lengthy process are a more flexible legislation in favor of cooperatives and a Law of Expropriation that allows workers a two-year contract to take over companies' assets and continue to work. The State's inability to assume a clear and articulated position in support of the recuperation movement is a sore point addressed by many workers:

We have been asking for policies to assist access to credit, job training, and facilitated fiscal costs. These resources could mean the difference between surviving and closing down. We are not asking anything special, since the State provides regularly these programs to private industries. (Personal interviews, October, November 2006)

An example of this incoherence is the much-advertised plan, formulated in 2003 by the National Bank (*Banco Nación*), to open a line of credit of 6 million *pesos* specifically for the recuperated factories.<sup>127</sup> In an interview with Beatriz Baltroc, Buenos Aires' deputy for the *Alianza*, the majority political group that runs the Greater Buenos

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<sup>125</sup> In fact, some factories seem to receive a privileged treatment, due to the influential presence of a political figure at their helm. Even if some enterprises would select a different overall political approach, their affiliation to this political figure represents the difference between receiving an expropriation order in a month or in a year (Korol, 13; Magnani, 69).

<sup>126</sup> A judge has to be appointed for each recuperated factory and analyze, case by case, the proper steps, taking months and sometimes years to reach a conclusion. Nevertheless, few and sporadic expropriations have been granted.

<sup>127</sup> This amount represents an infinitesimal amount of the support the State pours into the private industry and is too insignificant to be useful in any credible way. Nonetheless, it has yet to be implemented.

Aires Province, the *diputada* reiterated the inability and often unwillingness of certain sectors of the State to provide support to the recuperated factories:

The absence of a clear State program in response to the recuperated factories is a real and difficult problem that speaks of its complexity and at the same time of the existing difficulties in the State apparatus to resolve problems, even when the political decision to solve them has already been made. It is not only a question of mistakes, lack of effectiveness, or bad will. This prostrated State, incapable of action and immobile, is the direct consequence of more than a decade of neoliberalism that not only reduced, corrupted, and broke up State structures, but also made them useless. (Personal interview, August 2006)

Finally, there is the importance of capitalist representatives. It is true that firms like Brukman and Zanon were, in many respects, more radical in expressing their positions (for example, they tried to organize workers' control rather than cooperatives) and in 2002 were paradigmatic public cases of successful occupied factories. However, the *bourgeoisie* was quick and strong in presenting and appraising specific forms of occupations over others. Resurrected Fourierism<sup>128</sup> and other forms of cooperativism were the ideological and legal forms of hegemony. An impressive robustness in re-establishing capitalist legal order was shown toward the end of 2002. By giving legal form to *de facto* expropriations, the State reacted to a social pressure but also reconstructed power as social actors accept its mediation (Grigera, 224).<sup>129</sup>

Knowing that workers do not mean to bring about revolutionary change, but simply aim to ensure steady employment for themselves, the State and employers' organizations have made their own proposals for the recovered factories. Their idea is to limit the workers' claim to one of establishing cooperatives to maintain employment. A claim of this scope does not challenge the private property system or employers' power in the economy; it assimilates factory recoveries into capitalism. As part of their effort to defuse the threat of recovery initiatives, employers and the State want to see that the factories—if they must stay in the hands of workers—exist in forms similar to regular

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<sup>128</sup> One of several utopian socialist programs to emerge in the second quarter of the 19th century, Fourierism advocated that concern and cooperation were the secrets of social success. The social theorist Fourier believed that a cooperating society would see an immense improvement in productivity levels, and workers would be recompensed for their labors according to their contribution (Encyclopaedia Britannica, online).

<sup>129</sup> Legal expropriation is not only a possible source of *bourgeois* profit but it also means for the re-instatement of State order, that is, of legality and property rights.

commercial enterprises, whether as nationalized firms controlled by bureaucrats, or as cooperatives that may redistribute income but do not redistribute knowledge and power within the workplace. The State has also tried to present recovered enterprises as part of its own labor policy, and to show off the peacefulness and legality of the recoveries.

These strategies aim to prevent the factory recoveries from rekindling a debate that surged in Argentina during the 1970s about the best strategy for working-class organization and resistance under capitalism. On one side were the promoters of a politics of workers' control, and on the other side were the defenders of cooperativism. Each proposed a different way of dealing with the fact that under capitalism, workers are formally deprived of understanding and control of the production process, the product of labor, and the proceeds from the sale of this product.

For Marxist economist Eduardo Lucita: "Underlying the debate between cooperativism and workers' control is the opposition between a rupture with the logic of capital and a reintegration with it."(50-51) Under the cooperative form of organization, which supposes voluntary association and self-management, the workers gain a source of work, a more egalitarian distribution of income, and productive gains that come from the logic of self-management. Supporters of cooperativism typically point to a model to emulate: The Mondragon cooperatives in the Basque region of Spain.<sup>130</sup> According to Lucita, it is clear that these conditions are infinitely better than the current ones. Nonetheless, cooperatives cannot escape the logic of market competition, which puts wage levels, conditions of work, and productivity in play. Pay, work time, and the pace of work all affect the final cost of the product, and this is fundamental to capitalist competition. On the other hand, workers' control, which also assumes voluntary association and autonomy, allows the enterprise to remain under capitalist ownership (private or State), while the workers, through organized struggle against the capitalists, assume control of the enterprise's production process and financial accounting. Lucita notes that the Argentinean situation has some unusual features: given the employers' abandonment of factories and the State's failure to assume responsibility for them, there

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<sup>130</sup> Mondragon is a utopian example taken as a model by the MNER, and workers at recovered factories often refer hopefully to it. Almost 50 years old, Mondragon is now the largest business group in the Basque region and the seventh largest in all of Spain. It includes more than 150 cooperative enterprises and 60,000 workers, and has over 8 billion euros in working capital. Mondragon may be the most successful example of cooperative enterprise within a capitalist economy.

are enterprises now functioning under a system of workers' control where there is no capitalist for workers to assert control over.

In the face of State procrastination, ERTs' workers were forced to directly assume the responsibilities of creating jobs and carrying forward the process of maintaining in production old factories, with obsolete machinery and limited resources.<sup>131</sup> The ERT movement has made tremendous advances given its meagre resources; thus they continue to maintain a sympathetic hold on public opinion and the committed support of community, intellectuals, and progressive political forces. Nonetheless, the workers' movement of recuperated factories and enterprises remains peripheral. They continue to face enormous economic, legal, and organizational obstacles to getting the factories functioning and developing a sustainable economic system. It should be stressed that regardless of the extent to which some occupied factories try to stimulate anticapitalist practices, they co-exist with competing (and far more numerous) forms that are functional to capital. That is, no matter how phenomenologically similar both trends might look inside the movement, occupied factories are sometimes neutralized and others even serve the interests of capital.<sup>132</sup>

Even within the *bourgeois* legal order, the conflicts demonstrated an important capacity to force some favorable decisions, such as considering the occupation process as a labor conflict instead of a violation of private property. Furthermore, their symbolic importance must not be underestimated as this movement brings the re-positioning of

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<sup>131</sup>Without State support, it is unrealistic to expect that the workers alone can recuperate and maintain the quantity of jobs that could contribute to the economy in a relevant manner. The economic policies to make the recuperations sustainable are mostly absent even though the re-incorporation of such factories into the national productive apparatus would benefit existing ERT workers as well as thousands of potential workers.

<sup>132</sup>In this case, the genesis of the movement is relevant to explain this aspect of its current structure. As already noted, capitalists left the great majority of these factories on their own accord because they were facing (or faking) bankruptcy. *Convertibilidad* meant lower rates of profit and strong international competition, especially in the majority of the sectors where seizures took place. Factories with old fixed capital faced the alternative of re-investing (taking advantage of cheap prices for import of machines), or moving nonfixed capital to the financial sector. It becomes clear that expropriation of a seized factory could be of great benefit to capitalists if useless fixed capital is (over)valued by the State and paid to former owners. It becomes a unique way of regaining capital liquidity while leaving low-producing fixed capital to workers. Alternatively, as in 26% of the recovered firms, the owners came to an agreement for renting machinery and the building (Grigera, 222). The extent of this process will depend on both the extent of and the amounts paid in expropriations and the way former debts are handled. Time is again an important factor in this struggle: the deferment of final expropriation undoubtedly serves capital's interest.

working class in the middle of the political scene. The movement situates the social and political struggle for work at the hub of society's contradictions—the struggle that exists between labor and capital. At the same time, it contributes to the constitution of a new identity and a consciousness of new models and opportunities.

### 1.3 ERTs and their Relationship with Labor Unions

The recuperated factories movement has been acutely aware of its disenfranchisement from trade unions. Generally, labor unions have not spoken with a single voice on the issue of occupied enterprises (Ranis, 110–111; Zibechi, 56).<sup>133</sup> They mainly positioned themselves outside the conflicts, insisting on the need to pursue traditional institutional channels for the resolution of the clashes between workers and the former owners, and often used their power and influence to dissuade affiliates from occupying their workplaces.<sup>134</sup> Faced with the possibility of taking a leadership role within a new chapter of the workers' movement, Argentina's traditional unions have, on the whole, "squandered the chance to make a real difference in the lives of thousands of Argentine workers." (Personal interview with Eduardo Murúa, one of the movement's leaders) Assistance was induced in no small part by the previous experience of individual local union leaders rather than by the institutional mandate of the national labor union of that sector (Fajin, 34).<sup>135</sup> Illustrative is Zanon's case, where the intervention of the union, controlled by a new and "revolutionary" executive, was decisive in achieving the workers' recuperation and the ensuing control.<sup>136</sup> Yet, the majority of unions' indifferent

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<sup>133</sup> While some leaders have actively participated on behalf of the workers, and others have remained silent, the majority have intervened to support private employers. The unions went so far as to withdraw their lawyers' services when workers occupied the factories (Zibechi, 85; Rebon, 17).

<sup>134</sup> However, in a few sporadic situations, some unions encouraged the occupation of the enterprises when their members faced the possibility of closure. The UOLM (Metallurgic Union) of Quilmes supported the struggle of IMPA's workers, while the Graphic Union of Buenos Aires, after an initial rebuke, supported and reincorporated Chilavert's workers, extending them the benefits that came with union membership.

<sup>135</sup> One reason for the inertia of unions regarding ERTs is linked to the fact that national unions and their umbrella organizations such as the CGT (the General Confederation of Labor) and even the more radical CTA (the Argentine Workers Central) consider self-managed enterprises as "companies run by self-employed entrepreneurs." (Personal interview, September 2006)

<sup>136</sup> At the time of the closure of the factory, the union and its leader Jorge Montes were loyal to the owner, Luigi Zanon. The union was "taken over" by a more radical group, led by Raúl Godoy, general secretary of the Ceramic Union of Neuquén Province. This union led the struggle for the workplace and is still leading it.

responses to the abandonment of the factories by its owners expressed the unions general ambivalence *vis á vis* the recuperation process. Specifically, they were uncertain about their role as a labor organization in light of the abyss between owner and worker (Palomino, 85; Pozzi, 67).<sup>137</sup>

While the experience of struggle in the recuperated enterprises stimulated a process of questioning regarding their collective behavior, unions continued to be seen exclusively as providers of social services by most workers, rather than the source of organizational and political support. Even those unions more inclined to redefine their strategies, roles, and relationship with workers' new conditions and roles faced challenges in this critical juncture. Various organizations that emerged from within the movement of occupied enterprises openly refused any links with unions and their strategies.<sup>138</sup> The ERTs' refusal to be represented by unions is a clear indication of the incapacity of labor unions to effectively represent the demands arising from their (ex) members. Such position originates mainly from the unions' failure to organize workers outside of the corporatist relations with the State facilitated by Perón.

Defective machinery and market conditions, combined with a lack of support from State and unions, have forced a new consciousness of determined self-reliance that characterizes the ERT movement. The ERTs insist on this autonomy in relation to the old politics of the parties—even the ones on the left—and in relation to unions. Instead, ERTs are creating a movement of worker self-determination and self-management. As noted by James Petras and Henry Veltmeyer (p.6), self-management provides workers with the power to decide the mode of production and to combine production with social distribution of profit. This contributes to a sense of solidarity at the factory level, which branches out to members' private and social lives.

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<sup>137</sup> In light of this traditional union abandonment and apathy, there is now a proposal to start a union specifically for recovered enterprises, microenterprises, and cooperatives, called the *Asociación Nacional de Trabajadores Autogestionados*, or ANTA (The National Associations of Self-Managed Workers) (*Página/12*, 20 December 2005).

<sup>138</sup> It will be interesting to see how the recently founded ANTA will work or compete with organizations such as the MNER and the MNFRT.

## 2. Solidarity and Diversity in the Movement: MNER, MNFRT.

In tandem with their self-determination, a common necessity unites the ERTs. The workers' shared objective is to keep the factory or firm running and productive. This goal is central to the movement's existence, and thus the legal forms adopted by the workers, once the workplace has been restored to production, are usually related to the opportunities, needs, or conditions emerging from the particular circumstances of the plant.<sup>139</sup> Another dominant influence on ERTs' consciousness is the recognition of diversity, both in its composition and orientations. This diversity is largely a result of changes in membership characteristics and social or political contexts. The dramatic economic and political crisis that created the conditions for the initial experience of workers in recuperated enterprises has undergone significant changes since December 2001.

Moreover, the ERT has incorporated within its ranks both workers in recently occupied enterprises who are exploring new forms of ownership, and those with a longer trajectory of practices but whose organizational experience had been marked by isolation from other groups. In addition, a number of new organizational initiatives have emerged as other groups, organized under various forms of work collectives, have come together to bring abandoned work sites back to life. Links with other social movements have also been established. The most recent (November 2006) is ERTs' cooperation with environmental groups opposing the construction of a transnational paper mill on the shore of the Paraná, between Argentina and Uruguay (*El Clarín*, 21 November 2006). Some political parties on the left, such as *Polo Obrero* and the Workers' Socialist Party (PTS), have joined; some members of Buenos Aires' administration (Beatriz Baltroch, Gregorio Badeni, among others) have added their names to the membership roster; and some elements in the labor unions have also recently made explicit their support of the recuperated factories' workers (*Página/12*, November 25, 2005). This new context has

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<sup>139</sup> In addition to these particularities, workers within the ERT movement see themselves as different from mainstream workers as a result of their added responsibility to manage and maintain their factory productivity, and the unique obstacles they face in this endeavor.

facilitated the organizations' expansion from a confluence of workers in various recuperated enterprises into a recognized national movement, the ERT.<sup>140</sup>

The combination of these forces has contributed to a movement that must continually negotiate conflicts, accept changes, and allow for fluidity within its framework.<sup>141</sup> The majority of the factories and services recuperated, with or without legal recognition, are organized under two main umbrella organizations, though their decisions are not entirely controlled by these entities. After 2002, the National Movement of Recuperated Enterprises, *Movimiento Nacional de Empresas Recuperadas* (MNER), became the indisputable leader of occupied factories. In 2003 a division arose, splitting in the Movement of the Workers-Recovered Factories (*Movimiento Nacional de Fábricas Recuperadas por sus Trabajadores*, or MNFRT). Notwithstanding their different ideological frameworks, the two organizations essentially provide support to the recuperated factories' workers they each represent.<sup>142</sup> Placido Carrera, the elected president of the cooperative that runs Chilavert, described the process:

First we took the factory. It was a necessity. Then, we thought about how we were going to manage it. Workers from other recuperated factories came in solidarity and showed us how to organize under a cooperative model, how to make decisions together.... (Personal interview, October 2006)

The two organizations also share a critique of the neoliberal economy and the shirked responsibilities of both the Argentine government and national corporations. While the MNER makes the connection of the IFI's role in the Argentine economic crisis and the link between exploitation and poverty, the MNFRT takes a more non-political, task-oriented, case-by-case approach that applies various legal and self-help measures to assist the recuperation process.

The MNER is more political and ideological. It fiercely criticizes governmental and international economic positions and the relations of labor to capital in Argentina. It

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<sup>140</sup> Hence the slogan that has been taken up by the movement: "Occupy, resist, produce" that concisely captures the three distinctive stages most ERTs go through on their way toward workers self-management.

<sup>141</sup> The Kirchner administration has taken the self-managed enterprises under its "tutelage." It strongly opposes more radical positions of recuperated factories (such as Zanon demands workers' control rather than cooperativism) and enforces a "case-by-case" solution, rather than a political, inclusive approach.

<sup>142</sup> Fundamentally, they offer essential legal and management advice on running a cooperative, with which many factory workers, before the recuperation, had no experience.



sees local struggles as a direct result of national and international policies and advocates Argentina's withdrawal from negotiations involving the free trade of the Americas accord (FTAA). Furthermore, the MNER views the cooperatives' role as part of a working class opposition to the Argentine government and its lack of a fully-fledged employment policy (Ranis, 107; Rebon, 143–145). It sustains with great vigor the use of laws of expropriation to legitimize the cooperatives and supports ERTs that engage proactively with the communities and neighborhoods that surround them.<sup>143</sup>

A survey by the University of Buenos Aires found that 68 percent of workers cited the MNER as the source of support for their struggle, also emphasizing their limited interaction with other movements (65). According to the MNER, these factories were recuperated in the attempt to live and work with dignity, transforming the failing factories into an alternative strategy to traditional modes of capital:

These organizations are recuperating a culture of living and working with dignity by creating a viable alternative to a culture of management oriented to arbitrarily arrange the means of capital without measuring the social consequences of its decisions. (MNER Web site)

Many workers belonging to the MNER declare that their goals can be most efficiently achieved by functioning under a cooperative model and they must have equal access to the benefits and decisions that affect the place in which they work. Under this model, the workplace is to remain democratically controlled and horizontally managed by its workers. Decisions are taken by vote on issues that affect the success and continuance of the factory; as the MNER's documents describe, this assembly process is crucial to the factories' organization:

All decisions in the recuperated factories are made through the assembly, in a participative, democratic manner, and based on popular consensus. The assembly holds a role of vital importance in the effort to regulate the factory's functions, to search for unity, and to express and resolve internal conflicts. (MNER Web site)

Thus, the MNER workers orient their actions toward the construction of holistic, collective subjects that reject competition and market structure. In numerous interviews, MNER members express the following sentiments of egalitarianism:

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<sup>143</sup> Many factories associated with the MNER have opened their doors to the community by hosting and actively managing libraries, health clinics, cultural centers, and classes for adults.

If you want to protect your job you have to protect the job of the other. If you want to ensure you have a meal, you have to ensure the other has a meal. (Personal interviews, October, November 2006)

Conversely, the MNFRT discourages organizational involvement in activities unrelated to production. It is more concerned with opening up opportunities for work rather than critiquing the dominant ideological model or international power networks. MNFRT workers' position is not one of direct confrontation with capitalism as an economic system, but rather to use the mechanisms provided by that system to etch out islands of self-management. Luis Caro, President of the *Fábricas Recuperadas*, argued for this more pragmatic approach: "We are not political and we do not take political positions *vis á vis* political parties and the government...the key is commitment to the workers to work....Our struggle is recuperating factories and providing employment" (cited in Ranis, 108).

This organization moves along more legalistic paths and identifies itself with more conservative interpretations of the cooperative model. Although they are self-managing their factories, these workers progressively tend to fall back on pre-recuperation practices such as the differentiation of salaries according to abilities and/or seniority, and hiring procedures that favor political links. Such mechanisms tend to reproduce the old hierarchies. Furthermore, some of these workers tend to delegate their newly acquired decision-making rights to makeshift leaders, with the explanation that they, themselves, are better at working than making decisions:

We have spent so many months in assemblies and in lengthy discussions. Now we are tired of all this politics. We need to work and we don't want to discuss anymore. We need to pay our debts. There are representatives that know more and they can take decisions for us. (Personal interviews, October 2006)

Generally, the two organizations do not work together; they are often in conflict over ideological issues, and do not equally identify with some of the original values. For instance, the innovative slogan *Ocupar, Resistir, Producir* (Occupy, Resist, Produce) that symbolized the struggle of the original ERT movement, has recently been condemned as "destructive" by the MNFRT (MNFRT Web site, 2006). This partition has weakened the ERT position *vis á vis* the State and its ability to enforce possible favorable solutions to

the whole movement.<sup>144</sup> Furthermore, it has hampered the initial Marxist sense of working class solidarity among the recuperated factories' workers and the original impetus of transformation. Many workers have acknowledged that: "The solidarity of the first years has disappeared. Now we mobilize for issues concerning our organization. Other workers are on their own." (Personal interviews, October-November 2006)

The different approaches employed by the two organizations also have produced a heterogeneous consciousness and occasional contestation. While some workers feel part of a force bringing changes to capitalist values, others, in various forms and degrees, identify more with a mainstream workforce. Some workers complain that their co-workers behave as if they were still in the old labor relations. They accuse the less-participating workers of refusing political and decisional involvement in the various processes:

Some workers behave like we were still working under the old system, with an owner to take all the responsibilities and decisions. After work they want to go home and are not interested in discussing and making decisions. At the end of the week they expect their wages and do not care to solve the problems we are all facing. (Personal interviews, October, November 2006)

These contradictions are emblematic of the shape in which the Argentine working class rests: Divided and deprived of a strong leadership and homogenous objectives.

## 2.1 The "Third" Way

The experiences of a particular group of enterprises that include Zanon (a large ceramic tile factory in Neuquén Province); Brukman (a textile factory in Buenos Aires employing a large number of women); Hotel Bauen, (a prestigious hotel in the center of Buenos Aires) and a few others, demonstrate an alternative consciousness to the MNER

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<sup>144</sup> In October 2006, in an effort to pressure the approval of a more favorable Bankruptcy Law, the MNFRT organized a 2-day event in Buenos Aires in front of the Legislature. Leaders of sympathetic parties were invited, along with scholars and the media. The main absentees were the workers affiliated with the MNER, whom could themselves benefit from the law. Their presence would have demonstrated solidarity for the action and unity in front of the government. Equally, the MNFRT is presently (early 2007) organizing a health insurance policy to its affiliate members. To collect the highest possible number of participants, they are discussing whether to include also neighbors and interested friends, while MNER workers are not invited to participate in the health scheme (Personal observation at a meeting between the *Hospital Israelita* [a recuperated hospital], and the MNFRT, November 2006).

and MNFRT.<sup>145</sup> The workers of this group—which I will subsequently call “the third way”—do not see the occupation of isolated factories as the ultimate solution, given the continued economic crisis and high levels of unemployment. They support a generalized offensive by workers to occupy their factories and demand public ownership under workers’ control. They encourage new forms of relationships with labor, democracy in decision-making, horizontalism, and participation, offering a model of politically and socially engaged workers. Their experiences have become a point of reference for other workers facing plant closures.<sup>146</sup>

While constituted in cooperatives to survive legally, these third-way workers identify themselves with workers’ control, rather than cooperativism. In some cases, the workers are refusing to take over the bosses’ debts and are demanding the expropriation by the State of the factories without compensation to their owners, and their nationalization, while maintaining workers’ control over production. For them, the first step toward any social transformation resides in establishing an assembly based on democratically elected factory representatives and union leaders who respond to the factory assemblies. They argue that the ouster of bureaucratic union elites is the first step in the successful confrontation with the factory owners and the State. Alejandro Martinelli, a Zanon worker declared:

We are aware of our role and we know we are making history. This is what we are today: We reflect the experience acquired in previous struggles as well as the political will on the part of the workers to put a new stamp on the union struggle. (Personal interview, August 2006)

Their main goal is to achieve, through the recuperations, conditions for radical change and, finally, socialism. The “third way” sees factory occupations as the first step toward a national transformation, thus they support the demands of the unemployed movement (MTD) for “genuine employment” at livable salaries, and in socially necessary

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<sup>145</sup> *Supermercado Tigre* and *Renacer* (a utility machinery company located in Ushuaia, Tierra del Fuego) are other factories where workers have control. Nevertheless, to overcome legal problems, in 2005 Zanon constituted itself as a cooperative, FaSinPat (factory without bosses).

<sup>146</sup> The workers of Zanon and the Hotel Bauen make it a priority to express their solidarity with the recuperated factories’ movement. Groups of them periodically travel the country to take to different factories, with different experiences, their story and the lesson that their experience can teach. They take to other workers their solidarity and the knowledge they have acquired during the long months of struggle. Without imposing a “proper” way, these workers engage the newly recuperated factories’ workers in discussions about their priorities and their perspectives (Personal observations).

occupations such as building schools, hospitals, low-cost housing, articles of popular consumption, and so on. Another tenet of the “third way” is the new notion of proprietorship, expressed in the slogan: *No preguntes, tomalo!* (Don’t ask, take it!) (Colectivo Lavaca, 133). It is not private property versus expropriation to transform it in State ownership. The concept of “proprietorship” is challenged in favor of the social function of the productive resources. The concept of owner is substituted by the productive use for the community. As well, they propose a change in the concept of expropriation: Not a “take” to become the new owners, but to move toward production and self-sustain (Fernández, 205).

Zanon workers, in particular, stand separate in the Argentine ERTs movement. Although they identify with workers’ struggles and support others’ initiatives, their ideological differences are closely linked to past militancy in the progressive union of the ceramists—brutally repressed under each political regime, including Peronism (Pozzi, 45; Schneider, 238). They propose a national class struggle and the defeat of neoliberal forces as the central elements of change in Argentina. These workers refuse institutionalized systems of labor relations but, contrary to many ERT *empresas*, they envision a revolutionary process focused around democratic unions, the recovery of Marxist class values and consciousness, alliances with marginalized and impoverished sectors of society, and the resurgence of militancy.<sup>147</sup> Despite their more radical stance, these third-way groups also share the MNER’s slogan *Ocupar, Resistir, Producir* as a fundamental cohesive stage.

### 3. Common Concerns<sup>148</sup>

Notwithstanding important differences among the factories that encompass the ERTs—including the diverse political perspectives of their more active members—a key principle defines the common ground among them. As Eduardo Murúa declared (one of the movement’s leaders), its purpose is “to take over and run production in every single

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<sup>147</sup> Characteristic of Zanon’s approach is the alliance established with the Mapuche natives that supply clay for the factory’s production. Zanon also has close links with the community of Neuquén, where the factory is located. These alliances have been key to the factory’s survival in many critical moments.

<sup>148</sup> Although they share common strategies, not all the recuperated factories have similarly approached community relations, workplace reorganization, and work inequalities.

closed company.” The primacy of these tasks determines a number of important points of confluence that add to the ERTs’ shared consciousness and more important, help expand this consciousness to others.

First, developing ties with other social movements and the community has been a priority to enlarge the network of support within and contribute to the movement. That involved making connections with neighbors in the surrounding area and creating new spaces to link the workplace to the community. Several factories have opened their spaces to cultural centers, neighborhood libraries, and *escuelas populares*, where adults can complete high school requirements. The impact of reclaimed factories transcends their actual footprint on the land. Through such forms of close collaboration with the community, workers have been able to extend their networks well beyond the factory doors.

This demonstrates one of the worker movement’s novel characteristics: An incipient but growing territorial rootedness. New links are being forged on a local basis between worker-run enterprises and neighborhood assemblies. For example, two recovered businesses—*Chilavert* and *El Aguante* (a printing enterprise and a bakery)—have survived thanks to the leading role played by neighborhood assemblies in taking over the facilities and defending them from police attacks. This points to the community’s growing interest in committing to the success of their local companies and to workers’ willingness to go beyond the factory gates and feel part of a broader social movement.<sup>149</sup> One of the breakthroughs of the ERTs—sharing many values and practices with the cooperative movement, social economies, and intentional communities—is that it begins to open up the social division of labor enclosed within capitalistic logic of production to other values and practices that lie outside the profit motive. These tend to be rooted in communally minded, nonhierarchical, and non-exploitative modes of social production (Freenberg, 51).

The strengthening of these relations has been fundamental for the development of

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<sup>149</sup> In other cases, this is manifested by a factory’s commitment to hire unemployed neighborhood residents to fill job openings.

the movement from its earliest beginnings.<sup>150</sup> The experience of Brukman is exemplary in this respect. Workers in this clothing factory in Buenos Aires have resisted several eviction attempts, and many of them are still facing legal charges. In this case, as in others with a similar levels of conflict, the assistance received from other social movements—neighborhood assemblies, organizations of the unemployed, workers in other occupied enterprises, human rights organizations, some political parties, and their own families—has become an important pillar in supporting workers’ demands to gain the right to continue production.

By maintaining and fostering community activism, rebuilding social ties, and moving toward “territorialization” of the struggle, the ERT movement seeks to address another common concern: The relationship of employee-managed operations to the local market. The ERT movement is developing new trade channels to circumvent large market systems that exceed the control of grassroots collectives and discourage “face-to-face” relationships (Zibechi, 2004). The movement seeks to insert itself in these localized spaces and eventually expand them with a structure of distribution that is more reciprocal. For example, factories exchange products, produce specifically for other recuperated factories, donate or sell at cost to impoverished communities in a so-called “economy of solidarity.”<sup>151</sup> Workers make such decisions, aware of their reciprocal function and symbolic role in the productive system.

Modification of the physical workspace also reflects a willingness to challenge its traditional organization, and to foster less authoritarian forms of organizing production.<sup>152</sup> To the decentralization of decision-making and the development of the internal mobility of jobs, a third element is added: The workplace reorganization in terms of physical and social space. With this objective in mind, entire sections and activities have been

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<sup>150</sup> The support that these “neighbors” extended to the workers in the ERTs has not only been symbolic, but also very concrete—from food collections and support in mass demonstrations, to active efforts to prevent police evictions.

<sup>151</sup> Brukman’s workers produce work clothes at little more than cost for other self-managed factories, while Gatic (a sport shoe factory) donates part of its production to children in the *villas miserias* around Buenos Aires. Supermercado Tigre and Zanon also follow the same path, while Hotel Bauen offers rooms at no cost for workers of other provinces coming to Buenos Aires for meetings with government representatives.

<sup>152</sup> This extends to a redefinition of the private and social spaces in the factory. In some cases, changes have been introduced to respond to the needs emerging from a particular situation, to establish places to sleep, eat, and socialize. Initially, they also included spaces for maintaining surveillance against sudden attacks by police.

reorganized, to permit frequent contacts between workers and task-sharing.<sup>153</sup> The restructuring permitted and favored both the decentralization of decision-making as well as the possibility of rotating positions in production. Workers reported that their previous restricted spatial knowledge of the enterprise was limited to where they had worked. Now they were able to move freely throughout the entire plant or floor in which they worked.<sup>154</sup> Alice Nikken, a floor maid at the Hotel Bauen recalls:

I only knew the women on my shift and on my floor. Before, we did not have much time to talk and certainly we did not know anything about other people's worries and problems. We were not allowed to go to other levels other than the one we were assigned for the shift. I had never seen the swimming pool, or the kitchen. Now we move freely in the floors and talk freely with everyone. We try to understand how the whole process of managing a hotel functions and are encouraged to learn more tasks than the ones we knew before. (Personal interview, November 2006)

The organizational changes implemented by the ERTs have long-term and far-reaching implications for the way workers see themselves and confront all aspects of life.<sup>155</sup> Workers are proud of these changes and recount with obvious relief the injustices that they experienced on a daily basis. Raul Martelli, an IMPA worker, described the uniforms and surveillance tactics:

They were of different colors in accordance with the task performed by the worker, and thus managers could pinpoint immediately anybody who was out of their particular work area. The colored lines on the floor were marking out the various possible directions to be taken. There were also supervision windows at various vantage points. It is apparent that there was an intention to control the human element at the factory. In the recuperated factories, we rebelled and removed these measures, but many others, in traditional work relations, accepted them as a continuation of experiences typical in their lives, which had taught them that domination and authority emanate naturally from others. (Personal interview, November 2006)

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<sup>153</sup> By strategically locating machinery, various workers could use it, sharing tasks and teaching new assignments to other workers. This involved physical changes that resulted in the possibility of workers frequently consulting with each other.

<sup>154</sup> Offices and other spaces previously reserved for management were slowly demystified by workers and occupied for various purposes. This implied a reappropriation of "forbidden" spaces, and a redefinition of the concept of social mobility within the enterprises.

<sup>155</sup> For instance, a simple gesture as the right to drink *mate*, Argentina's typical beverage, can mean a great improvement in a worker's sense of control and dignity. Self-managed workers report their previous lack of camaraderie when forced into their limited physical spaces, without the opportunity to talk with co-workers or listen to music. One of the first changes in almost all recuperated enterprises has been the introduction of music in the working areas, accompanied by unregulated access to *mate*.



Altogether, the ERTs' "territorialization" and workspace strategies have not only forged stronger ties with communities, they have also strengthened solidarity among workers, and restored workers' dignity. These changes are emblematic of a more holistic approach that views the workplace no longer as a private structure, but rather as a "public" space. By extension, work can be perceived as a public good rather than a private enterprise. The opening of what were previously considered private areas indicates a transformation in the recuperated factories' philosophy: The workplace as integrated in the community, where activities and leisure are combined with work.

#### **4. The Reorganization of Work**

The organization of work processes within ERT enterprises has also undergone some important modifications that point to a new workers' consciousness. One of the most significant changes is in relation to the decentralization of the decision-making process. Decision-making has been transferred from the hands of capital to workers: In the recuperated factories, decisions are generally made through assemblies.<sup>156</sup> Apart from the common assembly system, other structures have been created to balance the ERTs' decision-making process. For example, most workers have organized themselves around committees that meet regularly to address issues related to a range of areas in the enterprise and, after discussing the various positions, come to a decision.<sup>157</sup> Workers are proud to run their workplace and feel they are protagonists in the democratic exercise of the decision-making process. Gonzalo Gutiérrez, a Gatic's worker, reported a typical scenario:

We meet regularly with our delegates, elected in each department, and whose mandate can be revoked. Once we have discussed an issue, they report to the assembly the department's proposal and together with other departments, we decide the best action

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<sup>156</sup> They take different forms of direct participation; however, this direct democracy process, in opposition to the bureaucratic and centralized decision-making of capitalism, is not the only mechanism available to reach decisions.

<sup>157</sup> Workers meet generally between shifts, to allow for the greatest participation, to discuss particularly important issues and to vote on major decisions. Otherwise, the daily managing of the enterprise is delegated to representatives that meet more regularly and that bring in opinions from "below." Decisions are never imposed by the delegates, but rather discussed at various levels, to reach a general consensus. Even if it takes longer to reach consensus, according to some workers interviewed, "the process is worth the time."

to follow. This process gives us great power and a sense of belonging: We are deciding together our destiny. (Personal interview, September 2006)

In the recuperated enterprises, a process of democratization is constituted, which offers a more “collective” direction. Its objective is to avoid the delegation of power in a hierarchical structure that tends to seize power for the personal advantage of the leadership. The resources utilized to make decisions come partially from the workers’ history of political struggle and partially from their experience in production. The historical construction of workers’ class relations and social alliances is also expressed in the production of an intellectual accumulation capable of devising strategies for the direction of the enterprises. These workers are continually learning and reformulating new planning systems that reflect their current needs and values, which includes involving the entire workplace in decision-making processes. These workers defeat one of the paradigms of capitalism: The control of capital over labor and its consequent alienation. As Marx explains in *Capital*: “The main interest for the capitalist is the constant direct control of capital over labor to secure the maximum expenditure of surplus labor with a given level of technique.”(35) It is like a workhouse in which the workers lose their freedom to determine their work rhythm, in which work becomes unfree. Alienation of labor is no longer only alienation of the products of labor, but alienation of the forms and contents of the work itself.

Another important element in the development of a diverse modality of work and a new worker identity involves multiple-positions performance.<sup>158</sup> For a substantial number of those involved in the recuperated factories, this procedure required learning new tasks and, for the majority, it translated into a rotation system. Consequently, the original “fixed” positions have been progressively disappearing, leaving in their place a shared-responsibilities system that requires the acquisition of new knowledge and skills (Fernández Alvarez, 5; Rebon, 18). At Zanon, this initiative has been pushed even further, as workers have extended their rotation to areas such as sales and administration. This allows each individual to learn different tasks and minimizes distinctions between

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<sup>158</sup> Although workers have generally kept their former positions, they have also taken on different roles and consequently new and more flexible profiles. For example, at Brukman, workers who previously steam-ironed one portion of the garment now take part in other final aspects of suit-making, thus sharing responsibilities and learning new skills.

manual and intellectual work (Fajin, 25).<sup>159</sup> Different from the processes of multitasking imposed by capital—generally articulated to increase the production of relative surplus-value and used as the main weapon for producing and reproducing the industrial “reserve army of labor” (Marx, 781)—for the ERTs, polyvalence represents foremost an increased level of autonomy and empowerment through increased knowledge and diversification in the different phases of the production process, incorporated in workers’ understanding of their functions. Flexibility and adaptation are obviously necessary conditions for the ERT movement and workers to become aware of the importance of rotating production roles in a changing economy.

Likewise, the workplace restructuring function to optimize the available resources, and the elimination of workplace hierarchies based on salary differences, contribute to a new egalitarian constitution of the workplace that is easily quantifiable. Hierarchical salary structures have been purposely dismantled in the recuperated factories as emblematic of workers’ rejection of the old occupational categories and inequalities (Fernández Alvarez, 7; Ruggeri, 39) The understanding of wages has changed, as well, from exchange-for-work and sold-for-capital to redistribution—in equal parts—of profits. In most recuperated factories, the distribution of profits has been equal for all workers, independent of the position they hold. Thus, another important outcome of the experience has been the leveling of income for workers. In part, as a result of the successful adoption of cooperative distribution practices, this method of distribution has been chosen to reflect the new horizontalism in the workplace.

These practices have impacted upon workers’ consciousness: It is the demonstration that another system other than capitalism’s division of labor and profits is possible. At the same time, being fairly remunerated for the work performed re-establishes links between knowledge, reaffirms the dignity of work, and creates a new identity. Pablo Suarez, interviewed at Ghelco, an ice cream factory in Buenos Aires, confirmed that:

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<sup>159</sup> Zanon’s workers are more aware of the risk of the compartmentalization of work whereas, in other enterprises, even if some are conscious of such implications, either the number of workers or their limited experiences makes the process difficult to implement.

It was very important for the workers to share the same salaries. It gives us the idea that we are, in the same way, participating in running the enterprise. It encouraged the less dynamic ones to participate more actively in the tasks. Also, it was a great satisfaction to decide the value of our work. Most of all, it gave a new dignity to our jobs, while creating a sense of shared identity. We are all the same; we share decisions, responsibilities and salaries. (Personal interview, October 2006)

In a system that questions the authoritarian character of the previous model, area coordinators have substituted supervisors and controllers. This meant a complete change, favoring relationships and dialogue among workers, and the opportunity to work with more freedom. Within the factories, the previous antagonistic relationships, typical of the former process of production, have been replaced by new power relationships. These maintain a complex character that crosses through various levels including the distribution of responsibilities, the exercise of control, and the accomplishment of tasks.

Re-articulation among polyvalence, decentralization of decision-making, and disappearance of hierarchical positions manifest a feeling of increased freedom and dignity in the workplace, accompanied by augmented access to knowledge. The fact that the enterprise belongs to the workers has managed to disconnect the former relationship of wages and the owner's desire for control over his private property. Profits are distributed equitably among workers and work is no longer seen as forced labor. Mostly, these re-articulations have facilitated, to many involved workers, an identity-transforming process. This reconfiguration of the understanding of such reality is not necessarily accompanied by revolutionary will or an immediate consciousness. Rather, it is a process that impacts the articulate composition of these relationships. This makeover has impacted workers at different levels, in both personal and public areas. Female workers—who are carrying the heaviest load in their historically and culturally positioned subaltern role—seem the most affected.<sup>160</sup>

## 5. Family and Gender Issues

Although the experiences of women who work in these factories—along with male workers—are formed from different backgrounds, origins, and status, there is a remarkable

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<sup>160</sup> Research on gender transformation in the recuperated factories is almost nonexistent. Presently, the *Facultad Abierta* of the Buenos Aires University is co-participating with women of the ERT movement in a study on the implication of women's involvement in the ERTs.

similarity in workers' adherence to the ideal that the woman's place is still in the home and that her natural "vocation" is motherhood.<sup>161</sup> Yet the reality is that women are working outside the family, today more than ever, and given the general processes of industrialization, women of the urban working class are mostly employed in factories. The experience of women factory-workers poses, in the clearest fashion, the contradiction between gender prescriptions and workers' actual experiences in a world of need and poverty; Argentina sees 47 percent of its population living well under the poverty line<sup>162</sup>. Women who went to work in the factories not only violated the socially accepted definitions of male and female roles, but their work outside the home—and in the factory itself—was and is still seen as a potential threat to honor and to women's understanding of the world.

Particularly in the recuperated enterprises with a prevalence of female workers, women have had to confront a series of new situations that involuntarily put them in the public eye. Survival strategies formed in the face of the immediate need to confront new conditions, unimaginable only few days prior to the take over. The strategies they deployed to meet these new circumstances were, in many respects, similar to the practices women have traditionally implemented in their homes and in their neighborhoods.<sup>163</sup> They created strategic alliances with social movements and with the *piquetero* movement, linking labor issues to unemployment and political struggle in general. The Brukman experience has become symbolic for many women; in the ERT movement, it served as an inspiring example of workers' efforts and their success. In similar ways, women assumed the protagonists' role in the recuperation of many factories. Their intervention at *Global*, a balloon-producing factory, during the occupation and recuperation in 2004, involved a strategy of transforming the factory into a public space and breaking the popular connection between political struggle and violence. In this case, the workers, mostly women, adopted a new political strategy of alliances and worked to demonstrate that conflict could be non-violent (Calloway, 178).

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<sup>161</sup>In this familial construct, the family is the woman's "natural" sphere, the man is considered the breadwinner, and women's work outside the home is an anomaly to be discouraged.

<sup>162</sup> *Indicadores Sociales* 1994-2006. Second semester, 2006 (ECLAC, 2007).

<sup>163</sup> For instance, during the initial occupation of the Brukman factory, women workers relied on their recent history of land and house occupation to organize themselves in security shifts and always keep places guarded and occupied.

This new prominent positioning of women in a labor struggle not only forced and increased female participation, it also encouraged women to make decisions and implement them. Women have overcome their “natural” role and the perceived separation from public life. During the recuperation process, some of them have acquired something similar to class and gender consciousness. In their struggle to defend their rights as workers, they have also discovered their gender rights: The right to work with dignity, the right to equal pay, the right to organize, the right to demand structures that satisfy their needs as workers and as mothers, and the right to shared parental responsibilities.<sup>164</sup> At a personal level, this process altered many women’s sense of self and traditional roles. The subjective alterations operated in the public sphere, in the workplace, and in their private lives (Fernández, 2005). Foremost, the experience of recuperations has united female workers in a new consciousness of empowerment. Norma Pintos, a worker in *Grissinopoli*, a breadstick plant in Greater Buenos Aires, expressed more than the desire to keep “a job” and the knowledge derived from it. She emphasized the sense of empowerment she had acquired:

The decision to occupy the factory was a difficult one, but we needed to save our jobs and the machinery. For many of us, the plant and its machinery, both symbolically and materially, represented our very identity as workers. The struggle and the solidarity that followed showed us inside the factory that the struggle of the working class is the struggle of the poor, of the marginalized. Resisting the police’s physical assaults, as well as the owners’ legal threats, was a way to recompose our identities as workers, and recognize our ability to organize. Many of us thought that if we could run Grissinopoli, we could run the country.... (Personal interview, November 2006)

Despite many constraints, women in the recuperated factories are challenging tradition and their traditional position in society. By taking control of their environment and staking their claims for social justice, women are empowering themselves, transforming traditional relationships and their personal lives. By transforming social relations, Argentinian women of the recuperated factories are challenging the free market system in their own country as well as capitalism’s paradigms. The women of the recuperated factories say, “The world does not begin and end in your own home. We

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<sup>164</sup>In this respect, in some recuperated factories, such as *Gatic* and *Global*, women have organized nurseries and are quite accommodating with respect to nursing responsibilities.

have to change things. Everyone can contribute to the transformation of a culture.” (cited in Magnani, 97).

As a result of this newfound power, groups of women of the ERT movement have begun to challenge their subaltern role in their private lives. Several interviewed workers admit some difficulties in their personal relationships since the recuperations, because their male partners are not prepared to share egalitarian roles. Some female workers related their personal experiences, expressing a new “protagonism,” confronted by a resentful stance in the domestic sphere:

Because of the transformative processes I was living in the workplace, I wanted to discuss my role at home. I was taking care of the children and doing most of the domestic chores. My husband had been supportive of the occupation and the work we were doing in the enterprise, but he was not prepared to be challenged in his role. Other women went through similar experiences. Some solved their differences, while others left the marriage. (Personal interviews, August–September 2006)

Such profound changes in workers’ roles are invariably accompanied by considerable stress; divorces, separations, and family conflicts are common among those involved in the ERTs. In her study of Brukman, Maria Ines Fernández Alvarez noted that

...the factory is no longer strictly a workspace, a space where production is carried out. It has become a space where people “live,” as well: Some workers spend most of the week at the factory in order to avoid transportation expenses; others live there because they have nowhere else to live, and still others [live there] because of family conflicts. (15)

The recuperation of the factories and the process of self-management were the principal engines that propelled empowering experiences for many workers. These experiences produced, among other results, transformations in gender relations that have far-reaching implications for the work and the personal and social lives of those participating in the ERT movement.

## **6. A New Worker Identity**

Some analysts (Almeyra, 2004; Saavedra, 2004; Zibechi, 2003) agree that the ERTs represent an emergent movement with some working-class characteristics, albeit different from those in the industrialization period and the pre-industrialized era. They argue that it is more heterogeneous than historical class affiliations, and displays larger

spaces for cultural and social diversity, as well as a role for women and young people. The ERTs also tend to be more autonomous. While the workers of the industrialization period were centered on the factory and dependent on wages paid by the owners, the ERT movement must create its own sources of income and strive on its relations with the community. This happens in a very distinct way—from a process of occupying and reopening factories, to devising new forms of self-management and self-production, to reaching out to the community for support, organizing marketing strategies, and making other business decisions. These processes require not one identity, but many. These multiple identities point to a consciousness that is more open to new ideas and multiple interpretations than was expected of traditional class consciousness.

There are at least two dimensions worth mentioning in regards to the symbolic relevance of the occupation process. One is the impact of the occupation regarding the recovering jobs that were bound to disappear and that can be considered as an action affecting society as a whole. In this sense, workers' struggles transcend their immediate individual interests, orienting their action toward the construction of new collective subjects (Palomino, 93–94). The other dimension involves the particular impact that being able to protect the source of employment has for workers individually. There is a strong sense, among workers, about the significance of actions that allowed them to both undertake the steps necessary to protect their jobs and to escape the fate of unemployment that appeared unavoidable. In both cases, the experience of occupied enterprises means an important cultural transformation that opens up the possibility of a new process of construction of individual and collective identities.

This notion of a multiplicity of identities is a singularly postmodern idea and may reflect more the sensibilities of scholars and researchers than the self-consciousness of the workers themselves. Individual members of the ERTs identify themselves simply as *obreros* (workers) who, because of historical circumstances, felt obliged to occupy their workplace. This necessity transformed them into *luchadores politicos* (political strugglers).

Political theorist Graeme Salaman points out that the development of solidarities could inhibit the emergence of class solidarity if they are defined by the occupational group and not in broader class terms (67). However, from the many interviews I



conducted, a sense of collective identity is evident. This is based largely on participation in the ERT movement, but its effects are not restricted to it.<sup>165</sup> Moreover, this class-based thinking extends to an appreciation of the structural position of other workers and a sensitivity to collective interests and common problems. María Elena Gutiérrez, a Hotel Bauen worker, explains:

I was Peronist, but it did not mean anything. I was not interested in politics, just work and then to go home to take care of my family. After the takeover, with other women in my department, I started to participate in discussions, to understand what happened to Argentina's economy and how workers could organize. Like many others, I did not have any previous union or political experience. Other workers encouraged us to actively participate, to talk in public and to help others to understand their realities. The *autogestión* has taught us to speak for our rights—in the workplace, in the political arena, and in our homes. (Personal interview, August 2006)

As time passes, the ERT is acquiring a growing consciousness of the political dimension of Argentina's struggle and its potential for social transformation. The ERT does not express homogeneity or linearity in its process of transformation, and it is quite clear that few of its members share a class-based consciousness in the strict Marxist sense.<sup>166</sup> Nonetheless, in terms of many "objective" conditions, it may be possible to analyze the social basis of the ERT in class terms; what I would loosely define as a "nucleus of political fighters" has evolved in a radically different direction. The recuperated factory movement—or at least its more radical sectors, the *nucleos combativos*—seems at this moment in Argentina to be among the most dynamic forces for social change, even given its very limited numbers and economic impact. Its actions, as Marx had argued in respect to Silesian weavers, bear the "superior quality" of consciousness—theoretical awareness of what it is—and the willingness and ability to act on it. The alliances, modalities, and more importantly, the outcomes, will be determined by the ERT *nucleos*' ability to maintain its democratic structure, its relationship with communities around it, and its ability to grow beyond its immediate objectives. Class

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<sup>165</sup> They are most apparent in the articulated distinction between "them," the previous factory owners, and the collective "us" of the workers.

<sup>166</sup> Class-consciousness through struggle is a key factor contributing to the revolutionary role of the proletariat. Fundamental characteristics of class-consciousness are the awareness of belonging to a certain class and to be dispossessed of the means of production. Although ERT workers do not necessarily theorize these Marxist concepts, they have interiorized the impact of capitalist forms of production and exploitation on their objective conditions.

struggle and social relations are not forged “in ether,” but are subject to material conditions. The ERTs’ collective will to break down structures of social exclusion and seize control of the means of production and subsistence has produced a new consciousness for the workers involved that hopefully could be extended to their families, their communities, and perhaps could contribute to a resurgence of the Argentine Left.

## CHAPTER 4: CONCLUSION

For Argentina's popular sectors, the economic impact of neoliberal policies and their repercussions translated into soaring levels of unemployment, deregulation, degrading working conditions, and the destruction of local industries. The consequences included reduced avenues of employment and increased social exclusion, a growing gap between rich and poor, the rise in abject misery of marginalized groups, and further exploitation of the working class. Nevertheless, Argentina's history of economic and political upheaval has created some opportunities for social experimentation. Innovative responses were fuelled by the most recent economic and political crisis of 2001. They culminated in new protest strategies including the establishment of neighborhood organizations, the *piquetero* movement, and industrial workers' takeover of bankrupt enterprises.

The occupation of factories and enterprises, often in response to owners' abandonment, started in the late 1990s, and exploded after the 2001 crisis, in a desperate attempt to guarantee the continuity of work and livelihood.<sup>167</sup> Men and women took over abandoned factories and explored alternative solutions by forming workers cooperatives and, in sporadic cases, establishing workers' control. These workers demonstrated that they could manage factories, something previous owners were unable to do under neoliberal economic policies. Moreover, they made a strong argument for keeping the critical productive sector of the domestic economy alive (Cafardo & Dominguez Font, 10–12).

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<sup>167</sup> Argentina most recent experiences with self-management began with the recuperation of the Yaguané meat packing plant and IMPA, an aluminium products manufacturer in 1997–1998. The massive erosion of jobs, the growing rate of misery, the currency crisis, and the unpayable debt culminated with the social upheaval of 2001 and set the stage for the recuperation movement. While 2002 saw a large wave of workplace recuperations, struggles for workplace recovery had begun in the late 1990s and were still occurring, albeit at a more measured rate, throughout 2005. See *Sin Patrón: Fábricas y empresas recuperadas por sus trabajadores. Una historia, una Guía*.

Sustained by past experiences including economic crises, practices of resistance, workplace occupations, and self-management, many ERT workers better understood the reasons behind their exploitation and began to realize their opportunity to control the conditions under which their work was performed. And so, despite the often-obsolete equipment, lack of management skills, and political support, many came to the realization that the only way to free themselves of exploitation and alienation, was to re-appropriate their means of production. Within the historical framework of Argentina's 2001 crisis, this chaos created a number of opportunities for raised consciousness and in some factories, the formation of militant workers' groups capable of organizing and coordinating workers' new struggle.

A parallel can be drawn between the ERT experience and Argentine workers in the public and private sectors.<sup>168</sup> Eduardo Lucita, an economist with EDI (Economists of the Left), argues that the new cycle of struggle within private and public sectors illustrates the roles of a new generation of leaders and workers whose practices and orientation replace assembly-based democracy, respect for collective decisions, and direct action (2005). Lucita points to various characteristics that are common to some leading elements in the ERTs.

First, there is a clear generational renewal. The new leaders do not carry the weight of the previous generation's defeats or their nostalgia for lost conquests. Rather than being seen as a rupture within the historical memory of the working class, he identifies a significant percentage of workers who have entered the labor market during these present conditions of super-exploitation.

Second, these new leaders are the product of the long and silent work of reconstruction, in some cases *quasi*-clandestine, and the formation of bodies of rank-and-file workers' movements.<sup>169</sup> The existence of these groups clearly expresses the new capital-labor relationships that are no longer mediated by bureaucratic leadership and the State, which were so characteristic of the Peronist and post-Peronist years. With the

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<sup>168</sup> With differences between cases, this process seems for now circumscribed to some emblematic experiences: The Assembly of Delegates of the Buenos Aires metro, the telephone union in Buenos Aires, some teaching unions and sections, the union of ceramists at Neuquén, and the assembly of delegates of the Rio Santiago naval shipyard.

<sup>169</sup> This reconstruction has been influenced by the practices and action of direct democracy experienced from the beginning by the movements of unemployed workers and the popular assemblies.

weakening of the State's role and its relationship with the working class and the break with past practices of the traditional Peronist unions, this new class of workers has had to replace traditional practices of struggle with new ones.

In general, the ERT movement appears to be questioning the neoliberal economic privileging of property rights over the right to work. More specifically, ERTs are beginning to exemplify new forms of organizing labor outside of traditional Peronist unions. Further, they have developed the ability to articulate independently their demands to a State no longer prepared to mediate between labor and capital. While they reject welfare plans, government make-work projects, and underemployment, at the same time the ERTs seek to provide different forms of struggle and new alliances. Notwithstanding their accomplishments, these workers face ever-increasing confrontations with the bureaucratic apparatus of the State, financial institutions, and the judicial system. They have had to usurp laws implemented by Menem's government that were inherently unfair to the working class. They also had to confront a lack of concrete financial support and deal with a punitive judicial system favoring a case-by-case approach rather than one that provides a national law to quickly allow production.

In spite of these difficulties, the ERT movement has reintroduced the debate about the centrality of the working class as the focal element of class struggle in the pursuit of social justice, and provided the impetus for a shift in working-class culture and consciousness. Some scholars (Palomino, 22; Ruggeri et al., 7) have underscored the limited impact this phenomenon has had, both numerically and economically. Nevertheless, its relevance is more clearly identified in the transformations it projects. Recuperations offer possible ways for workers to seek control of their knowledge, means of production, labor-power, and time. They challenge capitalist forms of distribution and encourage collaboration versus competition. As illustrated in the previous chapter, workers have, in various measures, removed hierarchical labor relations, changed their rhythms of production and, in some cases, controlled the use of their surplus products to help generate an economy of solidarity. Many workers are committed to creating reconstituted ways of life, both in their workplace and in their personal lives.

Recuperating abandoned factories has often happened during controversy, under political pressure or isolation, and in extremely stressful situations. These decisions have

dramatically transformed the lives and the consciousness of those involved. At the same time, most of those interviewed, women in particular, have recognized deep personal transformations that are shaping their private relationships and their understanding of their position with respect to the outside world. Indeed, despite the long struggles to achieve self-management, the ERTs' workers interviewed adamantly opposed the idea of a return to the exploitative and alienating work conditions experienced under previous factory owners. Many workers in this study seem to ground themselves in a different set of values than those offered by competition and the market. One such value is workers' solidarity, expressed in the form of mutual support. As articulated by Chilavert's Candido Gonzales, "If you want to protect your job, you have to protect the jobs of others."

The experiences of female workers—particularly in the Brukman factory—have become symbolic for the movement and are also indicative of this shift in consciousness. It was the first experience, as recorded in the documentary *The Take* by Avi Lewis and Naomi Klein, in which women confronted the repressive and authoritarian political system that wanted to return factories to their former owners who had abandoned them and, at the same time, return women to their traditional, submissive roles. Brukman's resistance created the first opportunity for solidarity and collaborative work with the community, the political forces of the left, and social movements:

All of a sudden, we were not alone: the neighbors came to support us against the violence of the police; the young and the women of other organizations demonstrated with us. We received support from other workers, some unions, and some parties of the left. We realized that to occupy this place, put it in production with our own forces, and make decisions together were important steps for our maturation.  
(Personal interview, October 2006)

Most of Brukman's female workers had never been politically active before they took control of their workplace. In their efforts to defend their rights as workers, they have also had to defend gender equality, rights to equal pay and to work with dignity, the right to organize, and access to structures that satisfy their needs as workers and mothers. Consequently, many women become involved in progressive politics, participation in labor issues, social activism, and in efforts toward an equitable redistribution of wealth.

Furthermore, the ERTs resisted social exclusion by linking the right to work to a project that reinstated workers—once considered "superfluous"—into the productive system

(Magnani, 23; Svampa, 205). Their objective was met in a way that allowed the ability to challenge their social relations and to reintroduce workers into the political and economic debate. Such process contributed further to workers' politicization and consciousness. In many interviews with workers, a common thread appeared:

We were part of a movement that has been silent for many years....Many among us have been killed by the militaries and even during democracy.... Now we are taking the streets; we are in the factories, talking at public meetings, with politicians, in the universities.... We mobilize on issues that are not only strictly economic but also ideological, and in solidarity with other groups. (Personal interviews, October–November 2006)

Another characteristic of the ERT movement's new consciousness involves the transformation from a working class with deep ties to unions to become, in part, a movement capable of self-mobilization that includes both the employed and unemployed.<sup>170</sup> Not all workers involved in the recuperations are equally experiencing these changes, and the consciousness-transformations described earlier. Nor are all participants equally engaged in the process of questioning former labor-capital practices. Rather, for some, the main focus remains income security. It is clear the experiences involved in recuperating factories and gaining control of productive processes do not translate into shared political and social impact for everyone involved.

As well, the impact on the economic arena is extremely limited. As previously mentioned, the *empresas* are economically marginal; they are generally located in the service sector, or in subsidiary industries, which could be easily sourced from less expensive markets (Grigiera, 245). At the same time, their limited number exposes them to previously identified external forces. Despite relatively optimistic accounts of the scope of the ERT movement, it is essential to assess more objectively the material basis of these transformations and the future prospects of this phenomenon. Important empirical issues serve to discourage idealizing the movement as a whole.<sup>171</sup> Still, the

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<sup>170</sup> Also noteworthy is the ERT movement's ability to maintain its autonomy from any political parties. Although they formally accept party support, they maintain their political independence by fiercely rejecting any perceived interference.

<sup>171</sup> The aggregate economic importance of occupied factories is quantitatively insignificant (see notes in chapter 3). Another important empirical issue refers to the combination of temporal and structural restrictions that these factories face. For example, the indefinite nature of property (subject to claims by capitalist owners, creditors, the State) and the lack of financial assistance, most notably of working capital (Grigiera, 221).

small percentage of Argentina's labor force that has adopted these new labor strategies and ways of thinking demonstrates the social benefits and political ramifications of an alternative workers' culture and identity (Rebon, 149). The transformations in the form of social actions reveal a transition towards movements of a new kind that present characteristics and modalities transformed by the socio-political, cultural, and economic processes imposed on Argentine society.

These workers have constructed a new vision, one that provides innovative possibilities and fresh relationships with society's other sectors, social movements, and communities. Mostly, they have been able to reconnect to their original shop-floor knowledge and reclaim their former power. This consciousness has led to a transformative process, both in the factory and in the community, which has the potential to further impact sectors within the working class.<sup>172</sup> Their position, with the peculiar characterization of workers and factory owners, requires an innovative analysis. Such enquiry also needs to incorporate the centrality of class analysis in the recuperated factories movement as well as recognizing the consciousness of their role.

The ERTs' debate brings the relevance of class and class consciousness between a Marxist reading of class consciousness and class strategies and a postmodern interpretation of identity and new social movements theories to the forefront of academic dispute. The ERTs do not represent a new form of organization that highlights the postmodern condition as a radical subjectivity of experience, a self-constitution of a new social subject, and a social protagonist seeking to define and express itself on a constructed stage. Rather, ERTs practices challenge postmodern theories of identity construction in favor of a class-based movement that is, at least in some aspects, aware of the objective conditions of its exploitation and prepared to confront them. In doing so, they use some of the tools of the working class, while rejecting some of its most corrupted forms.<sup>173</sup> This dialectical process generates a new consciousness, validating their personal transformations as part of complex, new dynamics that revolve around their struggle for access to work, democracy, and social justice. The so-called

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<sup>172</sup> The ERTs' complex relationship with the community is demonstrated through neighborhood assemblies, their strategic alliance with the *piqueteros*, grassroots organizations, and the communities around them.

<sup>173</sup> Strikes, occupations, self-management are some of the traditional practices of working-class struggle; in contra-position to some pro-Peronist union strategies of the past.



“subjectivity” so dear to many scholars appears rather as a transformative process involving groups of ERT workers.

## Future Challenges

Between December 19 and 21, 2001, a massive popular rebellion overthrew incumbent President De la Rúa. Major demonstrations took place throughout the country in an unprecedented alliance among the unemployed, underemployed workers, and a substantial sector of the middle class. The slogan *Que se vayan todos!* underscored the general hostility toward the major parties and institutions. Nonetheless, 17 months later, some 65 percent of the electorate voted and the two prime candidates were from the Justicialist Party (Peronist). In the April 27, 2003 presidential election first round, Menem won the greatest number of votes (25%), but failed to get the votes necessary to win an overall majority. A second-round run-off vote between Menem and second-place finisher Néstor Kirchner was scheduled for May 18. Being certain that he was about to face a resounding electoral defeat, Menem—the main perpetrator of the economy’s collapse—decided to withdraw his candidacy, Néstor Kirchner, with a little over 21 percent of the vote, became automatically the new president.

With the election of Nestor Kirchner in 2003, Argentina has seen a rearrangement of Peronism – named kirchenerismo – which combined an anti-liberal rhetoric with a political economy of the *status quo*. President Kirchner’s continued support of the fundamental structures of economic power created serious obstacles to the development of strategies aimed at addressing Argentina’s economic inequalities.<sup>174</sup> If significant political changes have taken place, they have occurred in a context of substantial continuities on socio-economic structures and policies.<sup>175</sup> These changes have had only a slight impact on class structure, unemployment, income distribution, and poverty. However, the most serious obstacles to sustainable and vigorous economic development remain untouched. These include foreign debt payments, capital flight overseas,

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<sup>174</sup> While still heavily dependent on Peronist Governors, Kirchner envisions a new political party of the center-left based on a return to the national-popular politics of the earlier Peronist era, but with less corruption and repression (Petras & Veltmeyer, 33).

<sup>175</sup> Important changes in the military, judicial and law enforcement institutions have been implemented. Nevertheless, they did not significantly affect the nature of the public institutions or their political class allegiance (31).

privatizations, and disinvestments by foreign and domestic capital in strategic enterprises. Meanwhile, four years of sustained growth of GDP,<sup>176</sup> a partial restructuring of the foreign debt, and a large fiscal surplus (5.8 percent) comprise the most eloquent testament to the recovery of the country. On the other hand, government's commitment to debt payments over the next 10 years, depressed wages, an unemployment rate higher than 17 percent, a large increase in black market work, and the precarization of labor<sup>177</sup> must be considered (Lucita, 2005).

Within two years, the process of "democracy from below" began to ebb, then, during the first year of Kirchner's administration (May 2003–2004) it experienced a full retreat.<sup>178</sup> The original strength of the popular uprising—its spontaneous, mass, autonomous character—became its strategic weakness: The absence of a national leadership capable of unifying the diverse forces behind a coherent program.<sup>179</sup>

More ominously, important sectors of the middle class have turned to right-wing repressive ideologies to deal with crime and security. The election of Mauricio Macri (June 2007) at the helm of Greater Buenos Aires' administration flows with the resurgence of neoconservative aspirations. The effects of "Macrismo" are already evident: In June 2007, the city's Legislature voted to channel the seven million *pesos* earmarked for the expropriation of other recuperated factories in other directions. Fourteen workers of *Gráfica Patricios*, occupied in 2004, have been denounced as usurpers and face a lengthy legal battle. Macri has also promised to terminate the *cartoneros* activity, a move that has gained widespread support from the middle class (*Znet*, on line).

It is difficult to predict the path of the ERT movement and its future developments. The ERTs have been further weakened by a current inability to maintain a

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<sup>176</sup> Annual rates of 8.8% and 9% (2004-2005); employment at its highest levels since 1998 (more than 1,600,000 new jobs created, according to the INDEC).

<sup>177</sup> The result is an increasingly regressive distribution of incomes, with the gap between the richest 10% and the poorest 10%, which was 29:1 in 2001, now at 32:1.

<sup>178</sup> The unemployed workers' movement fragmented into a series of smaller movements, with little mobilizing power. Furthermore, the "work plans" failed to connect with the creation of full time jobs and thus have consolidated a permanent indigent class with little future. The neighbourhood assemblies exhausted their participants without leading to any formal organization or specific program. The movement of the recuperated factories has been largely contained (Petras & Veltmeyer, 43).

<sup>179</sup> Arguably, this is why *Que se vayan todos!* was such a sign of weakness and political immaturity rather than of strength.

united front necessary to pressure more positive institutional responses and advance their objectives.<sup>180</sup> The seemingly only feasible alternative for the movement to survive and develop, starting from existing—and new—conditions imposed by capital and the State, could be to reformulate the ERTs' strategies, address its immediate needs, and reaffirm strategic perspectives. In order to achieve this standpoint, the ERT movement should be independent in its objectives and programs; it also should move towards coalition building and development of a broad mutual support network with other sectors of society. This perspective would demand a steadfast advancement in the slow process of recomposing solidarities and constructing solid and direct links sufficiently flexible to integrate social and political diversity.

Despite their accomplishments, many questions loom regarding the ERTs. Is the movement sustainable within a hostile global market whose tendencies reflect an economic concentration and the continuation of social exclusion? Can the ERT movement garner enough social support to preserve and/or expand existing activities while maintaining its class perspectives? Will the workers' new consciousness expand beyond their current minority status? Can the experience of workers' self-management expand and multiply? Can the ERTs sustain themselves as local counterforces to the power of capital?

Answers to these many questions are not easy, nor are they predictable. They require further investigation and must withstand the test of time. Argentina's progressive Left needs to recognize its past mistakes. This insight, combined with workers' strength of will and political ability are necessary to, from a position of strength, create a class-based front capable of uniting the unemployed, recuperated factories workers, and progressive unions. With the addition of grassroots and political organizations, this front has the potential to provide a sustainable route to a better outcome for Argentina's popular sectors.

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<sup>180</sup> Particularly with the ERT's split into the MNER and MNFRT.

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## APPENDIX: LIST OF INTERVIEWS IN BUENOS AIRES

All interviews were conducted mainly in enterprises that surround Buenos Aires and the Greater Buenos Aires area between August and December 2006. I interviewed approximately 40 workers, both males and females employed in various recuperated enterprises that are part of the ERT movement. To protect the workers their identity has been changed. Furthermore, I interviewed some ERTs' leaders, political and government's representatives, unions members, and academics involved with the movement.

A brief description of each interviewee follows.

Andrés Ruggeri	Universidad Abierta UBA Author of various articles and co-author of <i>Las empresas recuperadas en la Argentina</i> .
Máximo Giordano	Programa de Formación Profesional Universidad Nacional de Lanús.
Carlos Martínez	Universidad Abierta UBA. Co-author of <i>Las empresas Recuperadas en la Argentina</i> .
Alejandro Schneider	Programa Historia Oral UBA. Author of various articles and books on labor movement and Peronism.
Patricia Paredes	<i>Redes de Empresas-Redes de Personas</i> . NGO.
Julián Rebón	Instituto Gino Germani University of Buenos Aires. Author of various articles and books on the recuperated factories.
Beatriz Baltroc	Diputada Legislatura de La Ciudad Autonoma de Buenos Aires
Luis Cortese	Centro de Documentación CDC.
Jose Falcon	Secretario FECOOTRA ( <i>Federación de Cooperativas de Trabajo de la Provincia de Buenos Aires</i> ).
Natalia Fernández	FREPASO
Cecilia Casablanca	Secretaria de Produccion, Turismo y Desarrollo Sustentable.

Luis Caro – Lawyer.	President of the MNFRT.
Eduardo Murúa	MNER’s leader.
Rufino Almeida	CTA ( <i>Central de Trabajadores Argentinos</i> ).
Carlos Jakobsen	CTA.
Marie Trigona	Agora TV.
Alaja Vez	Grupo Alavio.
Fabio Rezino	workers’ organizer Hotel Bauen
Federico Tonarelli	oficina prensa Hotel Bauen
Natascia Sanchez	Centro Documentación
Alejandro Cortesi	Centro Documentación
Veronica Joplin	CEJUBA (Centro para la Justicia Basica)
Gabiela Bazan	worker Hotel Bauen
Fabio Bianco	worker Hotel Bauen
Federico Tonarelli	worker Hotel Bauen
Alice Palacios	worker Hotel Bauen
María Elena Gutiérrez	worker Hotel Bauen
Marcelo Prensa	president Cooperativa Hotel Bauen
Graciela Accorti	worker Brukman (textile)
Oswaldo Esperanza	worker Brukman
Graciela Sanchez	worker Brukman
Marta Pompeya	worker Brukman
José Cavallo	worker Clínica Junín (health clinic)
Candido Gonzales	worker Chilavert
Placido Carrera	president Cooperativa Chilavert (graphic)
Ernesto Antonelli	worker Chilavert
Claudia Seguro	worker Cooperativa de Trabajo La Nueva Esperanza (Global) (plastic balloons)
Claudia Ernesto	worker Global
Mónica Capuano	worker Global
Norma Zuccoli	worker Cooperativa de Trabajo Lácteos Monte Castro (dairy products)
Gonzalo Gutiérrez,	worker Gatic (sport shoes)

Carmen Nartinez	worker Gatic
Pablo Suares	worker Ghelco (ice cream components)
Antonia Sandon	worker Ghelco
Natalia Polti	worker Ghelco
Nora Pizzi	worker Grissinipoli (breadstick)
Norma Pintos	worker Grissinopoli
Camilo Gizzoni	worker Grissinopoli
Carlos Galtieri	worker Hospital Israelita (Hospital)
Rosa Ferreyra	worker Hospital Israelita
Armando Castillo	worker Hospital Frances
Raul Martinelli	worker IMPA (aluminum plant)
Carmine Suzzo	worker IMPA
Guillermo Robledo	worker IMPA
Ramón Castillo	worker Cooperativa Renacer (Ushuaia) (electric/electronic apparel)
Oswaldo Borrás	worker Coperativa Renacer
Marcelo Villa	worker Zanon (ceramic)
Marco Paz	worker Zanon
Alfonso Russo	worker Zanon
Alejandro Martinelli	worker Zanon
Fabio Tanuzzi	worker Zanon
Armando Solano	worker Zanon.