

# ENTERPRISES RECOVERED BY THEIR WORKERS IN ARGENTINA: AN ASSESSMENT OF ARTICULATIONS OF RECIPROCITY WITH SOCIETY<sup>1</sup>

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Abstract: In Argentina, the recovery of enterprises is the conceptualization used to make reference to a heterogeneous set of processes in which workers of enterprises in crisis, organized in cooperatives, take control of production. Since 2001, recovered enterprises emerged as a response from workers to processes of wage infringement in a context of deep social, economic and political crisis. This became a paradigmatic case of the social economy. These enterprises' recovery processes introduced numerous innovations in the productive units. One of these innovations refers to the relationships not mediated by the market that recovered enterprises establish with society. The development of these non-mercantile articulations has been a highly valued feature of recovered enterprises, generally assumed to have a motivation related to solidarity and reciprocity. However, how do workers justify and value them? To what extent do they perceive these articulations as actions of solidarity? In the case that solidarity is an underlying motivation, is it the only one? On the basis of two surveys conducted in Buenos Aires City, this article analyses the assessments and perceptions of workers from recovered enterprises regarding non-mercantile articulations, so as to elucidate the underlying logics and motivations. Three rationales supporting the development of these articulations are identified: social alliance, utility and good relationships. The study shows there are links between the ideas about non-mercantile articulations, specific attributes of recovered enterprises and the criteria of efficiency prioritized by workers, which accounts for the building of other logics over strictly economic and mercantile rationality.

**Keywords:** recovered enterprises; Argentina; social economy; non-mercantile articulations; reciprocity.

<sup>&</sup>lt;sup>1</sup> This paper picks up advances made in the paper "De alianzas y solidaridades. Las articulaciones no mercantiles en las empresas recuperadas de la Ciudad de Buenos Aires.", published in *Revista del Observatorio Social sobre Empresas Recuperadas y Autogestionadas*, 8. ISSN 1852-2718. Available at: http://webiigg.sociales.uba.ar/empresasrecuperadas/PDF/PDF\_08/De\_ alianzas\_y\_solidaridades.pdf

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## 1. Introduction

The implementation of a social economy in the contemporary world is a significant strategy for social inclusion and economic development based in the territories and local communities. In this sense, since late last century, there has been a remarkable expansion of socio-economic initiatives in Argentina, developed as a social response to the exclusion from the labor market suffered by a great portion of Latin American societies.

In this study we will focus on one of these socio-economic initiatives: recovered enterprises. In Argentina, the recovery of enterprises is the conceptualization used to make reference to a heterogeneous set of processes in which workers of enterprises that are in crisis organize in cooperatives and take control of production (Rebón, 2004, 2007). Since the end of the nineties, and particularly in the context of the profound economic, social and political crisis that took place in Argentina in 2001, thousands of salaried employees across the country advanced towards taking over the direction of production as a way of combating different processes of wage infringement (Fajn, 2003; Rebón, 2007; Salgado, 2009). According to the Program of Self-managed Labor, depending of the Labor Ministry of Argentina, there are currently 286 recovered enterprises at a national level, while in Buenos Aires City–the capital city of Argentina and area of reference of this article-there are 50 recovered enterprises<sup>1</sup> (*Revista del Observatorio Social sobre Empresas Recuperadas y Autogestionadas*, 2013).

In the context of a strong social crisis, the recovery of enterprises was seen by workers as the only remaining alternative to preserve their source of labor, which is the foundation of their social identity. In the action of recovery, while advancing towards the direction of production, these workers materialized processes of empowerment - new degrees of freedom facing pre-existing heteronomies-, equalization and institutional innovation (Rebón, 2004, 2007).

In this sense, these processes have introduced numerous innovations in the productive units managed by workers. One of these innovations regarding the capitalist conception of production (realization in competitive markets, aiming at the accumulation of capital) makes reference to the relationships that recovered enterprises establish with society, which are relationships that go beyond the sale of their products or services. We suggest the concept of non-mercantile articulations to account for the set of actions and activities of coordination and collaboration with society carried out by recovered enterprises, the main characteristic of which is that they are not mediated by the market.

Taking into account that these actions and activities are not based on an economic rationality tending to maximize profits, their development has been a highly valued feature of recovered enterprises, generally attributed to a motivation related to solidarity. However, how do workers justify and value them? To what extent do they perceive these articulations as actions of solidarity? In the case that solidarity is an

<sup>&</sup>lt;sup>1</sup> From 1998 to 2013, 65 recoveries of enterprises emerged (*Revista del Observatorio Social sobre Empresas Recuperadas y Autogestionadas*, 2013).

underlying motivation, is it the only one? What other logics are present in the development of non-mercantile activities? In this article we analyze the assessments and conceptions of recovered enterprises' workers regarding non-mercantile articulations, so as to elucidate the underlying logics and motivations.

In order to achieve the mentioned objective we have worked on the basis of two surveys conducted in 2011. On the one hand, semi-structured interviews to key informants of 40 recovered enterprises of Buenos Aires City, in which we obtained information about the non-mercantile articulations performed. In addition, we conducted, a survey composed of closed and open questions that explore workers' assessments regarding the recovery of enterprises' processes. The sample of this survey is of 138 cases, based on a quota sample of 10 enterprises. The universe was restricted to long-standing recovered enterprises in Buenos Aires City (emerged until 2003). Both surveys were conducted in the framework of a Buenos Aires University research project, called *La cultura de la recuperación de empresas*. *Representaciones y valoraciones de los trabajadores sobre el proceso* (The culture of recovered enterprises. Workers' conceptions and assessments of the process).

# 2. Literature Review

# 2.1. A paradigmatic case of social economy: origins and development of recovered enterprises in Argentina

The social economy is conceived as an alternative economic project to the capitalist model, the purposes of which are the democratization of economy and the replacement of competition with cooperation values (Pastore 2010; Sousa Santos and Rodríguez, 2002). This notion is also used as an umbrella term for organizations that are typically understood as voluntary economic organizations both seeking an economic result in a wide sense (not just monetary) and a product in social relationships (Coraggio, 2002). Finally, other elements complete this definition: these organizations' democratic management styles, the distribution of benefits according to criteria that differ from those related to contributed capital, and the autonomous nature of the decision making (Pérez de Mendiguren Castresana, Etxezarreta Etxarri & Guridi Aldanondo, 2009: 11).

A paradigmatic case of the social economy is the recovery of enterprises by their workers. The main structuring element of this process is the crisis of the capitalist command on production at the productive unit level (Rebón, 2007). From the perspective of the labor force, corporate crisis is experienced as an infringement on their identity as stable workers, whereas the transformation of their labor conditions is the alternative to defend that identity. that is to say, stop being salaried employees becomes the way to continue working (Fernández Álvarez, 2004).

Though some isolated experiences took place throughout the 90's, it is only since 2001 that the process suddenly spread. In this period, marked by the decomposition of the financial accumulation model (Basualdo, 2001) and its expression through an unprecedented social crisis that significantly altered the social relationships in the economic, political and cultural fields, the enterprises' recovery process found the

#### ENTERPRISES RECOVERED BY THEIR WORKERS IN ARGENTINA | 19

conditions to disseminate (Salgado and Kasparian, 2010). In this sense, the crisis strengthened the process in various ways. In economic terms, the closure and bankruptcy of enterprises increased (Briner and Cusmano, 2003), which is the structural element of the process. Simultaneously, an exponential growth of unemployment and poverty, as well as a weakening of the Argentinian institutional mechanisms to compensate layoffs-unemployment insurance benefits-occurred. In summary, the crisis context increased the amount of productive units that were likely to face bankruptcy or closure processes -a potential arena for enterprise recovery, and altered in a regressive fashion the traditional alternatives of workers to face unemployment (Ibid.). Regarding the political-cultural dimension of the crisis, an unprecedented process of social mobilization and protest took place (Fajn, 2003), which at its highest point, triggered processes of autonomization. This crisis did not only impact workplaces, but extended to numerous spheres in the daily life of Argentinian society. This context of crisis provided workers who were defending their work with the necessary allies and support to carry out the recovery of enterprises. Thus, the collective action of advancing towards the direction of production expressed a social alliance structured along the way the crisis of social order altered the reproduction conditions of the different actors involved (Rebón, 2009). For example, when these experiences were just beginning, this social alliance allowed, in a certain way, to work through encampments in the enterprises and to resist evictions ordered by the judiciary.

Nonetheless, once the most critical period of the crisis was overcome, new recoveries took place and the process remained at relatively high levels as compared to the precrisis period. From our perspective, this happens because in addition to the central structuring element present here – the closure of the enterprise, another factor of importance intervenes: the cultural placement of the enterprise recovery modality. From being an alien element in workers' culture, enterprise recovery got to be part of the workers' "toolkit", that is, a well-known and highly valued alternative to the closure of companies (Salgado, 2009).

#### 2.2. Non-mercantile articulations in recovered enterprises

The social economy seeks the development of a socio-economy, where individuals are not perceived as mere economic agents, but as subjects involved in the economy with a social identity and a cultural background of their own. Thus, the economy becomes the context where various social identities through various institutions "act making transactions between material utility and values of solidarity and cooperation, restricting (but not necessarily overriding) competition" (Coraggio, 2002: 1). It is within this dynamics that the social identities involved, rather than the reproduction of capital (Caballero, 2004; Coraggio, 2002; Nosetto, 2005). This shift in production goals anchored in the conception of a subject with a socio-cultural identity involves the development of new relationships, alternatives to the hegemonic ones, which transcend the economic sphere-in the classical sense-in order to produce society.

In this regard, Polanyi's contributions in *The great transformation* (2007) are suggestive. This author contributes to the questioning of the exchange principle hegemony in

economic relations, identifying two other principles: reciprocity and redistribution. From this perspective, in a plural economy, the exchange principle rules over the private economy, redistribution rules over the public economy, and reciprocity rules over the social economy, where interpersonal relationships, social bonds and a sense of community become a priority against selfish motivations (Nosetto, 2005).

In this sense, non-mercantile articulations with society in recovered enterprises become a central object of study towards elucidating to what extent these alternative principles and logics take place in actual experiences. In the constitution of the social alliance that had a leading role in the recovery of enterprises, the relationships established between the workers of the new self-managed enterprises and their neighbors, social movements, political parties and society in general held a central place. Non-mercantile articulations played the central role of building reciprocity relationships between the numerous identities involved in enterprises' recovery processes. They were part of the political strategy that some recovered enterprises designed to build social legitimacy and community support (Programa Facultad Abierta, 2010). Moreover, some articulation activities had multiple functions. This is the case of certain cultural centers and popular high schools<sup>1</sup> which, added to the aforementioned role, were established as strategic inventions, being the need to keep factories occupied one of their foundational factors (Fernandez and Calloway, 2009), as well as the need to obtain the public utility necessary to achieve the expropriation of personal and real property<sup>2</sup>. Besides, the importance of these articulations lies on the fact that they provided tools for the development of recovered enterprises, since they helped overcome disadvantages in size and isolation, whilst providing human and symbolic resources (Fajn, 2003).

Yet, once the possession of the productive unit is settled, the need to produce becomes a priority, gaining centrality to the detriment of the new self-managed enterprises' articulations with the wider movement that enabled the recoveries (Rebón and Salgado, 2008). Based on a universe of 15 recovered enterprises, Rebón and Salgado (2008) recorded the following articulation activities: cultural centers, popular high schools, educational institutions for adults, health centers, lending of installations and facilities to non-profit organizations, community radio stations and permanent donation of services and products to social organizations. They noticed that only a third of the companies that were part of this universe were engaged in non-mercantile articulations

<sup>&</sup>lt;sup>1</sup> Popular high schools (*Bachilleratos populares* in Spanish) are non-traditional educational institutions emerged in the 90's in Argentina, which are based on the theoretical contributions of Popular Education. This is a branch of Pedagogy that considers the learning process should be based on practices, experiences, critical thinking and social context. These educational projects, which are currently gaining higher levels of institutionalization, have been developed by social movements and a great amount of them are located within recovered enterprises.

<sup>&</sup>lt;sup>2</sup> In Argentina, as in many countries, the principle of inviolability of private property is established in the National Constitution, unless the expropriation law is invoked. All expropriations must be backed up by a declaration of public utility of the property in question and by a monetary compensation to the owner. The concept of public utility refers to everything that satisfies a generalized need tending to the welfare of society (Monayar). In Argentina, recovered enterprises have mostly invoked this legal mechanism in order to take possession of the enterprise, thus the importance of invoking public utility.

within their facilities, with an increasing tendency towards greater social isolation by 2006. Likewise, Fernández and Calloway (2009) argued that, as production gains centrality, some enterprises choose to close their cultural centers. The authors claimed that the factories that make this decision are the same that have moved backwards in their self-management processes, hypothesizing a loss in the potentiality of their inventions.

On the whole, while highlighting the importance of the development of non-mercantile articulations in the evolution of recovered enterprises, its decline is evidenced once the most critical moment of the recovery process has been overcome, when the need to focus on production becomes a priority. However, production poses new challenges and demands, primarily the access to credit and financing, the need for new regulatory frameworks involving, and among other things, new incorporation conditions and adequate social security benefits. In this context, given the roles played by non-mercantile articulations in recovered enterprises, one might assume that the strengthening of these articulations is extremely important, as they are the main strategy capable of consolidating the enterprises' recovery process as an alternative mode of associated and self-managed production. In this sense, after more than a decade since the beginning of the enterprises' recovery cycle in 2001, it is interesting to raise awareness on the types of relationships that these experiences create with their social environment, what activities these articulations are expressed in and what their magnitude is.

# 3. Findings

#### 3.1. Non-mercantile articulations: magnitude and types

As mentioned above, we suggest the concept of non-mercantile articulations to account for the set of actions and activities of articulation and collaboration with society that recovered enterprises carry out, the main characteristic of which is that they are not mediated by the market. Our study shows that 68% of the recovered enterprises perform activities of articulation with the community. In absolute terms, this means that out of a total of 40 enterprises surveyed, 27 have acknowledged some articulation with the neighborhood, the neighbors, the community, etc.

In contrast to the idea that once the conflicts inherent in the early stages of recovery had been overcome, non-mercantile articulations would decrease, 73% of recovered enterprises with more than 5 years running the business carry out non-mercantile articulations, while this value drops to 58% for enterprises with less than 5 years in business.

		Years in business of recovered enterprise		
		Up to 5 years in business	More than 5 years in business	Total
Presence of	Yes	58%	73%	68%
non-	No	42%	27%	32%
mercantile articulations	Total	100%	100%	100%

 
 Table 1: Presence of non-mercantile articulations by years in business of recovered enterprise

Source: Own research. Buenos Aires University research project No.: 20020090100035. Directed by: PhD Julian Rebón. N: 40

To make progress in the characterization of non-mercantile articulations, we have organized them into categories that reflect the activities comprised in each articulation. To this end, the categories created are: educational activities (institutionalized and nonstructured), cultural activities (institutionalized and non-structured), economic articulations, work training activities, health-related activities and activities of neighborhood organization around specific issues.

Before characterizing the categories, it would be useful to account for their impact. Table 2 shows a clear dominance of economic articulations and cultural activities. Both are present in slightly over one third of the productive units, whereas in relation to the 27 companies involved in non-mercantile articulations with the community, the presence of these articulations increases to 50%. Present in almost one third of the enterprises that articulate with the community, educational activities come in second place. we find work training activities, health-related activities and activities of neighborhood organization around specific issues are marginally present activities in the recovered enterprises. It should be clarified that occurrences in Table 2 refer to the number of enterprises, ignoring the data concerning the number of activities at each enterprise within a particular category of articulations. For example, enterprise "A" makes donations and discounts. This means that it carries out two economic articulations; accounted for one in Table 2.

Table 2: Type and magnitude of non-mercantile articulation ac	activities
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Type of activity	Amount of recovered enterprises
Economic articulations	14
Cultural activities	14
Educational activities	8
Work training activities	3
Health-related activities	2
Activities of neighborhood organization around specific issues	2

Source: Own research. Buenos Aires University research project №: 20020090100035. Directed by: PhD Julian Rebón. The section below introduces a descriptive analysis of activities of non-mercantile articulations with society having the greatest impact: economic articulations, cultural activities and educational activities.

#### 3.1.1. Economic articulations

Economic articulations are made up of donations, discounts and community trade fairs. Donations are made in 13 recovered enterprises. Donations of products or services produced by the enterprise itself are the most prevalent. For example, a recovered laundry provides weekly free laundry services to a public hospital nearby. The recipients are mostly hospitals, neighbors, schools, people with disabilities or health problems, civil associations and free diners<sup>1</sup>.

Economic articulations also include different types of discounts. These are given at 4 recovered enterprises. The recipients follow the same characteristics mentioned above, largely because 3 out of the 4 enterprises that offer discounts also make donations. Discounts might pose a conflict with the suggested definition of non-mercantile articulations. Although being considered a marketing strategy, they could also account for the presence of an opposite logic to that of market exchange. The choice of specific spaces or social identities that can benefit from discounts (hospitals, neighbors, schools, people with disabilities or health problems, civil associations and free diners) could account for a non-mercantile motivation, such as a logic of friendship or alliance in which the principle of reciprocity prevails (Mauss, 2010; Polanyi, 2007). In the case of a hotel, discounts are made to foreign students of social sciences that come to Buenos Aires under a United States University program designed to learn in depth and from inside the story of the emblematic recovered hotel. In addition, there is a recovered hospital offering low cost plans for the retired.

This category also includes a case of participation in a fair where the self-managed enterprise sells its products. In that fair, recovered enterprises, artisans, neighbors and social community projects participate. Its funding is from cooperative sources; that is, it is achieved through the collaboration of the participants themselves. At first glance, the fair also challenges the definition of non-mercantile articulation. However, it constitutes a privileged moment and space to build alliances with other cooperatives, social organizations and neighbors.

#### 3.1.2. Cultural activities

Institutionalized cultural activities, such as cultural centers, a senior center, a community library, a radio station, and the Documentation Center of Recovered Enterprises are developed at 8 enterprises., Various cultural activities are developed at the remaining 6 factories which are not as systematized or structured as the previous ones. In these cases, enterprise involvement is restricted to the provision of the space

<sup>&</sup>lt;sup>1</sup> Free diners (*Comedores* in Spanish) are places where free meals (usually lunch and tea) are regularly served to families from vulnerable social sectors.

necessary to perform the activity. Some examples of these are: cultural exhibitions organized by the City Government, school ceremonies, and dancing classes. On the other hand, there are activities organized by enterprises that take place somewhere else, such as at festivals, lunches and meetings. Concurrently, one enterprise organizes educational tours for primary students to show them how an enterprises functions through games.

With regard to cultural institutionalized activities, cultural centers stand out from the rest, as they are marginal activities. These typically offer workshops (dancing, music, theatre, photography, etc.) that are often run by neighbors or social organizations. In some cases, workers lending the space serve as "inspectors", ensuring the principle of gratuity is observed, while in other cases, they have a more direct participation, being part of the committees that organize the cultural center activities, or discussing issues referred to these activities in workers' assembly. However, the involvement of workers in taking these workshops or courses is almost nothing.

#### 3.1.3. Educational activities

Educational articulations are developed in 8 recovered enterprises, predominating educational institutions. It has been observed in only one non-structured case: support classes for students in primary school. Within educational institutions, we find a number of popular high schools, a primary school, and the project of creating the Workers' University. The organization and educational work are not undertaken by the enterprises. In the case of popular high schools, these tasks are under the CEIP (Cooperative of Popular Educators and Researchers), whereas in the other experiences it is the Government of Buenos Aires City who manages and provides the funds. Notwithstanding this, workers often participate, dictating cooperativism courses and various workshops, making proposals to the CEIP and involving in events organized by students. It should be noticed that this participation is not widespread among all workers; on the contrary, the level of participation in activities planned by educational institutions is usually reduced to 3 or 4 workers per enterprise. At the beginning of these experiments, some workers were involved personally and completed their studies in these institutions. Also, in some cases, students go for internships in recovered enterprises.

#### 3.2. The logics of articulations: from social alliance to utility

The vast majority of recovered enterprise workers (84%) agree that non-mercantile articulations with the community must be developed. Now, as mentioned above, in this paper we intend to figure out the underlying logics behind the development of non-mercantile articulations in recovered enterprises. Some of our questions are: What are the opinions of recovered enterprise workers regarding this kind of articulations? How do they justify their agreement? How do they legitimize the development of these activities in recovered enterprises? Which are the underlying logics behind the widespread agreement?

Three underlying logics justifying agreements have been identified: social alliance (45%), utility (30%), and good relationships (25%).

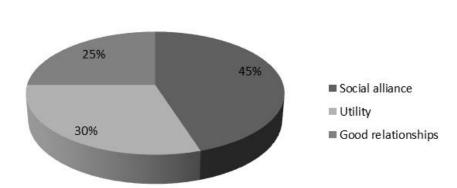


Figure 1: Logics underlying non-mercantile articulations

Source: Own research. Universidad de Buenos Aires research project N<sup>e</sup>: 20020090100035. Directed by: PbD Julian Rebón. N: 107.<sup>1</sup>

The expansion of recovered enterprises is an inseparable process from the context of the generalized crisis in Argentina by the beginning of the century and, as we have already mentioned, it was strongly associated to the struggles carried out by the mentioned social alliance. In this regard, we found that the prevailing logic relates to the maintenance and consolidation of this social alliance (45%). Having counted at the inception of the recovery process -as well as during the maintenance of productive projects-on the help of various social fractions, non-mercantile articulations are considered by workers a form of gratification. We have grouped under social alliance those arguments on giving back to society the support that was received. We consider this idea of "giving back" a way of building and maintaining an alliance, based on the system of gift-exchange. This system refers to a form of sociability where a circuit of obligations is created: obligation to give--obligation to receive--obligation to give back (Mauss, 2010). "The gift can be defined as the offer of a good or service to others without warranty or request of retribution, but in the hope that there will be correspondence, which can establish relationships of alliance and friendship." (Caillé, 2009: 115) This does not mean that social relationships built on the basis of this logic lack of any interest or that they are based solely on generosity and gratitude. On the contrary, this bond involves an expectation about reciprocity, and the obligation to give back Furthermore, the study allowed us to identify the logic of *utility* (30%), since non-mercantile articulations can help the

<sup>&</sup>lt;sup>1</sup> 6 cases corresponding to the category "Other" have been excluded.

premises be declared public utility<sup>1</sup>. In this case, these articulations are legitimized from the perspective of a criterion that clearly exposes the seeking of a particular purpose. According to Law 21.499 of Argentina, public utility refers to everything that meets a generally collective need, which is prioritized over any individual benefit. This public utility lies on the essence of expropriation: it is its justification, stating that the property that is being transferred is necessary for the purposes of general utility, turning the restrictions over private rights into a legitimate act when required by the general welfare (Monayar). In this regard, carrying out non-mercantile articulations contributes to its declaration as public utility, and thus to the expropriation of the property.

The two logics described tend to oppose. The first one refers to a sociability logic in which non-mercantile articulations are perceived by workers as forms of solidarity that tend to strengthen and perpetuate a social alliance. In these cases, there is no expectation regarding compensation; *"is treasured, but to spend, to compel, to have faithful men"* (Mauss, 2010, p. 246). By contrast, in the second logic, those articulations are thought as the means to achieve a specific and previously defined purpose; a way to obtain something useful. However, it is interesting to note that both logics refer to elements that are closely related to the specificity of the enterprises' recovery process. The social alliance was vital for the expansion of recovered enterprises. On the other hand, the declaration of real property as public utility is crucial to declare expropriation and thus to advance towards workers' possession of the factories.

Finally, and in contrast to the preceding logics, we have identified a third category that differs from the other two in the sense that it does not anchor on the specificity of recovered enterprises. The *Good relationships* category refers to the willingness to maintain close bonds with the community and with the government. *Good relationships* are not directly aimed at building social alliances based on the gift-exchange system, or at having the real property declared public utility. This category loses the specificity of the linkage between the recovered enterprise and the community. Thus, it could be a category applicable to other productive projects, not necessarily self-managed ones.

# *3.3. Some hypotheses on the opinions of workers about non-mercantile articulations.*

In this section we will formulate potential associations between the logics analyzed above and some attributes of the enterprises, as well as, workers' perceptions and opinions concerning efficiency criteria.

In the first place, we hypothesize there is a link between workers' justification of the development of non-mercantile articulations and the actual presence--or absence--of these articulations in their workplaces. Table 3 suggests that workers in enterprises carrying out non-mercantile articulations tend to emphasize the *social alliance* (49%) when justifying their agreement. By contrast, workers in enterprises not developing these articulations tend to mention their *utility* (41%) as a means towards the

<sup>&</sup>lt;sup>1</sup> There is a suggestive explanation about the development of cultural activities in his factory provided by a worker: *'It is a factory space opened this last year in order to fulfil the social objective required by the [expropriation] law''*.

expropriation goal pursued through their development. Thus, we can postulate that the articulations are mainly developed under the logics of construction and maintenance of the *social alliance*.

		Occurrence of non- mercantile articulations in the enterprises		
		Yes	No	Total
Logics	Social Alliance	49%	35%	45%
underlying non-mercantile	Good Relationships	26%	24%	25%
articulations	Utility	25%	41%	30%
Total		100%	100%	100%

**Table 3**: Logics underlying non-mercantile articulations by occurrence of non-mercantile articulations in the enterprises

Source: Own research. Universidad de Buenos Aires research project Nº: 20020090100035. Directed by: PhD Julian Rebón. N: 107.<sup>1</sup>

Secondly, those recovered enterprises with a high level of conflict initially<sup>2</sup>, that is to say, companies that faced evictions, encampments, clashes with the security forces, and occupancy of factories, had the support of a broad spectrum of identities. In this sense, it could be hypothesized that these enterprises have deep social roots and that their workers tend to emphasize *social alliance*. As shown in Table 4, 49% of workers in high-conflict enterprises mention the *social alliance* logic, whereas those who are part of low-conflict enterprises tend to prioritize the *utility* of non-mercantile articulations.

Table 4: Logics underlying non-mercantile articulations by level of conflict

		Level of conflict		Total
		Low	High	Totai
Logics	Social Alliance	31%	49%	45%
underlying non-	Good	23%	26%	25%
mercantile	Relationships	2370	2070	2370
articulations	Utility	46%	25%	30%
Total		100%	100%	100%

Source: Own research. Universidad de Buenos Aires research project N<sup>e</sup>: 20020090100035. Directed by: PhD Julian Rebón. N: 107.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> 6 cases corresponding to the category "Other" have been excluded.

<sup>&</sup>lt;sup>2</sup> This variable is constructed by the type of action used to take over the real property. Transfers of the property agreed between the owner of the failed company and workers are included in the category of low conflict. Transfers that occur without prior agreement, through the direct action of workers, are included in the category of high conflict.

<sup>&</sup>lt;sup>3</sup> 6 cases corresponding to the category "Other" have been excluded.

Finally, having reviewed the links to certain attributes of the enterprises, we will approach workers' opinions about the criteria of efficiency regarding recovered enterprises. Given that non-mercantile articulations express relationships with society not mediated by the market, conflicts may arise with the efficiency criteria related to the maximization of profit, that is to say, to a strict mercantile-economic sustainability. In contrast, the social economy is characterized for its emphasis on social reproduction rather than capital reproduction, making us suppose that efficiency could be measured not only by the capacity of increasing productivity and profit, but by the ability to gain a socio-economic sustainability (Fernández Álvarez, 2012; Vázquez, 2010). In this sense, it can be supposed that the social economy enterprises should prioritize other types of efficiency, being these other criteria related to the logic of social alliance. Indeed, the social alliance prevails among those who measure the success of a recovered enterprise as the ability to defend sources of labor and the ability to ensure self-management. Differing from these, in Table 5 we observe that workers who believe that the efficiency of a recovered enterprise lies on its ability to grow in investment and increase productivity focus on maintaining good relationships with the community and the government (50%). We claim that prioritizing the ability to grow investment and increase productivity is an efficiency criterion that is not related to the logics of the social economy, and particularly to the specificity of recovered enterprises, in contrast to the other two criteria related to the maintenance of the sources of labor and the assurance of selfmanagement, both legitimation notions (Thompson, 1979) of the enterprises recovery processes. Similarly, the logic of good relationships is less tied to the particularities of recovered enterprises. Maintaining good relationships with the community or the government is different from building alliances in the context of the gift-exchange system and from seeking deliberate purposes (utility).

		Efficiency criterion			
		The ability to defend sources of labor	The ability to ensure self- management	The ability to grow in investment and productivity	Total
Logics underlying	Social Alliance	57%	42%	27%	45%
non- mercantile	Good relationships	15%	21%	50%	25%
articulations	Utility	28%	36%	23%	30%
Total		100%	100%	100%	100%

Table 5: Logics underlying non-mercantile articulations by efficiency criterion

Source: Own research. Universidad de Buenos Aires research project Nº: 20020090100035. Directed by: PhD Julian Rebón . N: 107.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> 6 cases corresponding to the category "Other" have been excluded.

## 4. Conclusions

Since the beginning of the 21<sup>st</sup> century in Argentina, the social economy has aroused and spread as a successful reproduction strategy to face social exclusion and vulnerability, as well as a political project of social organization. In this context, recovered enterprises emerged as a response from workers to processes of wage infringement in a context of deep social, economic and political crisis. The recovery of enterprises had great support from Argentinian society in general, which legitimated and took part in the experiences of recovery, in spite of their disruptive characteristics, particularly regarding private property. Since then, these processes of associated labor and self-management became a paradigmatic case of the social economy in Argentina.

This study aimed to analyze the logics underlying workers' opinions and representations about an exceptionally innovative element of social economy experiences: non-mercantile articulations. Throughout this work we have provided preliminary data about these articulations with the community. In a descriptive analysis, we found that over 60% of recovered enterprises in Buenos Aires City articulate with society in a non-mercantile way. Additionally, we identified six types of articulation activities: educational, cultural, economic, work training, health-related and neighborhood organization around specific issues. We focused on economic, cultural and educational activities, as they are the most representative. The analysis of economic articulations was especially suggestive, as they stand for an economic dimension not purely market-centered, and thus expand the way the economy shall be conceptualized--and practiced, taking into account the social character of economic facts (Bourdieu, 2010).

It was interesting to note that the overwhelming majority of workers agree with the fact that recovered enterprises should articulate in a non-mercantile way with the community. It is noteworthy that this agreement is present whether these articulations are developed--or not--in the enterprises where the interviewees work.

Then, we analyzed the arguments workers provided to justify their agreement with the development of these types of activities. We identified three underlying logics: *social alliance, utility,* and *good relationships. Social alliance* makes reference to a form of gratification developed by recovered enterprises in order to maintain and consolidate the alliance that promoted and strengthened the recovery of enterprises processes. It is important to emphasize that this logic, based on a gift-exchange system, engages an expectation about reciprocity. *Utility* stands for a logic that seeks a particular purpose: the statement of public utility. Both logics, in different ways, define the specific patterns in which recovered enterprises articulate with the community. Finally, the *good relationships* logic refers to the willingness to preserve close bonds with the community and with the government. This category lacks the specificity of the linkage between recovered enterprises and the community, and could be a logic underlying and justifying corporate social responsibility projects of capitalist enterprises, for example.

Given that the social economy is characterized as an economy that favors other logics over an economic and utilitarian rationality, the operating logics regarding nonmercantile articulations are a privileged element that enabled us to study and analyze to what extent the construction of alternative logics and social relationships correlate in the subjective processes of the workers involved in this kind of productive projects. In

order to trace these subjective processes, we identified links between logics underlying non-mercantile articulations and other elements related to attributes of recovered enterprises, and efficiency criteria considered by workers. As to the first, it is interesting to notice that workers from both enterprises that carry out non-mercantile articulations and from factories that underwent high levels of conflict, tend to make reference to giving back the support received, from a perspective that favors gratuitousness and solidarity as ways of strengthening the *social alliance* that enabled the recovery. In contrast, those who belong to enterprises that do not develop these activities and did not undergo high levels of conflict during recovery tend to make reference to *utility*. We shall postulate that the conflicts undergone when recovering the factories and the development of non-mercantile articulations strengthen solidarity bonds and, consequently, the logic of the *social alliance*.

With respect to the efficiency criteria pointed out by workers, interestingly there is continuity between the logics underlying non-mercantile articulations development and the efficiency criteria. Workers who consider that the efficiency of a recovered enterprise lies on its ability to grow investment and increase productivity, as in any ordinary company, favor the maintenance of *good relationships*--a logic we postulated is not associated to the specificity of recovered enterprise and the social economy experiences in general. The persistence of logics related to capitalist enterprises poses serious limits to the gaining of a socio-economic sustainability, jeopardizing the maintenance of these processes of social change.

In the exploratory approach to non-mercantile articulations and, specially, in the analysis of the logics that promote them, new questions that will guide future studies arise: What are the reasons for the absence of non-mercantile articulations in those enterprises where workers agree with their development? What links can be found between logics underlying non-mercantile articulations and degrees of progressiveness regarding innovations in decision-making and work processes? Moreover, what effects does their development have over the sustainability of initiatives and experiences of the social economy? These questions are the basis for future studies concerning non-mercantile articulations with the community, without overlooking their importance in the strengthening of the social economy and self-management as alternatives in production and to bring about social change.

### 5. References

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