Institutionalization of the recovered factory repertoire: 
Worker strategies at Talleres Unión

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Abstract

This paper offers a model of the process of repertoire institutionalization through examining the recovered factory movement in Argentina. Moving from a description of Political Opportunity Structure (POS) changes within Argentina since the movement’s genesis in 2001 to a case study of a 2008 factory recovery in the city of Buenos Aires, this study looks at how actors interpreted changes in opportunities and molded their strategies around them. Specifically, it looks at the process and reasons involved in their modifications to create a less confrontational tactic. This paper arrives at proposing that the process of repertoire institutionalization can be mapped as a relationship between POS, internal movement organization, and actor interpretation of these two factors. It also draws the conclusion that POS closure is what causes a decline in movement effectiveness, and institutionalization is a survival strategy to cope with POS closure.

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# Table of Contents

I. Introduction ..................................................................................4

II. Methodology .............................................................................4

III. Theoretical Base ........................................................................5
   A. Repertoires of Contention .......................................................6
   B. Political Opportunity Structures .............................................8

IV. History of the Recovered Factory Movement .................................9

V. Changes in Opportunity Structures .........................................12
   A. Economic Opportunities .....................................................12
   B. Political Opportunities ......................................................15
   C. Legal Opportunities ...........................................................18

VI. History of Talleres Unión/La Nueva Unión .................................21

VII. History of La Red Gráfica Cooperative ....................................24

VIII. Worker Interpretations .............................................................26
   A. Economic .............................................................................26
   B. Social Movement ...............................................................28
   C. Political/Legal ......................................................................29
   D. Internal Movement Resources ...........................................30
   E. State Repression ...............................................................31
   F. Strategy Failure .................................................................31

IX. Through a Theoretical Lens .........................................................33
   A. Development at the Perimeter ..............................................33
   B. Paradigm Change ...............................................................34
   C. Institutionalization .............................................................34

XI. Conclusions .............................................................................37

XII. The Future .............................................................................37

XIII. Areas for Study Improvement .................................................38

XIII. Works Cited ...........................................................................40
I. Introduction

The questions of how and why social movement actors develop and modify their strategies of contention have been the work of a significant amount of past political process theory work (Kurzman 1996; Kitschelt 1986; McAdam etc. all 1986). Although a correlation has been shown between Political Opportunity Structures (POS) and repertoire change (Kitschelt 1986), there is a lack of in-depth qualitative research on these questions (Meyer 2004).

In this paper I will attempt to fill this void by using a case study of the recovered factory movement in Argentina. In this study I will begin by summarizing current academic research on POS and Repertoires of Collective Action. Then I will describe the history of the recovered factory movement in Argentina, moving to the POS in which it grew and how it in turn affected these POS. Finally, I will elaborate on the worker recovery of the Talleres Unión graphics factory, focusing on worker interpretation of opportunities. Using these data I will map the process of repertoire modification at Talleres Unión and develop a hypothesis that repertoire change occurs through a process of actor interpretation of internal movement organization and external opportunity structures.

II. Methodology

This project was conducted in an approximately one-month research period spanning from July 3rd to August 2nd 2008 in the city of Buenos Aires, Argentina. The primary data collected consists of four informal interviews with members of La Red Gráfica Cooperativa, La Federación Gráfica Bonaerense, and the president of La Nueva Union Cooperativa as well as seven informal participant observation sessions with workers of the cooperative under study. Other data sources include: Internal movement literature, pertinent city/national laws, and press.
The informal interviews were recorded, transcribed, and lasted a period of approximately an hour and a half. The participant observations were conducted in front of the factory being recovered and had a duration between one and five hours. They were not recorded and consist of informal conversations usually over maté, a tea like drink typical to Argentina. The researcher returned to a computer immediately following these periods and recorded field notes as well as elaborated on any jotted notes taken. They follow a theory guided participant observation format (Lichterman 2002).

My gatekeeper into the worker community was Hector, the assembly elected president of the cooperative the workers were forming. I met Hector through Brenda Pereyra, who is the director of the SIT study abroad program in Argentina entitled “Social Movements and Human Rights.” The formal interviews were obtained through snowballing and through the tutor of my project, Natalia Polti, who is a PHD candidate at the University of Buenos Aires and a coordinator of the Center for Documentation of Recovered Factories.

This project follows case study format as defined by David Snow and Danny Trom and so focuses empirically/analytically on the single instance of the recovered factory movement (Snow & Trom 2002). It strives for a “detailed, thick, and holistic” perspective through triangulating sources. Multiple methods/theoretical perspectives are therefore used to create as complete a view as possible.

III. Theoretical Base

In this paper, I would like to examine the development of the strategy of recovering a factory within the labor movement in Argentina. Specifically, I would like to reconcile how the movement has interacted with changing opportunities in the external environment to produce and modify a new strategy of contention. To contextualize this approach, it is
important to summarize some of the past work on Repertoires of Contention and Political Opportunity Structures.

Repertoires of Contention

Charles Tilly defines repertoires of contention as established ways in which pairs of actors make and receive claims bearing on each other’s interests (Tilly 1993). In other words, groups of people create contentious action sets by seeking concessions from one another that may conflict with the desires of one or more of the parties. Looking at this in terms of the recovered factory movement, worker occupation of a factory, physical or otherwise, constitutes part of their repertoire of contention. The workers - actors - are pursuing the reinstitution of their jobs - a claim - that conflicts with the desire of selling off machinery to pay debts - an interest - held by the government, debtors, or/and former bosses - other actors. Recovering a factory is a strategy they have developed to realize this interaction. Through analyzing the repertoires used in Great Britain between 1758 and 1834 Tilly also shows that repertoires change over time as actors negotiated new strategies to realize claims over their respective interests. Furthermore, Tarrow elaborates on this concept in *Power in Movement* by providing four major categories of repertoire change.

**Innovation at the perimeter**

Tilly draws the conclusion that actors generally innovate at the perimeter of existing repertoires. Although they may initially appear as only a slight moderation on a previous strategy – take for example wearing an elaborate costume at a demonstration – they can eventually crystallize into wholly new forms of contention – this costume might lead to the use of masked black-block strategies. Most of these innovations will fail and disappear, but some will continue to form new repertoires of contention.

**Paradigm change**
Citing Aristide Zolberg’s “moments of madness,” or peaks of protest cycles where politics diffuses throughout society and the population is highly mobilized, as moments when dramatic breakthroughs in repertoire occur, sometimes invented on the spot, Tarrow proposes that repertoire changes are “diffused, tested, and refined” during these moments (Tarrow 1993). Notably, Tarrow also shows that many of these strategies become themselves the way that actors express the rights they are demanding and not merely instruments to express them (Tarrow 1993). When the peak of the cycle is over, some strategies will remain – although in a reduced form – to become part of the long term repertoire.

Institutionalization

Another aspect of repertoire change is the institutionalization of contention. According to Tarrow, as authorities learn to control disruptive actions, activists of social movements can begin negotiation and discard tactics that invite repression. Or authorities can learn to tolerate or facilitate acts of confrontation bringing them into the institutionalized realm. They do this in order to gain concrete benefits for their supporters. Especially with the presence of alternative opportunities, confrontation can evolve into cooperation.

Tactical interaction

A final factor in the repertoire construction is the tactical interaction between parties. Instead of viewing repertoires as constructed by protesters working within a vacuum, it is useful to remember the role of all parties. In this way, repertoire construction is a product of the interplay between protesters actions and authorities responses (Tarrow 1996).

Political Opportunity Structures
Political Opportunity Structures (POS) can be defined as consistent, but not necessarily formal or permanent, dimensions of the political environment that provide incentives for collective action by affecting people’s expectations for success or failure (Gangon and Meyer 1996). Four widely accepted variables in POS theory are (1) access to political participation, (2) divisions among elites, (3) the presence of elite allies, and (4) state repression (Tarrow 1998; McAdam, McCarthy, Zald 1996).

Political Opportunities are not direct determinants of movement activity and they are contingent on actors’ interpretations. Kurzman shows that the perceptions of actors in the Iranian Revolution of 1979 of a powerful movement were able to create action in a strong state capable of repression. He does this by proposing the Iranian revolution of 1979 as a deviant case in social movement theory where a mismatch existed between structural opportunities (which were a strong state) and the perceived opportunities (which viewed the opposition movement as weak). So, although POS of the country had not changed, the perceptions of participants of a weakened opposition allowed them to create a self fulfilling prophecy.

In his study of the anti-nuclear movement in four different countries Kitschelt establishes a relationship between the POS of a country and the strategies utilized by social movements within it (Kitschelt 1986). Through focusing on the relative open/closed and weakness/strength of the democracy he demonstrates how assimilative/confrontational strategies are utilized. Kitschelt’s analysis, however, made large generalizations about the opportunities within the respective countries, so as to be able to make international comparisons in a comprehensible manner (Meyer 2004).

With this base, I would like to begin an analysis of how the strategy of factory
recovery developed during the 2001 economic crisis and changed in the years since. After
over viewing the history of the recovered factory movement, I will explore the changes in
opportunities spurred by the crisis. In the next section I will move onto a case study of
workers who attempted to recover the book binding company Talleres Uniòn in 2008 in
order to demonstrate the micro level processes involved in their election of strategy.

IV. The History of the Recovered Factory Movement in Argentina

In the wake of the 2001 economic crisis in Argentina a definitively new strategy in
the labor movement came about, the recovered business (Davolos 2004). The phenomenon
of factories recovered by their workers (Empresas Recuperadas por sus Trabajadores -
ERTs) in Argentina has culminated in the re-opening of over 200 businesses under worker
control and the re-establishment of over 10,000 jobs (Rebón 2006). To gain a full
understanding of this movement’s impact we can look towards common traits, foundation
and changes over the years.

There are distinct stages in the process of recovering a business. The first is the
severe dilapidation of the enterprise. Conflicts between workers and the boss arise over
salaries, firings, or other claims. After this stage the business might enter bankruptcy,
preventive course bankruptcy, or may remain open. In any case, workers must then
safeguard the machines and other goods from being sold off to creditors. In situations of
high conflict, usually associated with businesses that have not gone bankrupt (FAUBA
2005), workers physically occupy the factory. The next step is for the workers to choose a
legal form, in the vast majority of cases this has been a cooperative (FAUBA 2005), and
begin trying to convince either the legislature to expropriate the business, a judge to give
them a continuation of production stipulated within bankruptcy laws, or their former boss
to give them a private agreement. Once workers have gained legitimization of their cooperative and factory, they can begin producing\(^1\).

The majority of ERTs have occurred at small or medium sized businesses with a progressive history of downsizing and dilapidation (Atzeni 2007). This is because many of these small businesses, serving the internal market, were adversely affected by the consequences of Argentina’s convertibility law downfall (Palomino 2005). Many of these businesses were also in sectors of Argentina’s economy that were hurt by the deindustrialization processes in recent economic history, such as the metalworking sector, which holds around a quarter of all ERT’s (Artzeni 2007). Many of the ERT’s also formed out of fraudulent bankruptcies, of which there was no shortage in the 2001 crisis (Ranis 2006). The greatest concentration of ERTs is in the federal capital of Buenos Aires (16 %) and the surrounding provinces (56%). Many ERTs function at only a fraction of their productive capacity, largely due to problems in start up capital and poor labor utilization (Dinerstein 2008). They also suffer from poor working conditions, fluctuating wages – depending on profits – and lack social insurance (Dinerstein 2008).

The ERT movement reached its climax, in respect to the number of factories being recovered, during the same period when the unemployment and poverty rate was reaching its climax, which was during the wake of 2001 (Rebón 2006). Although cases existed during the mid 90s, such as the metalworking cooperative IMPA, the strategy really came into widespread use during the crisis (Ranis 2006). Many of the ERTs also relied on the help of other Social Movement Organizations (SMOs) and their communities in order to survive periods of factory occupation (Fajin 2003). This connection with the rest of society continues through out the lives of some factories, like Chilavert and IMPA, which have

\(^1\) There are some ERTs that have begun producing before they gained legalization of their business, such as the graphics company Chilavert, but this production is rare and unstable.
opened community centers and schools within the factory. Although data for the number of new recoveries during 2005-2008 does not exist, there has certainly been a decline.

ERTs as productive units have made advances, but are still hindered by many problems. Although over 10,000 jobs have been recovered, this is less than 1% of Argentina’s urban based economic participants (Vieta 2006). In 2005 80% of all ERTs were producing (Rebon 2005), the majority of which employ fewer than 50 workers (FAUBA 2005). Between 2002 and 2005 there was a rise in the amount of their productive capabilities that factories were using, but few are using their full productive capabilities (FAUBA 2005). One of the biggest reasons for this has been the lack of capital that plagues ERTs (Rebon 2005). This hindrance is logical when we remember that ERTs form out of bankrupt and declining capitalist enterprises. Many ERTs suffer from bad working conditions and wages that fluctuate according to profit margins. Because ERTs are cooperatives, it is also difficult for them to get health care or social security and few have them (Dinerstein 2008). While the story of a saved job site is certainly inspiring, it is obvious ERTs face economic difficulties.

The three largest national groupings of ERTs are *el Movimiento Nacional de Empresas Recuperadas* (MNER), *el Movimiento Nacional de Fabricas Recuperadas* (MNFRT), and *la Federación de Cooperativas de Trabajo de la Provincia de Buenos Aires* (FECOOTRA). FECOOTRA is actually a grouping of cooperatives that has existed since 1988, but many ERTs have joined it. MNFRT split off from MNER in 2003 because they felt that the MNER had a radical, politicizing agenda (Rebón 2006). Although the MNER was initially the largest of the movements, in the years after MNFRT split it has experienced a process of fragmentation and none of the actors at *La Nueva Unión* considered it a major factor in their recovery.
The unions for the large part, with the exception of the UOM of Quilmes, took positions that either did not help workers or sided with the business owner (Palomino 2005). Moreover, the power of the unions, which were traditionally the access workers had to stake claims, in Argentina had been significantly hindered with the neo-liberal restructuring taking place in Argentina. This change put workers into a position where they had the opportunity to experiment with new forms of expressing their interests (Rebón 2004).

During the 2001 crisis, workers physically entered factories, occupied them, resisted police eviction and began production. This is a much more confrontational strategy, sometimes leading to violent battles with authorities as in the cases of Brukman and IMPA. In the case of the Chilavert factory, workers stood on top of the building with barrels of kerosene, threatening to burn it down and declaring “blood will be shed, but it will be on both sides” (Lavaca). Since then, there has been a growth in less confrontational recoveries. In 2003 and 2004 the number of businesses that were not “occupied” by their workers but were recovered superseded occupations. Part of the reason for this change could be the difficulty that workers face in returning to production after going through a high conflict recovery (FAUBA 2005). Another reason that this less confrontational strategy could be the changing of opportunities the movement created. Through gaining political allies and changes in the bankruptcy laws through the course of their movement, ERTs have been afforded a more favorable institutional situation (Rebón 2006).

V. Changes in Opportunity Structures

Economic Factors in the 2001 Crisis

The economic situation in Argentina during 2001 was truly a crisis. The state declared the largest bankruptcy in sovereign history, lapsing on its debt of over 130$
billion. In first quarter of 2002, 52% of the population (19 million people) fell below the official poverty line and 23 percent of the population was unemployed with an added 22% under-employed (Rock 2002). This crisis grew from a history of economic policies dating back to the 1976-1983 military dictatorship in Argentina.

During the military dictatorship, Argentina went through not only a process of extreme social repression, resulting in the “disappearance” of 30,000 people, but also a process economic restructuring. José Alfredo Martínez de Hoz took power as the minister of the economy and instituted a program that freed interest rates, fertilized the growth of new banks and financial institutions, and reduced tariffs (Romero 2002). This resulted in the loss of internal industry, economic concentration and destabilization, and the shifting of Argentina’s economic focus to the financial sector (Romero 2002). With the closings of thousands of small factories Argentina would see a loss of over 600,000 industrial sector jobs (SDE).

This economic restructuring would continue through the 1980’s. Although small labor friendly policies, such as restrictions on imports, were gained, the Alfonsin administration continued to pursue the overall economic structure established in the dictatorship (Schorr 2004). Neo-liberal thought began to increase as global economic institutions, such as the IMF and World Bank, increasingly flexed an influence in Argentina (Echaide 2004).

The 90’s would see the rise of Carlos Menem as head of state and the creation of Argentina as a model of neo-liberalism. Following the Washington Consensus Menem began the removal of tariffs, privatization of nationalized industries, and flexibilization of the labor market (Rock 2002). These privatizations, including Argentina’s social security, would create a state that needed to borrow in order to make up for sources of lost interest
(Baker 2002). These policies also had an adverse affect on the industrial sector, with a deindustrialization push not seen since the dictatorship (Schorr 2004). Argentina would lose 300,000 jobs and see a concentration of power, leaving only 100 companies controlling 50% of the country’s industrial production (SDE). All of these factors contributed to the overall erosion of workers interests, such as salary reduction and the intensification of work, but also a reduction in union power (Davalos 2004). So, with no shortage of grievances, workers were left with an increasingly smaller avenue of access to change their situation. New opportunities would open, however, as Argentina came into crisis with the devaluation of the peso.

A notorious policy of the Menem years was the pegging of the Argentine peso to the US dollar in a 1 to 1 conversion rate. Developed by Domingo Cavallo, Menem’s economic minister, this system gave independence to the central bank, stipulating that elected government could no longer order the printing of money (Rock 2002). Although intended to put a final cap on inflation, this policy would intensify the Argentine situation as they became increasingly unable to keep up with foreign interest rates. When Argentina removed the peg the value of the peso plummeted. In an attempt to control the situation and repay foreign debt, the De La Rúa administration would put a limit on the amount of money Argentine’s could remove from their bank accounts, a policy known as the Corralito (Huber 2004). The Argentine people would respond fiercely, flooding into the streets with pots and pans and demanding the food they couldn’t buy because their savings accounts were locked in the banks and stripped of value. This event was the Caceralazo, it took place on the eve of December 19th 2001, and was an indicator of a newly mobilized populace. But before further examining the rise of social movements during the crisis, it is useful to summarize the effects of these economic policies on workers.
The effects of the 90’s on labor interests are demonstrated by examining the
unemployment rates during the period. From the graph below, from the national census
and statistics of Argentina (INDEC) we can see the unemployment rate in the urban
sectors of Argentina rise from 8.6% in 1990, to 18.4% in 1995, and declining before
surging up to 21.5 in the 2001 crisis. So, workers faced fluctuating labor situation that
became increasingly precarious.

Although the unemployment rate more than doubled from 1990 to 1995, it wasn’t
until 2001 that the recovered factory movement firmly planted itself in Buenos Aires and
all of Argentina. So we can see that, although the economic factors played an important
role in the recovered factory movement, they are not sufficient to explain movement
emergence. Other opportunities, provided by the crisis, must have played a role.

Political Opportunities

Along with economic crisis in Argentina, the country also saw a fracturing of its
political elite and the rise of a mobilized populace in 2001 (Rebón 2006). Evidence of this
can be seen in the passing of 4 presidents within a 10-day period after Fernando de la Rúa

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2 INDEC statistics have come under increasing criticism lately as inaccurately portraying current
unemployment rates in an attempt to show progress since 2001 that may not exist.
was removed from power following the *caceralazo* (Cole 2006). Each of them was unable to control the revolutionary sentiment, daily mobilizations, and plummeting economy. With rising unemployment, standing on the side of workers became politically convenient, winning over new movement allies (Rebón 2006).

In response to the economic crisis in Argentina new social movements formed and the levels of social mobilization increased immensely. Above the *caceralazo* there were sustained movements of *asambleas barriales* (neighbourhood assemblies – which included an unprecedented middle class mobilization), informal bartering networks, organized grocery store lootings, *movimientos de trabajadores desocupados o piqueteros* (movements of unemployed workers, who diffused a strategy of cutting off roads – known as a *piquete* – in order to make claims on employment benefits), among others. The general level of social mobilization is amply displayed by the graph of social movement activity, collected by GEPSAC, in Argentina displayed below (GEPSAC 2007).

![Chart 7: Evolution of protests according to the type of organization](image)

There are a couple of interesting aspects of this graph. First of all, we can see the rise in protest activity after 2000, culminating in 2002. In this rise in activity the *piqueteros*
evolved as important actors as did civil organizations. Secondly, we can see a steady decline in union activity since 1989, which fits are conception of the unions losing power due to neo-liberal changes.

The political situation in Argentina has changed considerably since 2001. With the passing of economic crisis and the message of *que se vayan todos* (they all – the government – must go) the legislature of the city of Buenos Aires calmed into a centre-left coalition that was more favorable to ERTs than in many other parts of the country (Hancock). The city of Buenos Aires has shown willingness to work with ERTs through passing a law of permanent expropriation for 13 recovered enterprises in 2004 (Ley 1529). Moreover, the city government has instituted plans of financial assistance, but much of this progression is in threat currently as a change in legislative hands, more centered to the right, has begun to strip funding for these programs (Imagen de la Economía Social 2007).

On the national scale, there is the program for Self-managed Work (programa de trabajo autogestionado - PTA) which was created in March 2004 by the Department of Employment. This program provides subsidies of 500 pesos per worker, up to 50,000 pesos per factory under the goal of strengthening self-management (Dinerstein 2008). Managers see this as an institutional response to the ERT demands and Dinerstein correctly frames it as evidence of the institutionalization of the ERT movement (2008).

In this way we can see that the POS that initially contributed to movement development – a fractured elite and emerging allies – closed after the crisis, but were followed by the creation of new opportunities increasing institutional access – subsidy plans, government department help. This process is further elaborated in changes within the Argentine laws concerning ERTs.

The legal opportunities for recovered businesses
The legal complications in recovering a business have become an area of importance to workers as they seek state legitimization of their enterprise. The judicial proceedings introduce new actors into the process of recovery – judges, lawyers, legislatures, labour unions, and the state – while they also force workers to develop new strategies and knowledge when they transverse this foreign terrain (Fajn 2003). Furthermore, we can look at these laws as opening or constraining avenues of access for workers to stake claims. I will outline what these avenues are and how they have changed to argue that legal avenues have become more open to the ERT movement.

Process of Bankruptcy

La Ley Nacional de Quiebras y Concursos (24.522 in 1995) – the national bankruptcy and preventative bankruptcy law passed during the Menem years – stipulates for liquidation of assets within a quick four months of declaring bankruptcy. It also mandates that a declaration of bankruptcy will be made in front of a judge who then decides the sale of assets. The owner, who is in debt, is disempowered from the goods and management of the company (article 177). Under articles 189 and 190 the judge can mandate the management of the organization over to the union until the end of the bankruptcy process in exceptional circumstances, but only if doing so would be in creditor’s interests (Ley 24.522). In a change to article 190, made in 2002, the judge can choose instead to mandate this power over to workers in the form of a cooperative instead of the union (Ley 25.589). Although this change signifies a partial fulfilment of MNER requests, it only stipulates worker management until liquidation (SDE). The law also does not give priority to offers on the business that would preserve production, such as buying the building and machines together or offers made by the cooperative (SDE). In this way, it
is at best a temporary solution. It provides workers a trial period to demonstrate to the judge that they can manage a productive business.

To ward off bankruptcy, many businesses that will later be recovered - including Talleres Unión (F.I. 3) – enter a process of preventative measures within La Ley Nacional de Quibras y Concursos. Under this process, the business attempts to reach an agreement with creditors to make payments according to ability (SDE). This law is to be utilized by business owners (who have an interest in preserving jobs and the company) and creditors (who have an interest in receiving the entirety of owed debt). In cases where companies meet certain legal specifications – such as being a cooperative, or limited responsibility companies – the company can enter a “cram down” program in which the creditors can take part in the administration of the business so as to continue production (SDE).

During 2002, as a result of instability and devaluation policies, emergency bankruptcy policies were brought into affect with Ley 25.563, extending the date businesses had to reach an agreement with creditors on a payment plan from 60 to 180 days until the 10th of December 2003. The change spurred by this law brought the record number of bankruptcies and preventative measure declarations in 2001 down as businesses increasingly entered private agreements with creditors outside of the legal system (SDE).

The Case for Expropriation

More than any other strategy, the course of temporary expropriation has been used by recovered businesses (Fajn 2003). This allows the state to give control of the enterprise to the cooperative for a period of typically two years in which they can restart production and enter a payment plan with the government to gain full ownership.

Within Article 17 of the Argentine Constitution the State is allowed to expropriate public goods stipulating an indemnity payment to the good holder. The article allows for
irregular expropriation – or expropriation when repossession of the good precedes the
official request to a judge - in certain cases. The recovered factory movement has utilized
irregular expropriation through first electing the form of a cooperative, making them a legal
entity. They then make an argument to the legislature who then decides whether or not to
expropriate the business. If this occurs, the state pays an indemnity – which is used to pay
creditors – and creates a work/payment plan with the cooperative (Cole 2006).

The problem with this course has been its transitory nature. Two years of control is
a short term solution – although a solution many workers are obviously willing to accept –
and the cooperative faces a new problem when the time is up. Some cooperatives are able
to buy the business; others are not (Fajn 2003). An advantage with expropriation is that it
brings the case of restarting production under worker control to the legislature, who may
have a political interest in helping workers. Although the MNER has been calling for a
nationwide expropriation law, each case is treated on an individual basis (Cole 2006).
There was, however, an expropriation of 13 recovered businesses in the city of Buenos
Aires in 2004 (Ley 1529). This marked an important victory for the recovered factory
movement and no doubt set precedents that may someday be utilized.

So, although through pressuring the legislature in initial factory recoveries has
established a precedent for factory expropriation, a strong institutionalization of this
process has been neglected. There is no coherent national law on the subject, and
expropriation is treated on a case-by-case basis. The temporary continuation of production
under worker control, although established within the legal system, is short term and seen
as a stepping-stone until expropriation. Nevertheless, it is a legal opportunity that has
opened up for the movement, and is indicative of gains in institutional access.

VI. The History of La Nueva Union
Note: this history is constructed through interviews with workers and should be viewed as a worker interpretation of history rather than as objective facts (although data was cross checked through multiple interviews). All names have been changed (except for the boss)

Talleres Unión was a bookbinding factory located at 2748 Patagones in the Parque Patricios barrio (neighborhood) of Buenos Aires, Argentina. Busy streets sit to the north of it; other graphics companies and mechanic’s garages sit to the West. If you had walked past it in 2006 you would have barely noticed the commonplace aluminum garage doors. If you were to walk past it after March 13th, 2008 you would have met at least two workers camping out in front of doors sealed with tape reading clausura (closure).

Talleres Unión began during the mid 20th century under the management of the father Laino until he passed away and the business went to his son, Ricardo Laino. The business reached its peak around the mid 1980s, employing a maximum of 116 workers (F.I. 4). After that, Talleres Unión started reducing its labor force as technology and deindustrialization advanced. Some of the labor was sent abroad to lower production costs and some of the labor was replaced by new machines, fitting a trend in that era for the Argentine graphic industry (F.I.4).

In 2001, during the economic crisis, the company had begun to accumulate debt, lay off workers, and default on full salary payments (F.I.4). This debt increased dramatically with the devaluation of the peso and was unmanageable by 2003. By 2004, when the company entered into a preventative bankruptcy agreement with creditors, it was left with 48 workers. Laino gathered the remaining work force at this time and told them that he was going to turn the business around. Some workers believed Laino’s diagnosis and were willing to accept the labor flexibilization that he was prescribing. Other workers, lead by Louis, a militant activist, worker since 1984, and long standing union delegate, refused
these proposals. After three assemblies the workers decided take preventative measures by registering a new cooperative with INAES, the government ministry responsible for self-managed work monitoring (F.I. 4).

On August 5th of 2007 eight of the most expensive and important machines in the building were removed. All of the administrative computers, save one, were removed. Marta, the only remaining administrative worker and woman in the recovery described how she had to reconstruct client data bases and finances on this single computer (F.I. 4). During this time the salaries of the workers of Talleres Unión stopped being paid. They recalled walking into work on a Monday morning, finding the machines sold off, and being told there was not enough money to pay them.

According to the workers, Ricardo Laino became a ghost of the factory; he stopped managing and interacting with the workers. Worker feelings were also icy towards a boss who had stopped paying them and was deconstructing their work site, they even joked about wanting to kill him (F.I. 4).

The workers began to effectively self-manage at this time, creating a period they describe as good practice for the current process they are in (F.I. 4). Client relations, financial matters, and other business that Laino previously took care of were increasingly put in the hands of Louis. Laino was in a position where he was losing the will to manage, but was at the same time being cut out of management by the actions workers were taking (F.I. 4). Before Laino would leave and the factory would enter bankruptcy they would lose 15 more workers, leaving 33. But by this time they had formed La Cooperativa de Trabajo La Nueva Unión, elected Louis as president, and decided to recover the factory.

Under the guidance of La Red Gráfica Cooperativa (RGC) and the Federación Gráfica bonaerense, the graphics union, they started a legal battle. They launched a
a proposal for temporary continuation of production under worker control and began arming
an evaluation of business viability, got former clients to sign statements saying they would continue to give business to the cooperative, and re-activated the cooperative they had formed as a preventative measure in 2004 (F.I. 4). The workers pitched a tent on the sidewalk in front of the entrance, hung three Argentine flags, set up a table with a cook stand, and stretched out a banner reading Cooperativa de Trabajo La Nueva Unión: Por la continuidad de la fuente de trabajo (The New Union Worker Cooperative: For the continuation of the work site). When the air got cold they broke up palates and made a fire in the broken parts of the concrete. In the first days there was a 24-hour police presence to monitor the situation, but as the months wore on this presence diminished. In the month of July, every now and then a lone police officer could be seen at the corner or stopping by the tent to smoke a cigarette.

The workers have been in front of the factory for five months at time of paper completion during a process they expected would only take three months (F.I. 4). Many do changas (temporary jobs) on the side to have an income during the process. Some were helping other recovered graphic companies, some clearing brush or digging ditches. One worker was collecting recyclable material on the street to sell, typically the work of a cartonero, and he was also growing plants in his house to eat and sell.

There seemed to be a general consensus that the situation is dire. Some workers have stopped showing up to guard duty, saying they could no longer pay the train tickets to get there. One worker said he got around these tickets by pretending to be asleep when the conductor came around.

VII. The Graphic Web Cooperative
La Red Gráfica Cooperativa (RGC) (Graphic Web Cooperative) was formed on the 30th of October in 2006 and consists of seven graphics cooperatives – Cogcal, Chilavert, Patricios, Ferrograf, El Sol, Cogtal, Gráficos Asociados – in Buenos Aires, the majority of which are recovered factories (RGC informational packet). Their primary objective is integration of the cooperatives and they achieve this through help with commercialization, sales, human resource management, production coordination, technical capacitation, and legal advice (RGC letter of intent). The idea behind all of these programs is to help the graphics cooperatives to “continue walking together” and present a unified front (F.I. 2). Another objective of the RGC is to sidestep capitalist intermediaries, by combining their efforts they can buy and sell within one and another to support each other (F.I. 1). They also look to facilitate social well being among the cooperatives by providing resources for families like children’s movies and trips to zoos (F.I. 2). In this sense, from an economic, political, and social standpoint, the RCG has a vested interest in the recovery and co-operatization of more graphics companies (F.I. 1).

The RGC is a cooperative of the 2nd degree, a cooperative of cooperatives. It has four staff members that are not part of other cooperatives, two coordinators (one of which is the former president of the El Sol cooperative), and two administrative workers. Decisions are made through the assembly, which is comprised of a representative from each of the cooperatives. The presence of the assembly as the highest decision making body puts the RGC directly under worker control and the staff members see their goal as implementing decisions made in the assembly. Their internal structure is displayed by the following graph constructed by the RGC.
The RGC has their own newsletter, *Nuestro Noticias*, which discusses current recoveries – including *Talleres Unión*, elections within the graphics union, and information on what the RGC is generally doing. *Radio Gráfica*, a radio station (89.3 fm) located inside the *Patricios* cooperative, was also recently created. The station serves the southern part of Buenos Aires under the slogan of “Recovering the Air.”

On May 24th, 2007 the RGC won a government subsidy of the *Programa Buenos Aires Innova 2.007* through the *Dirección General de Tecnología Gobierno de la Ciudad de Buenos Aires*. This subsidy finances 11 months of work on a project, and gave the RGC startup capital (F.I. 2). They work with other organizations, both of cooperatives and of the government, including: *FECOTRA, Federación Gráfica Bonaerense, INAES, INTI*, and the Minister of Work through the self managed work program (F.I. 1). The red sees this connection of organizations as part of their goal in “institutionalizing” the phenomenon of recovered factories (F.I. 2). This institutionalization has a goal of making the process of recovery easier, by providing the knowhow for cooperative formation – in the form of classes on everything from cooperative structure to how to run certain machines – and resources for its actualization – such as financing, legal advice, and new customers.
VIII. Worker Interpretation at La Nueva Unión

When the workers at Talleres Unión decided to camp outside the vacant building and recover the factory they faced a distinct situation from the previous examples of the recovered factory movement. These changes both within the movement and external to the movement affected the strategy that workers used to recover the factory. Nevertheless, these factors only influenced worker strategy decisions insofar as they were recognized and interpreted by the workers. I would now like to outline the changes interpreted by the workers at Talleres Unión and how these interpretations affected the decisions they made.

Economic Situation

Many workers stayed to recover the factory because they saw little opportunity for them to find work in other places (F.I. 4). They saw that the unemployment plans only covered a couple kilos of meat and weren’t enough for a family. Out of the 24 workers that stayed to recover the factory, almost all of them had over 10 years of experience (F.I. 4). The reason for this being that it is difficult to find new work once one has been established in a company for a long time. Workers like Roque and Raul had been with Talleres Unión for 24 years, made a career out of the company, and were raising a family with their salaries. It is easy to imagine the difficulty inherent in trying to re-enter an industry that workers had interpreted as closing due to macro-economic changes. So, with little other opportunities workers saw the strategy of recovering the factory as a way to continue working in a hostile economic situation. Taking the enormous risk of months without a salary, workers are holding out for long-term benefits, but see little other options.

This economic interpretation, although held by the majority, was not applicable to every worker. Ignacio was the youngest worker who stayed for the recovery of the factory. He had been hired in 2005 and only had three years of experience at the factory. He came
from a graphic family; with relatives working in many of the surrounding businesses – one of which was the *El Sol* cooperative (recovered a couple of years back). He thought he was in a good situation to find a new job if he wanted, but wanted to stay for the recovery for ideological reasons. So, although the closing of the job site and little opportunity to find other work played a major role in the decision of recovery, there were other factors at play.

The two workers holding formal organizational positions, Loius (president) and Juan (secretary) in the cooperative *La Nueva Unión* held a macro-economic grasp of the external situation. In various occasions these workers spoke with fluidity about their interpretations of the root of the economic crisis and the changes since. Loius placed the recovered factory movement as a step into an alternative economic structure, although he held that the businesses were still embedded in a capitalist system. In this way, we can also see more evidence of the role of worker ideology in the decision to recover the factory.

An economic factor that was important in the way the recovery of *Talleres Unión* unfolded was the rate at which the plant closed (F.I. 1 & 3). *Talleres Unión* had been in business decline for years before they entered a preventive bankruptcy course and after that workers had a period of effectively self-management. Workers described this period as giving them the consciousness that they could run a cooperative and the RGC also described this period as giving them the time necessary to plan a more organized struggle that was less difficult on workers (F.I. 3). This situation differs from other ERTs, such as *Brukman*, where the decision was made to recover the factory during the process of factory occupation (Lavaca 2004).

**Social Movement situation**

All of the workers at *Talleres Unión* were in agreement about the loss of a mobilized populace in Argentina. None of the workers talked to thought that their
neighbors would come in large numbers to help if the police came to repress them. The same held true for *Piquetero* organizations, which the workers thought were not as powerful and couldn’t mobilize to help them. This is obviously a large change from the situation in 2001, when many recovered factories - such as Zanòn and Chilavert - were able to survive police repression through the help of neighborhood assemblies and *piquetero* organizations (Lavaca 2004). Workers also placed police repression as an almost certainty with occupation. All these factors helped to create a situation where workers saw occupation as more difficult than in 2001.

It is worthwhile to note here that simply because the neighborhood assemblies no longer existed did not mean that neighbors were not supportive of workers. On any given day in front of the factory, it was not uncommon to have a neighbor stop by (adult, child, or former worker) with a small food donation or simply to give moral support with a quick conversation (F.I. 4). Nearly everyone who passed by the site and was in talking distance at least said hello.

**Political/Legal Situation**

The workers seemed generally unresponsive to questions about the current political climate in Buenos Aires. When asked, they just said they didn’t know much about politics and said to talk with the cooperative president. Hector, the cooperative president, was having meetings with legislatures and judges during the period of recovery, however (F.I. 1). They pointed out that the situation right now wasn’t a crisis, and this seemed to be a point that all actors, including the union representative and the RCG coordinators, were in agreement on (F.I. 1 & 3). Workers also felt that with this loss of a crisis situation, it was more difficult to circumvent institutionalized channels. Workers did, however, feel that they had a generally good response from the judge who was handling their temporary
continuation of production case. So, the most important interpretation of changes in the political climate for the workers was the loss of a crisis situation and favorable responses from the judiciary branch. In other words, they recognized that the elite were no longer fractured and that they had another channel of institutional access.

The RCG coordinator felt that the political environment in 2001 was more favorable to the law of expropriation. He felt that because there was a crisis situation, in which there was a massive loss of job sites and high public opinion of recovered factories, legislatures were more inclined to sign an expropriation demand. He continued that since it was harder to get an expropriation law now, they had to come up with new strategies, ones that worked through other channels. This view was also held by the union representative (F.I. 3).

It is important to note, however, that the actors were also asking for a law of expropriation, as they recognized it as a more favorable situation, but this was a secondary goal (F.I. 1).

Internal Movement Resources

The RGC and the graphics union had a major role in the process of recovery at Talleres Unión. While the union tended to handle the legal aspects with the state, the RGC handled the cooperative aspects and internal well being of La Nueva Unión, although there was a large degree of coordination and crossover (F.I. 1). Both of these organizations also provided financial and legal assistance to the workers (F.I. 1 & 3). The union was also providing the tent the workers lived in, the car they slept in when it was cold and other material necessities for guarding the factory. Workers hung union election results and RGC information at prominent locations in their recovery space.

Workers interpreted this help as a large part of their struggle for the factory. Although they thought it would be possible to recover the factory without their help, they
stressed that it would be much harder. One worker made the comparison that the help the movement used to receive from other SMOs during the crisis was replaced for them by the RGC and the union. The help provided by both of these organizations was interpreted by all actors as being contingent upon workers desires, and that the organizations did not try to push a specific strategy. Workers thought that the RGC and the union would help them occupy the factory if that is what they had chosen, and RGC and union actors confirmed this interpretation (F.I. 1).

Although the union and the RGC may have helped the workers with any strategy that they chose, they opened up institutional resources and access that would have otherwise been difficult for workers to get. The legal assistance, financial assistance, and connections to governmental and non-governmental organizations they provided opened up new channels of access for workers.

State Repression

The workers had a completely different relationship with the police than they would have had if they had occupied the factory. Although the police guard that had been a 24-hour presence was reduced to intermittent days of presence, the police still had a significant presence at Talleres Unión. They would stop by often to talk and smoke a cigarette or bring some lunch to share. Worker interaction with police seemed very friendly, often sharing jokes. In one visit I arrived to find the officer that was supposed to be watching them sleeping in their car. Workers laughed as the officer startled to consciousness when a police car drove by with its sirens on, waking him up. This interaction went so far as to workers complaining that the cops did not do enough to protect them from men, perceived as homeless or drug addicted, who were coming into their campsite at night and making them nervous.
Workers did recognize, however, that their relationship with the police would change significantly if they were to occupy the factory and begin illegal actions. Police were talked of as a threat in this situation and the cooperative president spoke of them as “the backbone of capitalism,” urging fellow workers that they would follow whatever orders given (F.I.4). The possibility of factory occupation was not discussed in front of the police and officer presence at times impeded conversation.

Strategy Failure

The social movement actors involved in the recovery of Talleres Unión were not opposed, at least in conversation, to modifying tactic if it failed. On various occasions, workers said that if they did not have success using their current strategy they would resort to more confrontational tactics. In their words “Hacemos el ruido si es necesario” (we will make noise if it is necessary). Workers were also preparing for the possibility of occupying the factory. One worker described how he had removed the locks from inside the building before they left to ensure a speedy re-entry. He also described the first steps they would have to take to begin an occupation. Workers did not reject the possibility of occupying the factory from their repertoire, only that they elected the less confrontational “waiting outside” strategy as a better way to accomplish their goals.

Other actors, the union and the RGC, were also willing to return to a more confrontational strategy if they did not have success. The union representative said that he felt an advantage of factory occupation was that it applied greater pressure because the judge has a “hot potato” in his hands. He also said he was initially in favor of this strategy (F.I. 3). The RCG coordinator said that they would have the workers go as a group to the judge if necessary (F.I. 1), but he qualified the statement by saying that their responses
from the judge had been favorable enough so as not to necessitate that strategy at the moment.

Whether this willingness among actors to utilize a more confrontational strategy would ever materialize into action if they do not succeed is not available from this data. We cannot say at what point actors would redirect the immense amount of resources they have dedicated to this strategy to another. We can only say that they had not eliminated occupation, and other confrontational actions, from their list of available strategies.

Summary

To summarize, in *Talleres Unión* workers saw a factory which constituted their only chance of livelihood and that they knew they could operate by themselves closing. They saw a loss of allies for a contentious battle and placed police repression as a certainty with contentious actions. They had the help of organizations that could open up institutionalized channels and guide them through them. They also had the time with the slow closing of the factory to arm an organized struggle. The actions that workers took to recover the factory therefore constitute a strategy of rational action. They interpreted an external situation and internal resources that were much more favorable to an institutionalized battle and acted upon this interpretation. They have perceived favorable responses from this strategy, through the judge’s comments and information from the union, and so continue with it. They have also, however, taken measures to prepare, mentally and physically, a contentious battle if necessary.

IX. Through a theoretical lens

Development at the Perimeter

The ERT movement came about as a combination of former strategies in the labor movement. The idea of a worker-run cooperative is not new to the world or to Latin
America. Argentina has had cooperatives in the major industrial sectors affected by the recovered factory movement since the presidency of Perón in the 1940’s (Romero 2001). Nor is the idea of a factory occupation new as a strategy in the labor movement. The major industrial sectors affected by the ERT movement have used occupations of factories – shutting down the factory by physically controlling the space to express a claim, for example salary increases – throughout much of their history (FAUBA 2005). What is new about the ERT movement is how workers combined these two strategies.

Returning to production upon entrance into the factory, while rooted in past strategies, is a radical departure from a factory occupation or a worker cooperative. It is not a strategy to win concessions from a boss (like an occupation), but a strategy to establish an alternative system of management. Through combining and modifying past strategies, developing at the perimeter, the movement was able to develop a new tactic of contention that flourished in the 2001 crisis.

Paradigm Change

The ERT movement developed out of a peak in the Argentine protest cycle, fitting the conception of developing during a “moment of madness.” The high level of social mobilization and presence of other SMOs that were able to assist in the factory occupation helped to open up a space for this strategy development. Although rare cases of ERTs existed in the mid 90s, with the high number of recoveries during the crisis we can see that the strategy was “diffused, tested, and refined” in this moment. Workers were also directly exercising the right they were claiming, which was the right to work. When the crisis was over in 2001, the strategy of the recovered remained and has become a part of the labor movement’s repertoire. But it has changed since the end of 2001, namely it has undergone a process of institutionalization.
Institutionalization

The institutionalization of the ERT strategy is demonstrated by the process of recovery at Talleres Unión. Workers made less confrontational changes in the strategy of recovery so as to maximize their potential for success while almost eliminating the potential for repression. They were able to do this because of changes in the external opportunity structures and internal movement organization that occurred during the ERT history.

As far as external opportunity structures, workers faced a situation in which the populace of Argentina was no longer mobilized, creating a loss of social movement allies. They also had new avenues of institutional access that were opened up by previous movement achievements, such as new sources of funding and the changes in bankruptcy laws, which allowed workers to wage a completely legal struggle. Workers also faced a situation where one avenue of institutional access, expropriation through the legislature, was interpreted as more closed. This was because of the changes in the economic situation and political composition of the legislature had made them less likely to vote for a law of expropriation. Moreover, workers had a new political ally in the graphics union. This ally was brought about around the recovery of Patricios and provided the workers with new resources to use in the recovery.

Within the internal composition of the movement Talleres Unión had the RGC. The amount of process knowledge provided by the RGC allowed the workers to utilize opportunities, such as the slow closing of the factory, to benefit the recovery, such as organizing their struggle during the closing. The RGC also opened up institutional access through their connections to organizations such as INAES and the Minister of Work. So,
this new level of movement organization developed by the ERT movement played a strong role in organizing the recovery.

With all of these new benefits from former movement actions and calming of the political environment in Argentina, launching a less confrontational recovery was a rational choice decision for workers. This process is displayed in the map on the following page.

Tarrow proposes repertoire institutionalization as the result of interaction between social movement actors and authorities. This certainly holds true in this analysis, but changes in the POS also presented themselves as huge determinants of movement actions. In contrast to Piven’s assertions that institutionalization causes an end to disruption, our evidence shows that it is merely correlated with an end to disruption. A loss of open POS seemed to cause both the end of disruption and the institutionalization.
Examples of repression from occupation

Examples of success

Legislative Precedent

Minister of work program

Changes in Bankruptcy law

Slower Closing of Factory

Loss of other SMOs

Fewer declarations of bankruptcy

RGC Help

Union Help

fecootra Help

INAES, Minister of Work Access

Resource Mobilization Theory

Process knowledge

Access to Legal resources

Access to funding

Ideology, Life Experiences, Daily Feelings

Powerful police repression if the factory is taken over from the inside

Institutional routes for success exist and can be successfully utilized

Legislature is less likely to sign law of expropriation

Resources for institutional success exist

More time to create an organized struggle

Leadership within the workers

Loss of resources for a contentious battle

Worker Interpretation

Framing Theory

POS Theory

Previous movement actions

Current External opportunities

Loss of Crisis situation

RGC Help

Union Help

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Resources for institutional success exist

More time to create an organized struggle

Loss of resources for a contentious battle

Worker Interpretation

Framing Theory

POS Theory

Previous movement actions

Current External opportunities

Loss of Crisis situation
X. Conclusions

The data analyzed in this paper points us towards creating a hypothesis that repertoire change occurs at a micro level because of actors’ interpretations of changes in political opportunity structures and internal movement organization. Actors then make a rational choice decision from these interpretations and modify their strategy to maximize success. In the case of Talleres Unión, this repertoire change contributed to a process of institutionalization. Workers saw the most benefit in a less confrontational strategy and acted accordingly.

It is useful to look at this case as a process of movement survival. Talleres Unión was able to wage a process of recovery not because they had the POS provided by the 2001 economic crisis, like earlier recoveries, but because the ERT movement had developed an internal organizational structure and opened up new opportunities. The movement had taken measures to allow for its continuation without the presence of a crisis. The workers at Talleres Unión were contributing to these measures by modifying a strategy that was no longer suited to their situation.

While some researchers might say that a decline in movement success stems from institutionalization, a more correct interpretation for Talleres Unión seems to be that decline in success stems from changes in POS and institutionalization is a survival strategy to combat it. Nevertheless, this paper also showed the importance of internal movement organization in the continuation of the movement after a closed POS. Without the help of movement organizations, it is doubtful that the workers of Talleres Unión would have been able to launch a recovery. If these organizations would have been more geared towards confrontational strategies, this would have been a huge factor in the manner in which the workers staged the recovery. So, although POS seems to be the major determinant,
movements have some say in whether the future is institutionalization through what types of organizations they set up.

XI. The Future

Strategy institutionalization has allowed the workers at Talleres Unión to wage their struggle, but this does not mean that they will be more successful in their recovery. One of the researcher’s main concerns with an institutionalized strategy is that it seemed to take power out of the workers hands. “Waiting” (for the judge’s decision) was a common word used when they described their situation. They were also heavily reliant on the formal organizations helping them to sustain the recovery. The specific circumstances at their factory are also difficult. The eight machines taken away by the old boss will be extremely costly in restarting production.

The helpful part of an institutionalized strategy should show when the workers re-enter the factory and produce. Because they have such strong organization support and government legitimization, moving into the business stage should be easier than it was for earlier recoveries. The workers have high internal organization and have had time to develop deep internal solidarity during the time outside the factory. It will be difficult for the workers to re-enter the factory, but when they do the organizational work they have done will pay off.

I think that the movement was more successful with a less institutionalized strategy. They were not only recovering more factories, but also gaining more government concessions. I do not think, however, that a highly contentious movement would work now. From the changes in the Argentine environment with the loss of the crisis, I think a contentious movement would win little public support and a lot of government repression. So, I believe the workers are doing the best they can with the political situation they have
been given. I do not see a roaring resurge of the recovered factory movement in the near future, but I do not see the movement disappearing. In a best case scenario, they will be able to continue production and maintain organizational ties that will allow them to capitalize on another POS opening. If they do not drop contentious action as part of their repertoire, they could quickly mobilize and develop movement strength when their environment becomes more favorable.

XII. Areas for Study Improvement

There are a lot of areas in which this study could be improved. Most importantly, these results are from a very short period of study, 4 weeks, in a foreign language (Spanish). These limitations make the results at best preliminary. Secondly, this is a case study of one particular factory, the process of recovering a factory is unique in each factory and more cases are needed to draw conclusions. Thirdly, many other factors were not studied; most importantly the group dynamics of the workers at Talleres Union were a big factor in the strategy they elected. These factors were left out because of time, but are important to measure.
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