

OPEN FACULTY PROGRAM
CENTER OF DOCUMENTATION OF RECOVERED ENTERPRISES
SECRETARIAT OF UNIVERSITY EXTENSION AND STUDENT WELL-BEING
SCHOOL OF PHILOSOPHY AND LETTERS
UNIVERSITY OF BUENOS AIRES

Authors:

General writing: Andrés Ruggeri

Research and text: Javier Antivero, Natalia Polti, Pablo Peláez, Matías Halpin, Jéssica Elizalde, Cecilia Galeazzi, Roberto Fernando Marino, Luciana Bourlot, Desiderio Alfonso, Rosario Canale, Celeste Stitillani, Emiliano Balaguer, Paloma Elena, Elisa Gigliarelli

The change of government in Argentina, with the inauguration of Mauricio Macri as President, undoubtedly marked a political, economic, and social turning point, not only at the national level, but region-wide. The impact of the abrupt political reversal and neoliberal economic policy that the new government immediately started to implement also affects worker-recovered enterprises (WREs) and worker cooperativism in general, just as it does all workers. While there are general consequences of the measures taken, there is also an added dimension for this sector. In this report, we seek to lay out an update, and we will center on some of the issues we have observed in these few months under the management of the Cambiemos Alliance government in relation to the recovered businesses, some of which can be expanded to all self-managed workers.

Our purpose is to give elements to analyze the new scenario, putting this information within reach of the workers and their organizations, as well as researchers, media, social and political organizations, and anyone interested in the problem of self-organized work and business recovery by the workers.

CRITERIA, ORGANIZATION OF THE REPORT, AND WRITING METHODOLOGY.

This report is a **continuation of the four surveys¹ done by the Open Faculty Program on worker-recovered enterprises in Argentina (published in 2003, 2005, 2010, and 2014)**, but this time, it is not an exhaustive survey of the situation through broad field work, but, in the first place, an update of basic information, and then indications of the main aspects of a panorama that presents new and urgent situations that we believe deserve to be featured and presented for public debate.

The first part of work consists of **an update of the general state of the WREs in the country, with the most important data to establish the dimensions and general characteristics of the process of recovering enterprises as it was found at the beginning of the government of M. Macri**. In this section, work was done on the permanent database of the Center of Documentation of Recovered Businesses, completing, modifying, and complementing existing information on the basis of changes detected, setting the cutoff at the month of March of 2016. To update the database, work was done with information provided by the organizations that bring the WREs together, coming from the ongoing follow-up on WREs done by the Center on Documentation of Recovered Businesses, public and media sources with information that can be corroborated by a second instance, and, finally, work on the ground by the team of the Open Faculty Program. The content in this section corresponds approximately to that

¹ The surveys that the Open Faculty Program carries out consist of building a general storehouse of basic information and a database based on fieldwork with interviews of a significant number of recovered enterprises enterprisesby analyzing various aspects through quantitative and qualitative methodology. These surveys have been done on four occasions since 2002, the last being the one published in 2014, centered on the WREs that began in the period of 2010-2013. Similar surveys, which are being integrated, have been done by teams from universities in Brazil, Uruguay, and Mexico.

of the first chapter of previous reports, which is to say the general data obtained from the database of all WREs, before analyzing information from the surveys of each case and the database built from them.

Next, we analyze (through information collected on the ground, general and sectoral economic reports, and evaluations by the workers themselves and their organizations) **the problems of the WREs and self-managed work in relation to political and economic changes** that affect the country, the economy, workers in general, and self-managed workers in particular to try determine the most important problems, economic tendencies, and threats that can be identified and the responses by workers and their organizations. Information published by the organizations and media on the rate issue is included, plus more offered directly by the workers, and public information is confirmed by direct sources in the WREs.

The third part, where the situation of the WREs is described in the period being analyzed in relation to various problems that affect them specifically, was compiled through field information, information provided by the workers in the recovered enterprises and their organizations and, third (and subject to verification by the participants), the media or other secondary sources.

Finally, some provisional conclusions and possible courses of action are proposed. It is important to highlight that without the collaboration and active participation of the workers in the recovered enterprises and different organizations, the writing of this work would not have been possible.

THE RECOVERED ENTERPRISES IN THE EARLY DAYS OF THE GOVERNMENT OF MAURICIO MACRI: AN UPDATE

In March of 2016, according to data from our team, **367 recovered enterprises existed in Argentina, occupying 15,948 workers**. The recovered enterprises that appeared **after** the closure of the previous report,² in **December 2013**, totaled **43**, which explains the difference between the current amount and the number from 2013. We also subtracted six WREs that were not able to survive this period and seven WREs prior to 2013 that were confirmed in the last survey. The cut-off date was put at March to mark the moment in which political and economic changes of the new government begin to manifest in the sector. This way, this first part indicates the update of all recovered enterprises up until they begin to feel the first effects of the Cambiemos Alliance government and, therefore, the situation of the WREs as they entered this new stage.

The first important data point to emerge from this information is that **the rate of appearance and consolidation of new cases of business recovery by self-managed workers continued in the two years following the last report**, in which already we had demonstrated a tendency toward growth of the recovery process through 2009. With this, we can see that of the total existing WREs, the number that started after that year exceed those from the crisis of 2001, the point in time most strongly identified with the recovered-business movement in Argentina. At the same time, the number of WREs that closed in the same period (six) is significantly smaller, which speaks to the high survival rate of the recovered businesses, even compared to SMEs and traditional enterprises of

2 Fourth survey of recovered enterprises of the Open Faculty program (in English). Also there is a publication called "New Recovered Businesses, 2010-2013," in the collection "Worker Economy." (2014, Ed. Peña Lillo/Continente).

a similar nature.³ With this in mind, we sustain the conclusion of the previous reports regarding **the incorporation by Argentine workers of the possibility of self-management as a viable alternative to preserve their jobs and recover the enterprises that employers close or abandon**. We can add that the survival rate of Argentine recovered businesses, compared to enterprises of private capital, is quite high, as we will discuss later. First, however, it must be pointed out that **this dynamic still reflects the political and macroeconomic context in effect until December 10th, 2015**, before the neoliberal turn caused by the beginning of the new government.

In general, we can observe the distribution of the WREs in Argentina by province in March 2016, which is to say, at the beginning of the government of Mauricio Macri, in the following table (differentiating Greater Buenos Aires from the rest of the province):

Province	Businesses	% by Province	Workers	% of Total Workers
BA	119	32.43%	5524	34.64%
CABA	70	19.07%	2257	14.15%
BA province	54	14.71%	1744	10.94%
Santa Fe	26	7.08%	1064	6.67%
Cordoba	15	4.09%	1270	7.96%
Rio Negro	12	3.27%	496	3.11%
Chaco	9	2.45%	343	2.15%
Mendoza	8	2.18%	212	1.33%
Misiones	7	1.91%	242	1.52%
San Luis	6	1.63%	257	1.61%
Entre Ríos	6	1.63%	386	2.42%
Neuquén	6	1.63%	922	5.78%
Corrientes	5	1.36%	454	2.85%
La Pampa	6	1.63%	163	1.02%
La Rioja	5	1.36%	140	0.88%
Chubut	4	1.09%	80	0.50%
Jujuy	2	0.54%	80	0.50%
San Juan	2	0.54%	39	0.24%
Tucumán	3	0.82%	25	0.16%
Stgo. del Estero	1	0.27%	70	0.44%
Tierra del Fuego	1	0.27%	180	1.13%
Totals	367	100.00%	15948	100.00%

Total of WREs in the country, by province (cases and number of workers). March 2016. N: 367.

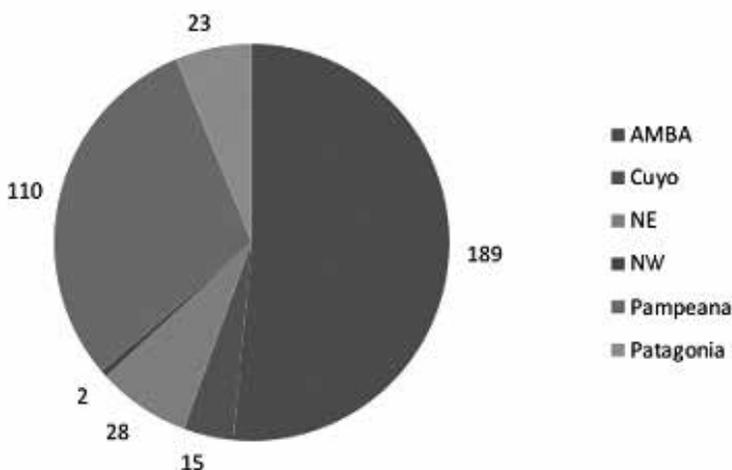
³ According to the Ministry of Labor, the ratio of businesses that opened and closed in 2012 was almost one-to-one. For the WREs/WREs, as we will see later, it is ten-to-one. As an example, we can point out that, in Spain, at the beginning of the last decade, the average mortality four years after the creation of a businesses was 53%.

The geographic distribution of the WREs is not very different from previous years, with a **notable concentration in the City of Buenos Aires and the province of Buenos Aires**, and there was even growth in cases in the Capital. In the rest of the country, the tendency is similar to 2013.

In a distribution by geography, there are likewise no big changes:

Region	# businesses	% by province	# Workers	% of total workers
AMBA	189	51.50%	7781	48.79%
Cuyo	15	4.09%	391	2.45%
NEA	28	7.63%	1190	7.46%
NOA	2	0.54%	80	0.50%
Pampeana	110	29.97%	4828	30.27%
Patagonia	23	6.27%	1678	10.52%
Total	367	100.00%	15948	100.00%

Distribution of WREs and workers by large region. March 2016. N: 367.



The preponderance of WREs in the AMBA (metropolitan Buenos Aires) is a notable portion of the total, with just over half of the cases and occupying almost half of the workers. More than 80% of the WREs are found in the region of Las Pampas, which include the provinces in question⁴ and the AMBA. In number of workers, because of the size of some enterprises in provinces like Neuquén, the percentage decreases a little. Only 6.27% of the WREs are found in Patagonia, but a little more than 10% of the workers, which is due to the influence of the great ceramics factories of that province.

⁴ Just as we defined it in previous works, the provinces of the region of Las Pampas are Buenos Aires, La Pampa, Santa Fe, and Cordoba.

If we look at the distribution by sector of activity, the trend towards a proportional decrease in industrial businesses continues, with a continued expansion of business recovery in diversified sectors and services. Metallurgical plants remain the most numerous, but continue to decrease proportionally compared to the preponderance they had several years ago (they were 29% of the WREs in 2004).

Areas	# WREs	%
Metallurgy	72	19.62%
Food	50	13.62%
Printing	38	10.35%
Textiles	28	7.63%
Restaurant	25	6.81%
Meat Industry	25	6.81%
Construction	18	4.90%
Health	12	3.27%
Wood/milling	10	2.72%
Leather Industry	9	2.45%
Education	9	2.45%
Media	8	2.18%
Transportation	8	2.18%
Chemicals	8	2.18%
Glass	7	1.91%
Plastic	6	1.63%
Trade	6	1.63%
Fuel	5	1.36%
Hotel industry	5	1.36%
Logistics/Maintenance	5	1.36%
Shoemaking	4	1.09%
Papermaking	3	0.82%
Shipbuilders	2	0.54%
Mining	2	0.54%
Rubber	1	0.27%
Publishing	1	0.27%
Totals	367	100.00%

Number of WREs by area. March 2016. N: 367.

Metallurgical plants also continue to be the sector with the most workers, in a similar proportion to the number of enterprises (almost 20%). In second place in number of workers is **the meat industry, which occupies more than 2000 workers and reaches 13% of the total, while being little more than 6% of the cases, followed by print shops, food, textiles, and construction** (which includes ceramics workers). In this regard, there are no major modifications.

Areas	Workers	%
Metallurgy	3196	20.04%
Meat Industry	2092	13.12%
Printing	1519	9.52%
Food	1445	9.06%
Textiles	1196	7.50%
Construction	1033	6.48%
Transportation	778	4.88%
Health	572	3.59%
Leather industry	520	3.26%
Restaurant	487	3.05%
Glass	478	3.00%
Shoemaking	401	2.51%
Media	394	2.47%
Wood/milling	318	1.99%
Education	250	1.57%
Trade	232	1.45%
Hotel industry	232	1.45%
Chemicals	186	1.17%
Logistics/Maintenance	143	0.90%
Plastic	117	0.73%
Papermaking	102	0.64%
Fuel	88	0.55%
Mining	83	0.52%
Shipbuilders	62	0.39%
Rubber	13	0.08%
Publishing	11	0.07%
Totals	15,948	100.00%

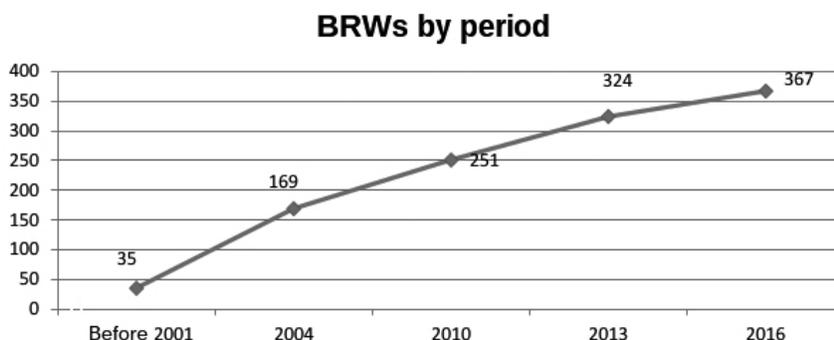
Number of workers by area. March 2016. N: 367.

In general, the characterization of the WREs we made in previous works as mostly small and medium enterprises continues to be valid. **On average, the**

recovered enterprises have 43.4 workers, slightly less than in 2013 and what was found in previous surveys (44.3 in 2004; 45.6 in 2010).

GENERAL EVOLUTION OF THE PROCESS OF RECOVERING BUSINESSES

Since the appearance of the first cases at the beginning of the '90s, the WREs have grown in quantity and in diversity, as the four previous works of our program have shown. The growth trend has remained steady after the rise of recovery processes during the late '90s and the crisis of 2001, after a stagnation during the years of greater economic recovery in the Kirchner period (there is a notable slowing of recoveries after 2005 until the middle of 2008, although new cases never stopped appearing; this is also the period in which the most closures of WREs were verified). As of 2008, recoveries and conflicts about the closure of enterprises again begin to proliferate, and they maintained a sustained pace from then on that, while far from the massiveness of the period 2001-2003, is close to an annual average of about 15 cases per year.



Adding up all the new cases that have been able to recover their business and put it under worker management, we see a panorama in which **the WREs from after 2008 already are more numerous than those from the time of crisis**. In particular, the cases after 2008 have risen to 156, while there were 133 from 2001 to 2004 (as always, counting the cases that are still working).

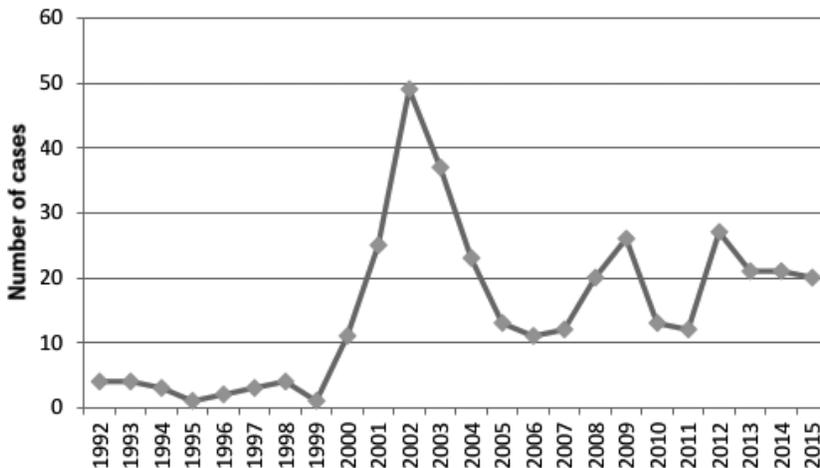
However, we cannot extend these numbers to the present, because they are the result of economic (as well as political and social) dynamics that came to an end with the change in government. In other words, the growth tendency of the cases of business recovery by the workers that we have discussed so far is part of a socioeconomic stage that has changed radically in recent months. While there continue to be open conflicts (enterprises in recovery processes that have not been able to be consolidated), they are almost all processes that began in the last months of the government of Cristina Fernández. The only case (so far) of a recovered business whose process also began under the Macri's government is the cooperative of the *Tiempo Argentino* newspaper, which is a fairly unusual case because of the kind of enterprise, the causes of owner abandonment, and the worker collective itself. There are other conflicts, even with media businesses,

that have not been resolved in the same way or remain open in the absence of a clear path towards self-management, in spite of their similar dynamics.

There are also numerous cases of business and factory closures, and even some occupations, but so far, they have not evolved in ways consistent with the trends in the emergence of new recoveries in previous years, even as the level of social unrest is growing.

With this in mind, **we can distinguish different stages in the curve of the emergence of WREs that are connected to changes in macroeconomic, political, and social context.** The first cases of business recovery by the workers (excluding some historical cases that are still working, like the COGTAL print shop, which comes from the '50s), take place in a neoliberal context, during the '90s. A second period, that of the expansion, consolidation, and increasing visibility of the phenomenon, happened in the crisis of 2001 (between the years 2000 and 2003). We can identify a third stage as the consolidation of the post-convertibility economic recovery, between 2004 and 2008. The fourth stage was defined by the throes of the global financial crisis and the framework of the countercyclical policy and protection of the internal market by both governments of Cristina Fernández de Kirchner, a sustained and constant growth of recoveries (with a peak in 2008-2009, a decline in the second stage of growth and a new increase during 2012), but concentrated in non-industrial sectors or, among manufacturers, in highly precarious sectors with weak unions or vulnerable to technological changes that require large investments.

BRWs by Year

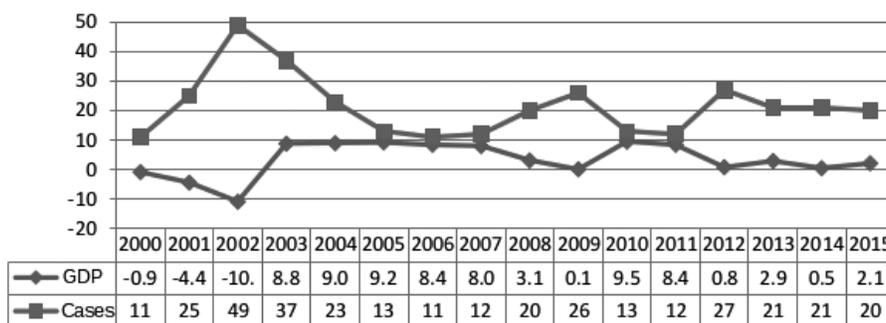


The characteristic common to the majority of the WREs at their origins is that owner conduct tended to include asset stripping and labor fraud, at the cost of jobs and productive capacity (2009-2015). It is also important to take into account that macroeconomic context, influenced largely by the economic policy enacted by the government, has an enormous importance as the context of the possibility of the existence of recovered enterprises or processes that may

lead to their formation, though that does not mean that they are formed through State policies. However, a hostile State policy can make conditions very difficult for the development of these processes or even put an end to those that show weakness. In that sense, since December of 2015, we have been in a stage of a return to neoliberal policies that lead to recession and massive job losses, but with the addition of a change in the attitude of the State towards the WREs, which went from social support to aggressiveness, as we will see in the third part of this report.

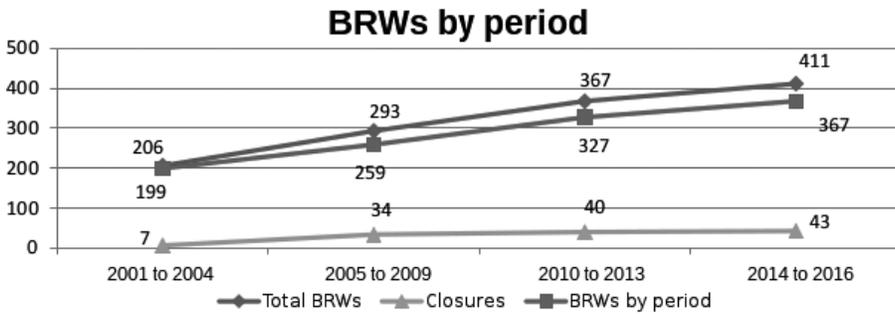
The relationship between the economic context and enterprise recovery is made explicit in an unusually clear way in the following graphic, which compares the changes in the GDP with the number of cases of recovered enterprises by year from 2000-2015.

Relationship between GDP and Recovery of Businesses



CONSOLIDATION AND “MORTALITY” OF RECOVERED BUSINESSES

The preceding graphics were made on the basis of the cases currently working or in conflict with the objective of recovery, and we can add to them enterprises that once were recovered by the workers and that began working during or after 2002 (which is to say, since we began collecting data; the cases that began before that year but were not able to remain active are not included). This information, which we have documented for the first time in this report, gives us an account of **the total enterprises that were recovered enterprises, including those that were not able continue working**, which gives us a more thorough idea of the dynamic of the process in general. It also helps to answer the often-asked question about the **mortality rate of WREs**. This is generally intuited to be low, but no calculation had been done of just how low. Keeping this information in mind, the recovered enterprises in Argentina add up to **411 total, of which 367 were working or struggling for self-management as of March of 2016**. In contrast, **43 WREs** have not been able to reach a stage of consolidation, have had to close, or were evicted between 2002 and early 2016. Thus, we can see that **the “mortality” rate of the recovered enterprises is approximately 1 out of every 10** that begin the recovery process (10.67%).



It is not easy to establish with certainty not only the closure of a recovered business^[^5], but also the causes, at least given the short time available to write this report, which did not include the field work that our team carried out for previous surveys, and this is why we give some provisional data here about their circumstances. While in many cases, we could not corroborate information or verify its veracity, the following table allows us to distinguish the origins and times of business “mortality” of WREs.

Year of closure	2002-2004	2005-2009	2010-2013	2014-2016	Totals
For economic causes		4	4	2	10
Evictions	1	5		2	8
Auctions		1			1
Internal conflicts	1				1
Nationalized	1				1
Bought or privatized	1	1		1	1
Other judicial causes		1			1
Undetermined	1	16	1		18
Total	5	28	5	5	43

WREs that had to close, 2002-2016. As of March 2016.

Logically, the conflictive circumstances of the emergence of a new recovery case gives it visibility (in the media, because of the dynamics of the conflict, and because of its links with different organizations) that a closure does not have, unless it is also a traumatic process (generally an eviction).

We can see here that **the largest number of closures occurred in the period after the crisis of 2001-2003**. While we do not have clear data on many of those cases, we can suppose (because of judicial measures or policies that led to evictions or liquidations are most notable) that the majority of these WREs whose cause of disappearance we cannot yet determine are due to not having been able to overcome the difficulties that characterize the process, and which we have discussed at length in other works, or not having managed to rebuild

their position in the market. Adding up those that we can clearly demonstrate were due to these kinds of difficulties, during the period of greatest growth of the economy, there were 20 WREs that were unable to consolidate as businesses, while another eight succumbed to other kinds of circumstances related to legal precariousness. But if we carry this analysis into the latest period, we note that of the five WREs that had to stop working, all cases were due to decisions beyond the will of the workers and their economic performance. They were decisions of the State (usually the judicial branch) associated with legal precariousness and the disadvantages that this situation brings to being able to develop a productive project.

The relationship between both circumstances associated with the process of workers recovering enterprises shows an inverse proportion between the number of recoveries and mortality: in the period of greatest economic growth, there are fewer cases of recovery and, at the same time, greater mortality, and inversely, in times of greater numbers of recoveries, less mortality. To establish the causes, we must analyze the particular circumstances of closures, an issue beyond the scope of this report, although we can make some conjectures. The first is that, due to precariousness and the massiveness of recovery processes around the crisis of 2001, with the lack of consolidation of legal mechanisms and State instruments that collaborate with the workers to be able to preserve their businesses, it is logical that among the more than 150 WREs, since that critical moment for the country, there have been cases that could not consolidate or sustain themselves, whether due to the market, adverse judicial decisions, or even the worker collective. At the same time, the perception of economic improvement may have resulted in lower resistance in workers faced with these adversities, who took for granted an improved scenario with greater access to the labor market. The same perception may have acted, but in reverse, to give greater sustenance to the worker struggle for the recovery and preservation of jobs in periods seen as more critical. Later on, the development of better tools of State assistance, together with the accumulation of experience by the workers and their organizations (both sectoral and labor), had an influence on the greater probability of consolidation of the WREs. Notwithstanding, we note that this analysis is provisional, and that it also refers to the political-economic period that ended in December 2015.

THE PERIOD 2014-2016

The period of 2014-2016, which is to say, the biennium after the finalization of the last survey, maintained the trends of the preceding years, with 43 new recovery cases. In the following graphic, we can observe that, compared with the period analyzed in the fourth survey, the WREs are again found to be concentrated in the AMBA, with 24 cases, 56% of the total enterprises (in the report of the fourth survey, a trend towards growth in the number of cases was noted there), which represent 68% of the workers, a higher number than previously. If we add the seven WREs in the rest of the province of Buenos Aires, the number of cases in the City of Buenos Aires and the province of Buenos Aires is noticeably above the rest of the country.

Provinces	# businesses	% by province	# Workers	% of total workers
CABA	12	27.91%	481	23.16%
GBA	12	27.91%	946	45.55%
BA province	7	16.28%	146	7.03%
Misiones	3	6.98%	149	7.17%
Rio Negro	2	4.65%	225	10.83%
Santa Fe	2	4.65%	50	2.41%
Chubut	1	2.33%	35	1.69%
San Luis	1	2.33%	25	1.20%
Cordoba	1	2.33%	12	0.58%
La Rioja	1	2.33%	7	0.34%
Tucumán	1	2.33%	1	0.05%
Total	43	100.00%	2077	100.00%

WREs by number of cases and number of workers appearing the period 2014-2016 (March). N: 43.

The profile by sector shows cases dispersed over a variety of areas and a concentration in the industries of food, printing, metallurgy, and gastronomy. Recovered metallurgical plants over the past two years maintain a proportion similar to the accumulated total in the period reflected by the fourth survey (2010-2013), which showed a rise in non-industrial sectors and textile plants that is hardly noticeable in more recent stages. It is remarkable how gastronomy continues to increase its number of recovery cases in these last two years, as is the sustained growth of the printing sector, which led to the Cooperative Printers' Network, made up of more than 35 associated cooperatives.

Areas	# WREs	%
Food	8	18.6
Metallurgy	8	18.6
Printing	7	16.27
Restaurant	6	13.95
Education	3	6.97
Trade	2	4.65
Wood/milling	2	4.65
Papermaking	1	2.33
Media	1	2.33
Chemicals	1	2.33
Health	1	2.33
Leather Industry	1	2.33
Meat Industry	1	2.33
Textiles	1	2.33
Total	43	100

WREs by number of cases and sector appearing in 2014-2016 (March). N: 43.

Without taking an in-depth look at the analysis of this period, we can observe that the pattern observed in years just prior has not changed, in which cases of business recovery by workers continue to happen, with an important diversity of sectors and less predominance of the manufacturing sector. The workers who make up this sector total 2077, which explains most of the growth in the number of workers between 2013 and March of 2016, while growth in jobs created by the WREs that were already working grew by about 400 in the same biennium. On the other hand, it can already be observed in this period—with processes of recovery still happening—that there is a high level of unrest that prolongs conflicts and approaches the average duration of the occupations and general period of struggle of those verified before and during the crisis of 2001. Several of these conflicts remain open because of different circumstances, bringing uncertainty to the workers, like Acoplados del Oeste, La Casona, La Litoraleña, La Robla, and Suberplastic. One of them, the Vulcano print shop, recently saw the workers returning to the factory after 16 months of struggle, and another, the Río Plata restaurant La Aguada, ended with the closure of the business by judicial order. The deterioration of the political climate in the months before the Presidential elections of 2015 and the electoral victory of a government with an openly neoliberal program had an undeniable influence on the panorama that these workers have to face, which was already more difficult than normal, and is beginning to mark the context they will face in 2016.

THE EFFECTS OF MAURICIO MACRI'S ECONOMIC POLICY ON THE RECOVERED BUSINESSES

In these first months of the government of Mauricio Macri, the profound changes in the national political economy affect worker-recovered enterprises and productive activity as a whole. At the same time, aside from these elements of macroeconomic policy from the government, particular aspects affect the WREs and the practices of self-managed work in general. **The most obvious impacts are related to the widespread increase in costs of supplies, the abrupt drop in consumption, the opening of imports, the devaluation that made imported supplies expensive and reduced national supplies and, principally, the enormous rate hikes, especially electricity and gas, which are indispensable for the operation of any economic unit.**

Although data on the national economy are not clear because of the almost complete cessation of the publication of official reports, some basic issues are obvious and can be learned about through research and statistics from different research institutes, chambers of commerce, and other indicators. The numbers are eloquent and show the widespread decline in living conditions for the population and economic activity in general, with an emphasis on the accelerated decline in productive activity. They also show the devaluation of the Argentine peso which, at the beginning of May, hovered at just over 40%, but that had topped out around 50% and 60% in previous months, proportionally affecting dollarized prices; an accumulated inter-annual inflation that, as of March was already at 40% for the CABA⁵ and reached 7.2% in May; a rise in transportation costs of an average 100% in the AMBA; a fall in industry of 6.7%, according to the INDEC; the dismissal of at least 150,000 workers, both in the public and private sectors, according to different calculations; the closure of some 5000 retail stores, according to Fedecámaras; of 1686 businesses, according to the

⁵ Data from IPC City.

registers of AFIP, of which 171 are industry; and the opening of imports that are beginning to replace national production, which increases unemployment. All of this means a major setback in the living conditions and economy of the country. In this adverse context, the recovered businesses, survivors of the crisis, of asset stripping and the ruinous practices of businesspeople that used their workers as an adjustment variable, must try to continue producing with a government that, so far, has not only not taken any measures in their favor, but has demonstrated indifference and hostility.

The first and greatest impact on WREs of the consequences of the economic policy carried out as of December 10th, 2015, and the one that provoked the biggest reaction from workers and their organizations, is the rate hikes, which varied between 200 and 700% in electrical energy, and reached more than 1300% in gas. Initially, there was an attempt to justify the increase by the “received inheritance,” which had caused a rate “delay,” and by official argumentation for the need to remove the subsidies that had kept fees relatively low during the previous government. It was also maintained that the increases would only reach the City and Greater Buenos Aires, because the subsidies had never reached the interior of the country, which meant their withdrawal was not going to affect these consumers. However, the reality was very different, and the WREs were no exception, and even if that differentiation between the interior and the AMBA had held true for household consumption, public transportation, etc.—as it was, all increases were verified as equal—something different happened with industrial consumption and productive activity in general. The increases are of such magnitude that they put the continuity of the enterprises at risk—whether recovered businesses, other kinds of cooperatives, or private capital—sometimes by themselves, but more often combined with the rest of the economic measures that cause a rise in the prices of supplies, the indiscriminate opening of exports, and the fall of popular consumption. The major reaction to the rate hike caused mobilizations by different organizations, which were able to secure a promise of the opening of a registry of recovered enterprises for the implementation of a social tariff, the presentation of various bills in the National Congress and in provincial legislatures and the CABA, as well as numerous writs of judicial support that forced the government into a partial backpedaling. However, paying 50% of an abusive tariff, or restricting the increases to “only 500%” is not an acceptable solution to the problem. This also motivated the call for the organization of a “Multisectorial,” in which other cooperatives, SMEs, neighborhood clubs, and other organizations converge, in addition to the recovered businesses.⁶

We can see some of the increases in electricity rates reported by workers in Table 9. It shows the differences in the amounts between the bills that arrived before the increases (mostly in February or March), and those that arrived with the increases in April or May. In some cases, like in the Chilavert print shop, there was an intermediate step. The increases were large in size, between 100% and 800% (in the case of the SUPBGA meat-packing plant), and occur both in the City and province of Buenos Aires as well as with WREs in provinces of the interior, as in the case of FASINPAT (the former Zanón). They have an impact both on industries that demand large amounts of energy and on productive units of lesser absolute consumption (compared to a meat-packing plant or a

⁶ The first meeting of this multisectorial was held on Monday, June 6, in the BAUEN Hotel.

factory of the size of FASINPAT), such as restaurants and hotels. The table does not show all or even a representative sample of the cases, but does show cases from different areas, districts, and volume of consumption.

BRW	Sector of activity	Province/locale	Bill, February/ March (AR\$)	Bill, April/ May (AR\$)
Chilavert	Printing	CABA	3000	15,000
10 of November	Textile	Province of Buenos Aires/ GBA/ La Matanza	7500	45,000
19 of December	Metallurgy	Province of Buenos Aires/ GBA/San Martin	6000	24,000
Acetato Argentino	Textile	Province of Buenos Aires/ GBA/Quilmes	28,000	110,500
Alé Alé	Restaurant	CABA	7500	22,000
Bauen	Hotel	CABA	24,000	100,000
CUC	Shoemaking	Province of Buenos Aires/ GBA/San Martin	14,000	57,000
Cueroflex	Leather	Province of Buenos Aires/ GBA/San Martin	60,000	322,000
El Amanecer	Food	Province of Buenos Aires/ Mar de la Plata	50,000	90,900
Envases Flexible Mataderos	Containers	CABA	32,000	243,000
FASINPAT	Ceramics (construction)	Neuquén	360,000	1,600,000
Bragado Meatpacking Plant	Meat Industry	Province of Buenos Aires/ Bragado		
Idelgraff	Printing	Province of Buenos Aires/ GBA/Munro		
Incob	Meat Industry	Buenos Aires/ Bahía Blanca	16,000	59,000
La Casona	Restaurant	CABA	8000	42,000
Los Chanchitos	Restaurant	CABA	5000	19,000
Madera Cordoba	Wood	CABA	2000	6000
Madygraf	Printing	Province of BA/ GBA/ Pilar	38,000	230,000
Ronicevi	Metallurgy	Province of BA/ Tandil	32,000	62,000
SUPGBA	Meat Industry	Prov. of BA/BA	100,000	850,000

Increases in electricity rates between February/March and April/May of 2016.

Likewise, and with even higher averages, which reach scandalous levels, we note the increases in gas that started to arrive in the month of May. In this case, the increases are of such magnitude that they put the very continuity of the enterprises at serious risk, even more than the preceding, and worse still when both increases are combined.

BRW	Sector	Province/locale	Bill, Feb./ March (AR\$)	Bill, April/ May (AR\$)
FASINPAT (former Zanon)	Ceramics (construction)	Neuquén	700,000	8,000,000
Los Chanchitos	Restaurant	CABA	1400	22,000
Renacer	Metallurgy	Tierra del Fuego	3400	49,000
Textiles Pigüé	Textile	Province of BA/ Saavedra	29,200	202,000
Vitrofin	Glass	Santa Fe/Cañada de Gómez	44,000	293,000

Gas rate hikes between February/March and April/May of 2016.

The increases are also enormous for water, of which some activities require large quantities. While these increases are just starting to arrive at the time of the writing of this report, we can cite the case of Cueroflex, in the town of San Martín, Greater Buenos Aires, which went from paying \$20,000 to \$80,000; the Bragado slaughterhouse and meatpacking plant, in the City of Buenos Aires; the Chilavert printing press, or the Hotel Bauen, which received increases that vary between 300% and 600%, as we can observe in the following graphic.

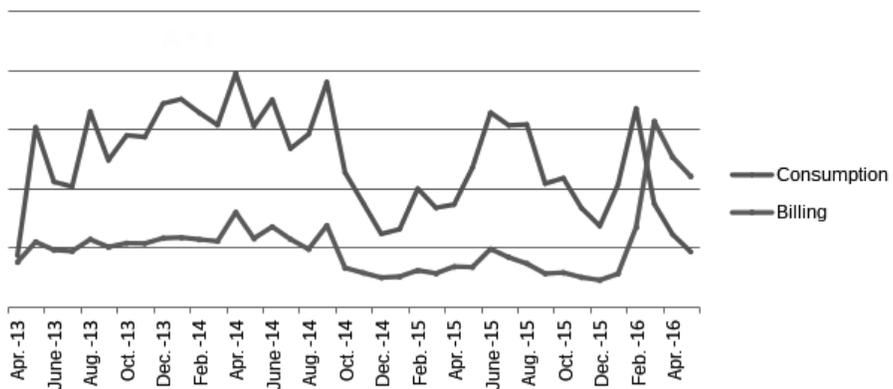
BRW	Sector	Province/locale	Bill, February/ March (AR\$)	Bill, April/ May (AR\$)
Cueroflex	Leather	Province of Buenos Aires/GBA/San Martín	20,000	80,000
Chilavert	Printing	CABA	800	5000
Bragado Meatpacking Plant	Meat industry	Province of Buenos Aires/Bragado	19,000	50,000
Bauen	Hotel C	ABA	60,000	218,000

Water rate hikes between February/March and April/May of 2016.

The increases put the very activity of the enterprises at risk, and this even extends to traditional businesses, not just the WREs or cooperatives, because the excessive increases have a direct impact on business accounts, and because their combination with other measures and circumstances is caused by the economic course of the government. These converge in a context that is not only unfavorable for production and economic activity for the internal market (in which the majority of the WREs operate), but constitutes a direct attack on

economic activity not connected with big corporations and financial capital. As we have outlined, the economic measures taken by the national government in recent months have directly impacted the internal market and workers' incomes. These include devaluation and the liberation of the exchange market, the fall in public revenue due to the reduction in payroll taxes and tax-cutting on luxury consumption, inflation caused by devaluation, and even before all that—keeping a veiled campaign promise—massive layoffs in the State and private sector, with bargaining, where it happened at all, focused on cutting salary costs in dollars. As a result of all these measures, the fall in popular consumption of goods and services has created an unfavorable context for productive activity. In some sectors, this fall was very pronounced, and dismissals and business closures begin to accompany this package of measures.

We can exemplify this situation with what happened to a textile factory recovered relatively recently (the conflict took place during 2013, and they were able to resolve their legal situation in 2015): Acetato Argentino, in the municipality of Quilmes. This cooperative that produces cotton and acetate fabric [synthetic fabric] (the only national factory of this product), which employs 74 workers, produced a report on electricity consumption which makes it possible to track not only the increase in the tariff, but also the changes in consumption, which also makes it possible to observe how it was connected with productivity, since electricity consumption shows the level of production. The table is of great interest because it allows us to observe how the avatars of the legal situation in these early times have had an impact on the productive capacity of its workers, how they are able to make their performance grow little by little, with seasonal ups and downs and those that result from various kinds of difficulties (linked to market changes, but also to legal problems arising from complications in the recovery of the factory) and, finally, the collapse of consumption, while rates keeps rising. The billing curve follows the changes in electricity consumption, until the existing relationship is inverted in February of 2016. As of that moment, while consumption was falling, billing was growing, and the paradox only increased, with production collapsing as billing skyrocketed. It can even be seen that value of the Kw remained between AR\$0.28 and 0.40 until February, and then it began to spike: AR\$1.80 in March, \$2.07 in April, \$2.37 in May, while consumption, which in February was 168,000 Kw, dropped to 46,560 in May.



The reasons for the fall in production are not, of course, the will of the workers, or a sudden inability of management. It is the absolute fall in the demand for acetate fabric, its main product, which gives the cooperative its name (and also the old business, Acetatos Argentinos), due to the opening to imports: its clients (since the cooperative does not sell directly to the consumer, but to manufacturers who, in turn, produce, distribute, and sell the final product) replaced the national fabric produced by the cooperative with imported fabric. The selling point is not the best quality, but price, which the cooperative keeps at the minimum possible. This panorama is not exclusive to the Acetato Argentino cooperative, but encompasses the whole industry. According to data from the Chamber of the Textile Industry itself, importation of flat fabrics in January/February of 2016, compared with same period in the previous year, had risen 15.40% in Argentine pesos and 22.04% in volume, while for finished clothing, the increase in imports was of 39.29% and 23.83% respectively.⁷ That means that this example clearly shows the neoliberal vicegrips of imports, devaluation, and rate hikes and their impact on production and, therefore, on the living conditions of the workers and the survival of the jobs themselves, which were so difficult to recover.

In this regard, **the recovered enterprise are heading into an economic cycle that seems to show signs of a new deindustrialization of the Argentine economic structure**, a stage in which the elements characteristic of the neoliberalism of Menem and Cavallo in the '90s can be seen (deregulation, flexibility, extreme precariousness, opening of imports, external indebtedness, etc.) but at a much greater initial speed. **The increase in rates, far from being a problem with the costs of provision of energy, points to reinforcing this scheme and provoking massive closures of “inviabile” enterprises** (according to the terminology used by the Minister of Labor, Jorge Triaca, Jr., in a meeting with the Argentine Industrial Union on May 24th in a way not used in the period mentioned, but present in other countries that implemented policies of neoliberal “austerity” in recent years, such as Greece⁸. Faced with these circumstances, businesses, especially SMEs, find themselves in the dilemma of looking for ways to lower costs as their level of activity plummets. **For WREs and self-managed worker co-ops in general, the option of reducing the roster of workers is not on the table, so losses must be absorbed through the workers’ own income or a decrease in quality and quantity of production, which, over the long term, leads to the same result.**

Several other circumstances are added on to the rate hikes, which affect different sectors in different ways. We will give some examples. In **the printing sector**, in which WREs have proliferated and even created their own second-tier organization, the Cooperative Printers’ Network, there is deep concern. According to estimates by the Network, **the increase in costs of supplies** (paper, inks, aluminum plates, etc.) has been between 20% and 30% since December, and they cannot raise prices at all, because that would make marketing impossible. At the same time, as many supplies are imported and dollarized, the sector was hit hard by **devaluation**, even though the increases were fairly gradual, from 3% to 6%, but constant, month after month, until the new costs in dollars were equalized. The **opening of importation** of books also represented a blow for printers, since it facilitates big publishers printing outside the country (as well as the importation of books at prices that attack independent publishers and,

7 Source: Pro-Tejer Imports Report, 2016.

8 In the year 2013, 350,000 homes were left without electricity because of an inability to pay rate hikes imposed by the State Energy Corporation, which, at the same time, registered an increase in gross profits of 52.2%. (Cuesta Marín, Antonio; “Europe, time for alternatives,” Editorial Metrópolis, Bs. As., 2014).

once more, their difficulties impact the printing industry). With these factors added together, plus **the fall in consumption and the ever-increasing loss of competitiveness due to the obsolescence of machinery** (which is almost impossible to upgrade without access to credit and, since December, some kind of subsidy or policy of support from the State), the result is a **40% reduction in the production of cooperative printers**, according to estimates by the Cooperative Printers' Network. This is happening in all areas of printing, from books, newspapers, and magazines, to packaging. The situation puts several of the cooperatives of the Network in a critical place, bringing them to the edge of closure. In such circumstances, big businesses in the sector pressure cooperatives to lower their prices, taking advantage of their need for work, and later use the low prices to leverage a widespread price reduction in other printers, **forcing them to be a part, however involuntarily, of the cycle of precariousness and the cheapening of the labor force** that the economic model and big businesses seeks, especially multinationals.

Others sectors, like metallurgy, which are largely linked to supply chains that, like automotive or appliances, have been strongly affected both by devaluation and by the opening to imports, especially big transnational brands. In the private sector, there have already been numerous dismissals and there is a serious decrease in production, which is also reflected in the recovered enterprises in the sector. In the textile field, for its part, and as we already saw with the example of Acetato Argentino, the same phenomenon of importation is making big changes to the supply chain. Textiles Pigüé, for example, has suffered several cancellations of orders, besides the rate hike that can be seen in Table 9. Also, the workers see that the businesses to whom they provide cloth, in turn, have also begun to fire workers, and they themselves have a waiting list of job seekers at the cooperative that exceeds the total current personnel by 1.5 times, in a town of barely 15,000 inhabitants.

We have already seen the fall in Acetato Argentino's demand, directly replaced by imports. In textile cooperatives dedicated to sewing, the final step in production, the drop in work is serious. Many of these cooperatives, whether part of the Textile Network or not, had government contracts as a very important portion of their production, and these have come to an end almost completely. The drop in these contracts not only affects their work but puts them on the brink of closure, because it overlaps with the fall in textile production that we have described.

In sectors in which the enterprises work directly with the consumer, the deceleration of economic activity and the fall in consumption have immediate consequences. This is how it is in the gastronomic sector, where several establishments have been recovered in the last three years, and in which consumption has decreased notably, affecting daily revenue (in some cases in the City of Buenos Aires, workers estimate the drop at 30% since December of 2015). This is compounded by the rate hikes shown in the graphic and the notable increases in supply costs. In the last four months, increases in costs estimated by the cooperative Los Chanchitos, a recovered restaurant in the Buenos Aires neighborhood of Villa Crespo, have been significant: dairy, 20-30%; wines, 25-30%; ice cream, 15-30%; flour, 20%; mineral water, 15%; meat, 20%. According to the workers, the increases in the first four months of the year are similar to or even higher than those of the whole year in 2015, and in the case of dairy and ice cream, exceed them. This situation also caused the closure of numerous privately managed establishments: 160 gastronomic enterprises closed according to the registry of the AFIP, out of a total of almost 1700, which provides context for the situation of the sector.

At the same time, inflation and the removal of transportation subsidies, with the consequent rise in travel costs, have caused a reduction in workers' incomes, independent of whether or not they have had to absorb the economic problems of their enterprises in their shares. The increased price of transportation affects the workers that travel long distances to go to their business, both in the suburbs and in the City of Buenos Aires (many workers at WREs in the Capital live in Greater Buenos Aires). While this is not directly related to the activity of each company, it contributes to worsening the situation of the workers and their families.

All this shows how the general context has an impact on worker-recovered enterprises, in equal or greater measure than other businesses, especially small and medium ones. Because of the process they have gone through just to exist at all, the workers know well what a crisis is. In that sense, they are in better relative conditions to overcome the circumstances than other kinds of organizations and many SMEs, which tend to solve their problems individually. The formation of the Multisectorial in the Hotel Bauen on June 6 is a promising and interesting initiative to put together joint resistance by the sector, together with other sectors that are also affected. This attempt is added to other, similar ones, like the Meeting of Workers of Self-Managed and Recovered Enterprises held the 7th of May in Avellaneda, mobilizations by the MNER-CTEP and the Textile Network, the different legal protections and legislative bills presented, etc., and they had their first expression of continuity at the march on June 9th. There, several unions (Buenos Aires Printing Federation, Curtidores and UOM-Quilmes) converged with FACTA, the Printers' Network, and other organizations that were able to convince the ministries of Energy and Work to form a commission to advance in the possible resolution of the problems reported. Unity and coordination is vital to be able to face this moment.

DIRECT THREATS TO THE RECOVERED ENTERPRISES SINCE THE CHANGE IN GOVERNMENT THE CHANGES IN THE RELATIONSHIP WITH THE STATE

Until December 10th, 2015, State support for the recovered enterprises was divided into various programs and areas in various ministries and bodies. While there was no consistent or specific policy (as we have pointed out in previous reports), nor was it understood as an economic policy that self-management was considered a relevant actor, these programs were an important contribution to the WREs, in spite of their dispersion. The most significant was the Self-Managed Labor Program [PTA], in the Ministry of Labor, which gave subsidies called "Line 1" (the equivalent of REPRO for private-sector businesses in crisis), and which financed a part of the monthly salary of workers in a significant number of cooperatives. Other "lines" included subsidies for the purchase of machinery, improvements in processes, training, and quality certification. The PTA has not been eliminated, or its employees dismissed, so far, but it is not playing any role: the subsidies and the studies done to grant them, keep them, or remove them are totally unused, just like all other program activities. Its workers have no duties. In other ministries where there was activity with respect to the recovered businesses, these have also ceased totally, like in the Ministry of Social Development, where—while there was no specific area—various programs and agencies had done work with WREs. The National Commission on Microcredit (CONAMI) provided amounts that, because of the difference in scale between

the sector they were meant for and most recovered businesses, were generally too small for the majority of them, but it had also supported this process in different ways and had channeled microcredit to other organizations of the social economy through the Cooperative Printers' Network or the Textiles Pigüé Cooperative, for example. The budget of the CONAMI was reduced to a third of what it had in 2015, and in the first trimester, it had almost no activity. The INAES (National Institute of Associativism and Social Economy), for its part, was never a body that particularly served recovered businesses, and while there were changes in the leadership there, not many changes have been noted for the moment, since the new administrators come mostly from career functionaries in the body itself.

Not only have specific policies disappeared or been deactivated but, as can be seen in its manifest lack of interest, the new government is not holding any kind of specific conversation with the recovered businesses. When it does, it stems from demands or different problems that must be addressed by the functionaries. On those occasions, according to the descriptions of workers who have participated in some of those meetings, they do not hide their contempt or their ignorance of the problem.

SYSTEMATIC VETO OF EXPROPRIATION LAWS

Mauricio Macri had a systematic behavior of vetoing laws related to recovered enterprises during his term as Head of Government of the City of Buenos Aires. Among them was the extension of the definitive expropriation law (1529), passed in 2004 and still almost entirely unenforced, which covered 13 WREs and was later expanded to another four. This conduct continues with Horacio Rodríguez Larreta, who, on the 4th of February, vetoed the expropriation law on the furniture of the restaurant La Robla (which already had been evicted from the property). That is, he vetoed the expropriation of the chairs, the tables, work tools, and utensils of the restaurant, after workers had already lost the building and had to look for another to continue working.

The arguments were formal (“absence of a public hearing”), including the now-classic one that denies “public utility” because it benefits a “private” group of people, which is to say workers, neglecting the social character of the phenomenon.

Governor María Eugenia Vidal, in the province of Buenos Aires, has already delivered three vetoes. The most notable is the Petinari trailer factory, recovered by its workers as Cooperativa Acoplados del Oeste, whose expropriation was unanimously passed both in the Senate and the House of Deputies of the province of Buenos Aires (which included the PRO bloc itself). She also vetoed the expropriation of the Depe zipper factory and the Llavallol Hospital, which is a special case because, while it was a hospital recovered by the workers, the cooperative was not able to prosper and was now attempting a recovery as a public hospital supported by the neighbors. However, this law meant the reactivation of the cooperative, which was the beneficiary of the expropriation. The procedure for the vetoes by governor Vidal has a certain pretense of justification, because in Petinari's case, she asked for reports from different bodies of her own government to base the veto on (even the report from the Ministry of Production was favorable to the cooperative, yet the one from the Ministry of Labor was not). The veto opened the way for the activation of the

eviction order for the plant, but workers were again able to get a vote in their favor in the provincial Chamber of Deputies for the suspension of the measure for 90 days. The Petinari case also has the peculiarity that the bosses (who owe 60 million pesos to their former employees) were able to put on a media campaign in their favor, which may have been decisive in tipping the balance against the expropriation law. The campaign was unleashed by the operator of the Clarín Group, Jorge Lanata, who interviewed the asset-stripping owner on his radio program, and was carried on by various media, like Infobae, and reproduced by State-run digital media with an abundance of insults towards workers and recovered enterprises in general, something that was not found in almost any case from 2001 on. Finally, in the middle of May, the Minister of Labor of the province, whose unfavorable finding was cited by Vidal in the veto, visited the plant, which was occupied by the workers, and proposed the “Cresta Roja model” as a solution for the conflict, which is to say, purchase by an “investor” under unfavorable conditions for the workers, and labor precariousness.

Another procedure linked with the veto is that the requests to bodies that could make a favorable report have been made with deadlines so short that it was very difficult for them to respond in time, as happened with a request for reports to the municipality of San Martín. Another constant is the questioning of the idea of public utility used for the expropriations, with the argument that the beneficiaries are “private.” That same argument was used by some judges to declare the unconstitutionality of expropriation laws for other WREs.

In the case of the Neighborhood Hospital of Llavallol, the veto is based on the existence of other nearby hospitals, inadequate technique of the establishment, and, what appears to be the true motive, since it gets the most space in the text of the decree, the fact that it creates an unforeseen expense in the budget.

In the case of the Hotel Bauen, the situation remains unclear. The expropriation law was passed in the national Chamber of Deputies in the last session before the 10th of December, but so far, it has not been taken up by the Senate. It must be pointed out again that this sanction, passed by the ruling bloc at the time, could have taken place long before and avoided the uncertainty the workers of the Hotel continue to experience. If the Senate decides to go ahead with the remaining sanction, the likelihood of a Presidential veto is high.

CUT-OFF OF PURCHASES FROM WORKER COOPERATIVES

The most clear-cut case is the Ministry of Security, which had bought vests, uniforms, and work clothes from cooperatives of the Cooperative Textile Network (some of them recovered businesses, the majority not), most of which have seen work come to a halt. A protest on the 9th of July Avenue showed the magnitude of the damage done. In other divisions that bought from cooperatives, like the Ministry of Social Development, the continuity of work is also at risk, and many contracts have already been cut off. In cooperatives like New Generation, the complete cessation of orders between January and March resulted in an 80% drop in work, causing a decline in the labor roster (a lot of workers had to look for other means of subsistence) and the reduction of income to precarious levels. Even the attitude of the GCBA (which had already been in the hands of the PRO for eight years) changed with the new government. It delays payments to cooperative food providers for schools in Buenos Aires, does not recognize price increases, and forces cooperatives to absorb the widespread hikes in

supply costs and rates, causing them serious difficulty in remaining operational. Something similar is happening to worker cooperatives that are part of the CNCT (although they are not recovered businesses) with plans for the construction of houses by cooperatives, which have been totally cut off. Likewise, workers in cooperatives that clean public spaces (who are paid less than the minimum wage) are in conflict over the increase in their duties, which included the takeover of the Ministry of Social Development of the City, over non-compliance with agreements.

JUDICIAL OFFENSIVE: GREATER HOSTILITY

In the previous report, we noted the increase in criminal accusations of encroachment against the workers who occupy plants, even ones that are working with permission of commercial courts.

In this way, criminal accusations, in parallel with the commercial lawsuits dealing with the bankruptcy, can lead eviction, even if the reform of the bankruptcy law specifies that this should not be contemplated. This has led to eviction or attempts in several cases.

One of them was the Mom Cooperative (formerly Lanci printing), which was evicted by the Metropolitan Police because of a legal complaint in 2013 and was denied compensation for their work credits to acquire the machinery and facilities, with the curious and fallacious argument that there was no productive continuity (given that it had been evicted). In this case, the Chamber of Appeals recognized that workers were right to ask for the validity of the mechanism, although the workers, after an encampment of two years, were not able to hold out for such a long time without working. Other evictions in 2015 were that of Petinari (although the workers went back in and were then able to get the expropriation that Vidal vetoed, as we already mentioned) and La Litoraleña, although the eviction order was never executed, but a police guard was placed at the door of the factory to keep it from working. In this case, in April of 2016, an unprecedented situation also happened, in which the trustee, authorized by the judge, accompanied the police on a raid of the occupied factory, to allow the asset-stripping owner to show the facilities to a supposed investor, who toured them with the worker-occupiers inside it. Also the restaurant La Aguada, in La Plata, a traditional gastronomic establishment of that city, could not get a measure in its favor from the judge who ordered the eviction, who chose to authorize the real-estate business of the owners of the place occupied by La Aguada for decades before prioritizing or facilitating the continuity of the workplace, in spite of the demands and solidarity shown by social organizations and the neighbors.

Even more serious is the case of Industrias RB, in Martínez, in the province of Buenos Aires, which suffered a violent eviction right at the closure of this report. In spite of having a valid expropriation law in its favor and working since the crisis of 2001 in the hands of the workers, the judge of San Isidro, Orlando Díaz, upheld a complaint of encroachment filed by the bosses that had previously rejected in various other courts. It is the first case in which a factory has been evicted in spite of being protected by an expropriation law (which was temporary, but in full force).

The same judicial disregard of a law that protected a recovered business happened in the province of Mendoza, with the attempt to auction off the

La Lagunita meatpacking plant. The judge ignored a temporary provincial occupation law. The auction was halted at the last moment because workers were able to gather money to purchase as sole bidders (a mechanism provided by the LCQ), supported by a loan from FARCO, because a community radio station works in the same area. If they had not been able to do it, the process would have been opened to other offers, with the League of Auctioneers waiting. On the other hand, the slow pace of justice in evaluating the mechanism provided in the reform of the bankruptcy law is noteworthy, as demonstrated by the case of the Vulcano press, whose workers were camping out at the door of the empty factory, which had been partly looted by the owner that went bankrupt a year and a half earlier. All the requirements for the cooperative to begin using the factory had already been fulfilled months earlier, but a lack of enforcement by the GCBA delayed (or was used to delay) income for several months.

While it is not a recovered business, the case of the community television station Antena Negra TV is also an example of the times we live in. Two members of the cooperative were put on trial for the use of a frequency of Open Digital Television (TDA, in Spanish). Specifically, it was the use of channel 20, illegally occupied by the private security business Prosegur, that used this frequency in spite of being intended by decree for TDA. Antena Negra had to turn over its equipment to the court under judicial blackmail that threatened (and threatens) prison for anyone who occupied and occupies the air that the State and businesses privatize. Meanwhile, ENACOM (the body that, by decree, replaced AFSCA) contributes to the continuity of the criminal case, without taking responsibility for regulating the spectrum and for the right of community media to 33% of it. The arbitrariness and violence of the case against a self-managed and community medium, in the framework of the larger dispute about the audiovisual spectrum and the attempt to keep popular struggles out of the media, match up with all previous cases.

REPRESSION

Just as this report was closing, the first violent eviction of a recovered business took place: Industrias RB. As we already mentioned, it is a case of obvious gravity, because it resulted from an accusation of encroachment when the factory was protected by an expropriation law and had been working for more than a decade. This is added on to other worrisome signs of the use of force in social conflicts and an explicit proclamation against protests and conflicts, beginning with the announced “security protocol,” launched with much publicity by the Minister of Security and celebrated by the majority of the mass media. In the case of the poultry business Cresta Roja, while there never was a proposed recovery through a cooperative, the police repression ordered by Minister Bullrich put down protest and opened the way to purchase by a new owner who upheld the dismissal of most of the workers and retained the rest under precarious conditions. Bullrich even argued that the delay in quickly finding investors was the cause of conflict, signaling a possible argument from the government for similar cases. After Vidal’s veto of the expropriation of Petinari, the Minister of Labor in the province, completely ignoring that a cooperative has been formed and is in working order (and, in fact, working) and the millions owed to workers, even proposed the “Cresta Roja model” to resolve the bankruptcy of the business. It is not clear whether with “the model” refers to the repression, the appearance

of an investor, precarious re-hiring or dismissals, or all of the above. Workers at the Disco de Oro pastry factory, in San Martín, province of Buenos Aires, discovered in March that their movements were watched, with little discretion, by the provincial police. When they asked what the reason was, the response that the factory was in the liquidation stage of bankruptcy, which clearly does not need of that kind of proceedings, unless they were gathering intelligence for an eventual eviction.

SALES

The idea that owner bankruptcies should not be resolved by workers but by “investors” has already had the consequence of the sale of some recovered businesses, or attempts to do so. There are three cases in the municipality of San Martín, and unconfirmed information about an indeterminate number (around eight) in the south of the Greater Buenos Aires. In those on which we were able to access information, these were generally offers that involved enterprises that were struggling in the market and with a majority of workers who have a lot of seniority and are close to retirement, who did not agree to the terms or were not convinced they were the best option. In two of the known cases (San Martín foundry and Second of December, formerly Coventry), the intent of the investor was not productive continuity, but the real-estate value or the use of land for other purposes. In another, Depe (the same one whose expropriation was vetoed by Vidal, although it is not clear whether there is a relationship between these facts), the buyer kept the minority of workers who wanted continue working on precarious terms. The business was fully functioning, was the largest of its kind in the country, and had not stopped working even when the former owner abandoned it. In the extreme south of Greater Buenos Aires, another of the recovered factories from the crisis of 2001, the metallurgy plant Crometal, formerly Acrow, closed its doors and decided to sell its plant to a real-estate outfit. The bankruptcy judge had rejected the case, but the sale was carried out just the same, through the change in corporate form and a sort of indemnity by the buyer of the property to the former workers.

Four confirmed cases in one month, none in the 15 years prior.

For similar reasons, there is a serious conflict in the Indiel metallurgy plant, which was occupied by force by a sector of workers who intended to sell the plant to recover their work credits, against the majority decision to use them to capitalize the business and continue producing. The plant is paralyzed. In this case, lawyer Luis Caro, president of the Movement of Recovered Factories, appears to be orienting the faction pursuing the sale. In the preceding case, there are also indications of his participation. Proposals to sell factories to investors for the purposes of real estate have already been made by Caro at least a couple of times before, without results, as a solution for enterprises with serious economic problems. In a situation of fatigue and serious difficulties keeping the business running, an offer that appears advantageous to workers with little purchasing power could be an understandable motive for them to accept this kind of deal. However, it is more and more clear that outside of cooperatives, in a country that is sliding ever faster towards massive unemployment and recession, alternatives to self-management are almost non-existent. Even in cases in which self-managed enterprises are having problems or even in precariousness, they still represent more possibilities for survival than outside of them, in a

context that attacks work, that encourages precariousness and extreme labor flexibilization, and which is quickly leading to high levels of unemployment.

Also, rumors are circulating among workers about a supposed investor group which is behind this kind of operations, linked to foreign capital.

A similar maneuver had to be overcome by the workers of *Tiempo Argentino*, with the supposed purchase of the newspaper and Radio America by a businessperson with no background in media, who tried to deny the back wages owed to workers. This same businessperson tried to sell the transmission antenna of radio in Villa Lugano not long ago, a fact that was prevented by the mobilization of the workers (who have not yet made the decision to form themselves into a cooperative).

SOME CONCLUSIONS

The situation is clearly worrisome and the panorama shows an offensive against recovered enterprises on several fronts. While a direct attack on the part of the national government cannot yet be verified, an enormous change in the attitude of the State towards the sector can be seen. Planned or not, the policy seems to be an attack using various means without the government appearing to take part directly—as far as possible—and always with an ideological justification based on “investment” and “efficiency” in market terms. That is why, besides signs of tolerance for asset-stripping owners and judges to make inroads on existing and potential WREs, the dismantling of the few State tools for their support and direct attacks through vetoes point to their economic strangulation, together with the rest of the productive economy. At the same time, the efforts of opportunists and mafiosos are supported or facilitated, exacerbating the internal conflicts that come out in times of economic difficulties, to encourage or complete the sale of the weakest WREs.

The most notable fact currently working against the survival of the recovered enterprises is the rate hike. Among those with a higher level of economic vulnerability, the increases make it difficult to sustain productive activity while absorbing unforeseen costs that push worker revenue down and, at a minimum, alter or block plans for investments and improvements.

On the other hand, at the governmental level, the narrative of entrepreneurship and the neoliberal version of the social economy are built up. It is probable that for WREs (or situations that might lead to a recovery process in the hands of the workers) that do not represent a business that is desirable to owners or “investors” or a danger to the government in political terms, a window is open for a certain degree of support and facilitation in the framework of “social policies” of “zero poverty.” Members of NGOs and activists in parts of the social economy have called on the Ministry of Social Development, which makes it possible to foresee some policies in this direction. The result of the application of this logic would mean a transformation of the phenomenon of the WREs, which emerged as a tool that workers created to keep their jobs, participate in the formal economy, and defend themselves—through self-management—from exclusion and informality. This policy seeks to place them among the precarious, weakening workers and their ability defend their rights further still. This way, self-management and the social economy would fulfill its assigned role in neoliberal dogma: an “economy for the poor,” which contributes to lowering the salaries of workers who still have bosses, and which also assists in the social

containment of excluded sectors.

The recovered enterprises and other experiences of self-managed work in Argentina have created an alternative to unemployment and labor precariousness through self-management. These practices constitute an alternative that can address the consequences of neoliberal policies that attack employment and production, and also build another way to run an economy, without bosses. The actions taken by the government so far seek, principally, to create a framework of labor precariousness and unemployment that make it possible to push formal workers' salaries downward. To complete that circle, they also have to make the alternative of recovery and self-organized work inviable.

The problem is that to do so, they still have to defeat the resistance of workers who were not born passive subjects of their fate, but struggled to forge one of their own by occupying, resisting, and producing through self-management.

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