

Identity, participation and firm longevity: An Analysis of Worker Cooperatives through the Lens of Argentina's Recovered Firm Movement

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Introduction

This article analyzes the long-term viability of the worker cooperative (WC) model through the lens of Argentina's recovered firms (RFs), a movement of WCs that emerged from Argentina's 2001 economic crisis. The International Co-operative Alliance (ICA) broadly defines a cooperative as "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise" (ica.coop). A cooperative differs from a privately owned business in that all members hold ownership, encompassing both control and residual claimancy rights, equally.² The term cooperative encompasses a broad range of firms that may be delineated into subcategories based on the composition of their membership body, the functions they perform and the geographic boundary of their service area. This article focuses solely on WCs, which are firms that are owned and managed by their employees.

Many RFs are profitable enterprises that generate human capital development benefits for their communities (author interviews with cooperative members; Sitrin, 2006). Through an in-depth critique of secondary literature and the results of participatory research conducted at the printing cooperative Chilavert and four other RFs, this article explores the internal dynamics of WCs in the context of Argentina's RFs. Despite the economic success of the WC model, research reveals that the tendency for WC governance structures to evolve into hierarchies threatens a firms' longevity. Maintaining a multi-generational WC hinges upon the firm's ability to create a dynamic collective identity and incorporate new members fully into the firm's governance proceedings.

WC longevity

The primary endogenous threat to WC longevity is the tendency to evolve into a hierarchically structured firm (Sauser, 2009; Kandathil and Varman, 2007; Rothschild and Russell, 1986; Miyazaki 1984). Effective participatory governance depends on three primary characteristics:

Firm Ownership

Cooperative ownership structures fall into three categories: state ownership with worker control (Ward, 1958); employee share ownership (ESO) (Hansmann, 1990); and collective worker ownership (Ellerman, 1992). This article focuses solely on collectively owned WCs and, therefore, omits a discussion of ownership structure as a source of conflict in WC development.

Psychological Ownership, Identity and Participation

Employee participation in governance depends on the development of psychological ownership and collective identity. Physical ownership of the firm does not inherently foster psychological ownership (Kandathil and Varman, 2007). Providing employees the tools and opportunity to control their work environment through firm governance does not ensure employee participation. Kandathil and Varman (2007) conclude that low participation arises from employees' disinterest – not dissatisfaction – with firm governance. Psychological ownership results from employee control over the workplace environment and intra-cooperative solidarity (Pierce *et al.*, 2001). To incite interest in governance, employees must engage their peers in discussions and decisions regarding relevant work-related issues that impact the workplace environment. Following an initial participatory encounter, workers generally continue to participate in other aspects of firm administration, building a community and a sense of collective identity.

Labor Structure

In terms of their production processes, many WCs operate similarly to privately owned firms; there is a clear division of unempowered and empowered labor and laborers. Unempowered labor refers to low- or no-skill jobs that do not involve any form of conceptual labor or planning. Empowered work is comprised of skilled tasks, conceptual work and jobs that entail administration or planning (Albert, 2003). Under such a division of labor, known as a hierarchical labor structure, there is little to no job rotation. A hierarchical division of labor generates conflict by (1) divorcing member participation from concrete control rights and (2) allowing management to monopolize the production and distribution of information. Both factors lead to a decline in employees' interest and confidence in governance (Kandathil and Varman, 2007; Pierce *et al.*, 2004; Albert, 2003).

Historical context

Argentina's RF movement is a product of a strict neoliberal program and the subsequent 2001 economic crisis. The roots of neoliberalism in Argentina date back to the mid-twentieth century, but it was not until President Carlos Menem that neoliberalism became the dominant economic model. Elected president in 1989, Menem promised to

put an end to three decades of financial woes. His solution was an economic policy paralleling the Washington Consensus (Appendix A).

Deregulation and privatization were the core principals behind Menem's business-favoring policies. Initially, his policies increased foreign direct investment and transformed Argentina's economy. By 1994, annual growth in gross domestic product (GDP) and household consumption hovered around 6 percent and inflation was down from 307 percent (1989) to only 4 percent (databank.worldbank.org). With the nation finally experiencing some semblance of economic "stability," Argentineans largely ignored the negative ramifications of reform.

Menem's privatization and deregulation policies transferred immense sums of wealth from the state to multinational firms and the International Monetary Fund (IMF), increasing national debt (Solanas, 2004; Davidovich, 1996).³ Deregulated labor and capital markets allowed owners to exploit the labor force and export the profits overseas. As the rate of profit neared zero, firm owners entered insolvency agreements and commenced *el camino al final*, the walk to the end. By bribing the court-appointed trustee, owners illegally sold their firm's fixed capital assets. With no assets of value on the final inventory list, owners retained firm profits and escaped debt liabilities (author interviews; The Lavaca Collective, 2007). The surge in firm closures and fraudulent bankruptcies decreased investment, leading to Keynesian unemployment and capital shortages.

When President Fernando de la Rúa took office in December, 1990, Argentina was on the verge of total collapse. Severe deposit shortages arising from capital flight and federal bond repayment ignited the nation's downward economic spiral (Nataraj and Sahoo, 2003). In an attempt to curtail further capital flight, de la Rúa and the Bank agreed to tighten macroeconomic policies. By raising interest rates, they aimed to decrease domestic demand for dollars and reduce the current account deficit. The subsequent drop in demand was not sufficient and the government could not meet its exchange and debt repayment obligations. Therefore, it continued to print and circulate new money to fund the exchange rate and bond repayments. As the supply of pesos increased, its value dropped. Argentina could no longer afford to export goods or service their debt. With the end of convertibility in sight, investors and the general public clamored to retrieve their deposits in dollars. The resulting run on Argentina's banks marked the definitive start of the crisis on December 19, 2001.

Argentina's crisis completely devastated the economy. According to the World Bank, unemployment topped 25 percent in 2002. The portion of the population under the national poverty line also spiked, reaching 61.3 percent that same year (Nataraj and Sahoo, 2003). Political instability – embodied in the rapid succession of five presidents in five days – solidified the gravity of the crisis.

In the face of crisis, the factory takeovers seem like the only rational option for many workers; you could starve or you could fight.⁴ Although workers took over a handful of firms prior to the crisis, the majority of firm recoveries took place in 2002 and 2003. Anthropologist Marie Trigona (2009) estimates that today more than 250 RFs employ more than 13,000 people. According to the National Institute of Cooperation and Social Economy, most firms are in the industrial sector and employ less than 50 people. The movement continues to grow, with a handful of new RFs starting each year.

Though the current economy and government is far more stable than it was in the late 1990s and immediate years following the crisis, recovered firms continue to operate in a state of legal and economic uncertainty. The only formal expropriation guidelines – promulgated in the 1997 Law 21.499 – are intentionally vague. Consequently, the parliamentary body has entrusted the right to grant expropriation on a case-by-case basis to local judiciary and legislative bodies (Monayar, n. d.).

An overview of the recovered firm movement

Structurally, Argentina's RFs are similar to other WCs: the member-workers own and manage their firms, remuneration is fairly egalitarian, and most RFs are committed to community development. Given their unique histories, RFs many function differently than other WCs. This section describes RFs with reference to their ownership, governance, labor, and hiring structures – factors that, as described previously, determine firm longevity. It dually serves as a general review of literature on the RF movement.

Ownership and Stability

The absence of a formal legal framework for obtaining expropriation still generates internal conflict within cooperatives. Initially, many cohorts struggle with the decision of entering the factory illegally or continuing the fight from outside. During his interview with The Lavaca Collective (2007), National Movement of Recuperated Enterprise President Eduardo Murua refers to a particular instance in which the workers of a factory vote to occupy the space on Friday, but over the weekend, lose their resolve. Indecision is a product of conflicting legal precedent; cooperatives have achieved success using both legal and illegal tactics (Trigona, 2009; Fields, 2008). The continued instability after production resumes – illegal or not, cooperatives still face the threat of expulsion – bolsters internal conflict among cooperatives (Lewis, 2004).

Governance

RF literature highlights the assembly process as the primary mechanism for achieving egalitarian firm governance. Assemblies are regular meetings of the entire workforce to discuss firm production and administration (The Lavaca Collective, 2007). A rotating elected council of representatives, the size and scope of which varies from firm to firm,

organizes these meetings (Albert, 2005; Ranis, 2006). Generally, each worker gets one vote and the majority rules (Fields, 2008; Ranis, 2006; Albert, 2005; Dangle, 2005). Regular assemblies are critical to the survival of WCs as they create an empowering space wherein workers can voice their concerns and opinions, “maintaining the permanent state of discussion and understanding” (The Lavaca Collective, 2007: 222).

A well-functioning assembly system creates a constant feedback loop that holds workers accountable to their job, thus negating the need for production oversight (Fields, 2008). Without management, workers have more control over their working environment and independence during the workday—critical facets of developing psychological ownership. They have the freedom to leave their standard position when they are finished and help out in another area of the factory instead of pretending to be busy (Fields, 2008).

In practice, governance and administrative structures are somewhat loose and fluid. Anthropologist Gabriella Monteagudo (n.d.) terms these systems as ‘dynamic heterarchies:’ “systems where elements are not ranked or are ranked in different ways and do not necessarily reinforce hierarchical systems, but can support systems that tend to an egalitarian hegemony” (6). Heterarchies function by permitting workers to assume leadership positions in areas of interest or skill and support positions in others. A system of heterarchies succeeds when its members have equal opportunities and incentives to participate in firm governance.

Division of Labor

The division of labor is the only significant structural characteristic of most WCs that remains relatively unchanged after the takeover. When firm owners declared bankruptcy during and after the crisis, most managers and administrators left their positions. In such cases, some “organization, managerial and otherwise empowering tasks previously done by professionals have needed to be accomplished by the remaining workers” (Albert, 2005: 1). Most founding members were not experienced in firm administration; RFs had to quickly train select production workers in firm administration. The precarious financial situation of these RFs prevented members from providing all employees with administrative training. Generally speaking, capital shortages prevented workers from radically altering production structures. Consequently, the composition and division of labor remained – and still remains – constant (Albert, 2005; Lewis, 2004).

Academic analyses of RFs tend to take the division of labor as fact, assuming little relation between labor structures and egalitarian governance. Only one researcher among those surveyed for this article analyzed the relationship between labor and governance hierarchies. Michael Albert (2005) observed that RF members responsible for empowered administrative tasks monopolize council participation and firm

governance. In firms with a hierarchical division of labor, a new group of management has emerged to dominate the workplace structure (Fields, 2008; Albert, 2005).

Incorporation of New Workers

Maintaining a non-hierarchical or heterarchical WC relies on each cooperative's ability to maintain an inclusive, collective identity. Simply stated, cooperative development is contingent upon intra-cooperative solidarity. In an interview with The Lavaca Collective (2007), Murua notes a direct correlation between the degree of struggle involved during the recovery process and the ability of the cooperative to function as a unified and egalitarian group. In the factories where workers do not have to engage in a drawn-out struggle to restart production, "the concept of solidarity isn't internalized as much" (2007: 222). It can be assumed, therefore, that new workers would not have the same commitment to the values and principles of the cooperative movement.

Most cooperatives have not confronted the question of how to incorporate and indoctrinate new members. The absence of a normative hiring procedure suggests that cooperatives are reluctant to analyze the implications of replicating the cooperative model within a new body of workers. Members of the Hotel Bauen cooperative attribute their reluctance to address this theme to a matter of trust; how can the cooperative ensure that new employees will participate fully in both production and governance? At the Hotel Bauen, the majority of new employees are somehow related by blood to the original 38 founding members (Fields, 2008). For a large cooperative, however, this is simply not feasible. Some RF collectives advocate that cooperatives employ new members for a trial period before inducting them into the cooperative (The Lavaca Collective, 2007). This proposal assuages mistrust, yet it does not address the core question: how can cooperatives ensure that commitment and solidarity is fostered among new employees?

Primary research methodology

I utilized two distinct data collection strategies. For the duration of my time in Argentina, I worked in the cooperative Chilavert as an active participant in the labor process. I engaged with the workers through a sharing mate, laboring on the machines and partaking in casual conversations. My primary objective during this period was to establish relationships with the cooperative members, fine-tune my research process and gain an understanding of the structure and functioning of Chilavert. Observations gleaned from this period add depth and richness to my analysis of intra-cooperative dynamics. The second facet of my research involved formal interviews with the workers at Chilavert and four other factories in the city of Buenos Aires. The mostly-qualitative data collected during both the participatory observation the interviews comprises the fodder for my primary research analysis.

Primary research findings

See appendix B for a list of facts and characteristics pertaining to the five factories included in the primary research component of this thesis.

Structuring and maintaining a successful WC requires member ownership and effective democratic governance. The tendency for egalitarian firm governance to devolve into hierarchies of power and participation threatens WC longevity. Both ownership and governance structures are relatively homogenous among the sample set; however, there is a high degree of variance in the distribution of power and participation. Three variables largely determine the efficiency and equality of democratic governance: collective identity, the division of labor and the incorporation of new members.

Identity and Development

The source and composition of a WC's collective identity largely determine its development trajectory. Intra-cooperative solidarity presupposes group identity. Therefore, understanding how groups cultivate camaraderie is an important step toward describing WC behavior. Faced with state opposition and economic hardship, members established RFs on a foundation of intra-cooperative unity and member commitment. They forged their bond and collective identity around the shared experience of challenging the state and, in some cases, former factory owners. Although these event-centric identity bonds members – enabling them to persevere through economic and political challenges as a group – it contrarily challenges WC longevity.

The ritualistic recapitulation of workers' personal stories and firm histories through a common narrative of resistance conveys the centrality of the takeover to cooperative identity. Workers from IMPA and Chilavert recounted their memories of the take from the perspective of a collective “we”, using similar metaphors and lexicon. Founding members from all five RFs cited their remembrance of the takeover as the source of their commitment to the cooperative and continued participation in its governance. According to workers from IMPA and Chilavert, daily tasks take on a new significance – hence the common expression, “my work is my politics.” Through the reactivation and dissemination of this archetypal narrative, workers find agency within their firm.

Although this narrative of resistance inspires individuals, it stunts firm growth by propelling a crisis mentality and myopia. In retelling stories of their takeovers, IMPA and Chilavert members solidify their shared identity as an oppressed other. The stagnation of identity and purpose has precluded both firms from the critical self-reflection necessary to change labor structures and planning processes. Consequently, there is a lack of long-term planning, investment and development.

Campichuelo's collective identity is antithetical to that of IMPA and Chilavert in that it is dynamic and flexible, both in its mode of activation and degree of inclusion. Whereas post-recovery members in Chilavert did not participate in day-to-day firm governance or administration, new members at Campichuelo are both engaged in firm administration and participate in leadership roles within the governance structure. High general participation rates at Campichuelo are a product of their rotational labor structure and employee training system, which allows members to take on active roles in firm administration and pursue their interests. By inciting workers to become involved in governance through the hiring system, the cooperative engages its members and builds a sense of community.

Labor Structure

Two components determine the relationship between labor structure and effective governance: the division of labor and job rotation. Whether by default or choice, the capitalist division of labor remains prominent in most RFs. Among the workers interviewed for this study, a general consensus emerged that democratic governance – as established through unrestricted access to information and collective decision-making – counteracts the tendency for a capitalist division of labor to produce power hierarchies. The assumption that workers have the time and tools required to access, digest and analyze information related to both firm production and administration is central to this theory.

A strict division of unempowered and empowered labor discourages production workers from participating in the decision-making process by restricting their access to information during the workday. There is an unspoken expectation at Chilavert that production employees finish their daily tasks and any large projects before engaging in activities not directly related to production. If these workers want to review finance or contract information in detail, they do so during their personal time. This time commitment is magnified when calculated with respect to education and training. In RFs with a capitalist division of labor, production workers will not necessarily acquire the skills necessary to analyze production information on the job.

For democratic governance to succeed in a firm with a hierarchical division of labor, production employees may be required to undergo training during their leisure time in order to effectively participate. In firms with a non-rotating capitalist division, I found that most employees opt to participate less in administration when not provided access and tools to analyze information. Consequently, workers in administrative positions tend to dominate firm governance as well.

Although the current non-rotating division of labor threatens firm democracy, there is little pressure from production workers to change the current system. Both the time and financial

burden of training employees in firm administration levies large direct and opportunity costs. The transition to a rotational job structure or egalitarian division of labor would require a significant training initiative. IMPA and Chilavert claim that the associated direct cost of training in conjunction with the opportunity cost of reducing productive hours is too high. Yet, both factories support community development programs housed in their buildings. The choice to focus on developing human capital in the community, as opposed to among employees, is a corollary of myopic planning. Investing now in employee training and retention programs will ensure the RFs maintain democratic governance and, in turn, maintain their commitment to community development in the long run.

Implementing a rotating job structure mitigates asymmetric information access in RFs. At Campichuelo all new members must begin in bindery production and other vacancies are filled from within through a transparent and egalitarian hiring process. Most employees hold a number of positions during their career while developing a diverse set of skills and personal relationships. Thus, they are able to gain the tools, knowledge and personal networks necessary to effectively consume and analyze production information without assuming a tremendous personal time burden.

Incorporating New Workers

Critical analysis of employment processes in the context of the RF movement is limited. As young firms, most cooperatives have just started to broach the topic of hiring new workers. Of the five firms in this study, only Campichuelo, IMPA and Chilavert have hired new members since their takeovers. The diversity of practices between these three firms reflects both the ideological incongruence and lack of analysis pertaining to hiring policies and firm development. The reluctance of many firms, IMPA and Chilavert included, formulating a clear policy for incorporating new workers evinces their crisis-centric collective identities. A comparison of Campichuelo and Chilavert's paradoxical hiring practices illustrates this correlation.

Chilavert does not have an established hiring policy. My final interview in Argentina was with a Chilavert employee hired after the takeover. Although he had been at the firm for several years, he had yet to participate in governance or administration outside of the infrequent general assemblies. As a production worker, he did not have on-the-job access to firm information that would enable him to participate more effectively. His experience reflects the inadequacy of Chilavert's hiring methods. By giving them voting rights, the cooperative allows participation but does not encourage or attach value to it. Through offering production information to workers, the firm provides physical access to data but does not provide the training required to fully digest it. The absence of socialization and formal training in firm administration prevents new employees from fully integrating into the cooperative and undermines truly egalitarian governance.

Contrary to Chilavert, Campichuelo has a formalized hiring policy, and it has replaced a significant portion of its original membership in the last eighteen years. Unique from other RFs, Campichuelo requires all new workers to begin in the bindery. It fills other vacancies through a hiring process open to all current members. Sharing a common point of entry builds solidarity in the cooperative. Requiring members to interact with governance in a formalized process to change positions gives workers control over their work environment and encourages participation in governance and administration, obviating the hierarchical tendencies associated with a capitalist division of labor.

Discussion

Researchers generally restrict their analyses of RFs to the first generation of the firm, belying a rosy future for the movement. With respect to the three characteristics that define a cooperative business structure – collective ownership, participatory governance and an egalitarian wage schema – a static, topical picture of RFs is generally positive: members collectively own RFs, they govern their firms through all member assemblies, and remuneration is fairly egalitarian. Research indicates, however, that a democratic framework does not inherently lead to member empowerment and effective participation.

Most research presumes that participatory governance through all-member assemblies obviates the tendency for hierarchies in the division labor to translate into hierarchies of empowerment. This conclusion is based on a static analysis of first generation RFs. Founding members derive a collective identity and psychological ownership of the firm through the shared experience of the factory recovery bonds. Motivated by both legal and psychological ownership, founding members tend to participate in governance and administration irrespective of their roles in the production or administrative processes.

Psychological ownership is the product of a strong collective identity among members of a firm. For founding RF members, the takeover forged strong intra-cooperative bonds, reinforced through the reactivation of these shared experiences. The collective narrative of resistance is to Argentina's RFs what labor mechanization is to capitalist firms. It is central to the initial success of RFs and ensures the continuity of cooperative values, particularly the cooperative-community relationship. Yet, the archetypal narrative of the firm takeover is not merely a component in the collective identity of most RFs, but the dominant feature. Within this framework, members find agency and motivation through their struggle against the state and this referential identity. Consequently, founding members exhibit a proclivity to crisis-oriented, myopic firm governance, which is a threat to firm longevity.

As we are beginning to see with the incorporation of new workers, shortsighted planning tends to go unchallenged by post-recovery members. A personal engagement with the

narrative of resistance – that is participation in the takeover – predicates member commitment and solidarity. Accordingly, “membership” in most RF inner circles is restricted to original employees, creating a social hierarchy between new and old members. The replication of social hierarchies in firm governance and administration reinforces the stagnation of firm growth as founding members dominate decision-making. While a strong sense of history and tradition promote the continued application of cooperative values, the centrality of this narrative to cooperative identity prevents the indoctrination of new members and limits the time horizon of RFs.

As the ratio of new to original members increases, overall participation rates will depend on the division of labor. Workers participate only in areas immediately relevant to their knowledge and interests. Governance is, therefore, dominated by a system of heterarchies. There are two points of origin for heterarchies: skill and commitment. Increasing member involvement in both requires a rotation of jobs, which allows workers to diversify their knowledge and interest in the firm as well as build stronger interpersonal networks.

Stagnant, event-centric RF identities preclude the realization of egalitarian labor structures. Instituting labor rotation or balanced job complexes requires a formal training program. Most RFs assume that it is simply too expensive in the short-run to design and implement such a program. Paralyzed by the fear of diverting investment income away from technological renovation – a product of crisis-oriented planning – many firms are unwilling to approach financial planning from the perspective of long-run gain. Not only does myopic investing stunt firm growth, it puts firm democracy at risk. Without the skills to understand and analyze knowledge, employees cannot effectively participate. Therefore, heterarchies of skill replicate themselves in the firm governance structure, causing the devolution from an egalitarian to a hierarchical firm.

Although the RF movement’s unique history is different from that of other WCs, lessons from this history may be applied in a more general context. A truly democratic WC should have an egalitarian division of labor that affords all members the opportunity to learn administrative tasks and access critical firm information on the job. This type of rotational division of labor empowers members with the tools necessary to effectively participate in governance. Furthermore, it builds networks and solidarity, including new workers, thus reinforcing equitable participation.

Appendix A: president Carlos Menem's key reforms

1989, State Reform Law

Allowed firms to declare a state of financial "emergency" and operate under relaxed labor and capital regulations. Endowed the president with the executive authority to privatize any and all public enterprises.

1990, Convertibility Law

Established a permanent, fixed 1:1 exchange rate between the peso and dollar and implemented a temporary 10,000:1 exchange rate between the austral and the dollar which was set to end in January 1992, at which point all banks with deposit accounts in australes were required to convert to pesos.

1991, Employment Law

1995, 1998, Labor Reform

A series of labor deregulation reforms to: (1) reduce nonsalary costs of labor by cutting employer contributions to social insurance and payments related to dismissals and work-related injuries; (2) decentralize collective bargaining; (3) permit temporary labor contracts; and (4) lengthen the workday.

1995, Insolvency and Bankruptcy law

Allows a debtor in default to avoid bankruptcy by negotiating a "reorganization" settlement directly with creditors. The debtor continues to manage assets, but under the oversight of a court-appointed trustee. If the debtor cannot meet the agreement terms, violates one of its clauses or commits fraud, the insolvency agreement will be null and void and the debtor will be declared bankrupt. If the debtor cannot pay her creditors, all firm assets will be seized by the government and liquidated.

Appendix B: Characteristics of firms included in primary research

	General Facts				Labor Structure	
	Industry	Previous ownership	Start year/ Legal status (1)	New employees	New job: possible/ common	Formal employee training
Campichuelo	Print/Bind	Govt	1992/P	Yes	Yes/Yes	Yes
IMPA	Aluminum	Co-op	T	Yes	Yes/No	No
Chilavert	Print/Bind	Private	P	Yes	Yes/No	No
La Nueva Union	Bind	Private	T	No	No/NA	No
Idelgraff	Print	Private	T	No	No/NA	No

	Investment			Governance		Other
	Received govt coop subsidy (2)	Expects govt coop subsidy (3)	Received other subsidy (4)	Assembly frequency (5)	Consejo (No. of positions)	Com. Dev. Program
Campichuelo	Yes	Yes	N/A	1/month	11	No
IMPA	No	No	N/A	4/year	Under 3	Yes
Chilavert	Yes	Yes	N/A	Irregular	3	Yes
La Nueva Union	No	No	Yes	NA	1	No
Idelgraff	No	Maybe	Yes	NA	1	No

(1) Legal status refers to the current state of firm expropriation: permanent "p" or temporary "t."

(2) Does not include unemployment compensation.

(3) Based on interview data.

(4) Cooperatives must have received the Ministry of Labor's unemployment subsidy in the last 12 months.

(5) Refers to the actual frequency of formal assemblies.

Notes

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² Literature generally articulates member ownership of cooperatives and the legal assumption of control and residual claimancy rights in the form of cooperative principles, e.g. user-owner principle, user-control principle and user-benefit principle.

³ “From 1991, Argentina paid the IMF some 59.7 billion dollars worth of interests and payments alike, and it borrowed new loans worth 63.5 billions (sic). Although the net financial transfer was, in the period 1991-97, favorable to Argentina in 4 billion dollars, the total foreign debt rose, in 1997, to 124.3 billion dollars, more than twice as much as in 1991. The annual interests went from 2.9 billion dollars in 1993, to 8.2 billions (sic) in 1999, i.e. they increased more than 180%” (Molina, 1999).

⁴ This sentiment was expressed by numerous workers in my research and in first-hand accounts of the crisis.

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Summary

This paper analyzes the role of group identity in determining the health and longevity of worker cooperatives. It discusses the structural characteristics of cooperatives, specifically the division of labor and hiring policies, which build solidarity and promote effective democratic governance. The article explores these themes in the context of Argentina's recovered firm movement.

Resumen

Este texto analiza el rol que desempeña la identidad grupal para determinar la salud y la longevidad de las cooperativas de trabajadores. Trata sobre las características estructurales de las cooperativas, específicamente la división del trabajo y las políticas de contratación, que contribuyen a la solidaridad y fomentan un gobierno democrático y eficaz. Estos temas se exploran en el contexto del movimiento de recuperación de empresas en Argentina.

Résumé

Ce texte analyse le rôle de l'identité de groupe dans la santé et la longévité des coopératives de travailleurs. Il examine les caractéristiques structurelles des coopératives, et plus particulièrement la division du travail et les politiques d'embauche, qui favorisent la solidarité et une réelle gouvernance démocratique. Le texte se penche sur ces thèmes dans le contexte du mouvement de récupération d'entreprises en Argentine.