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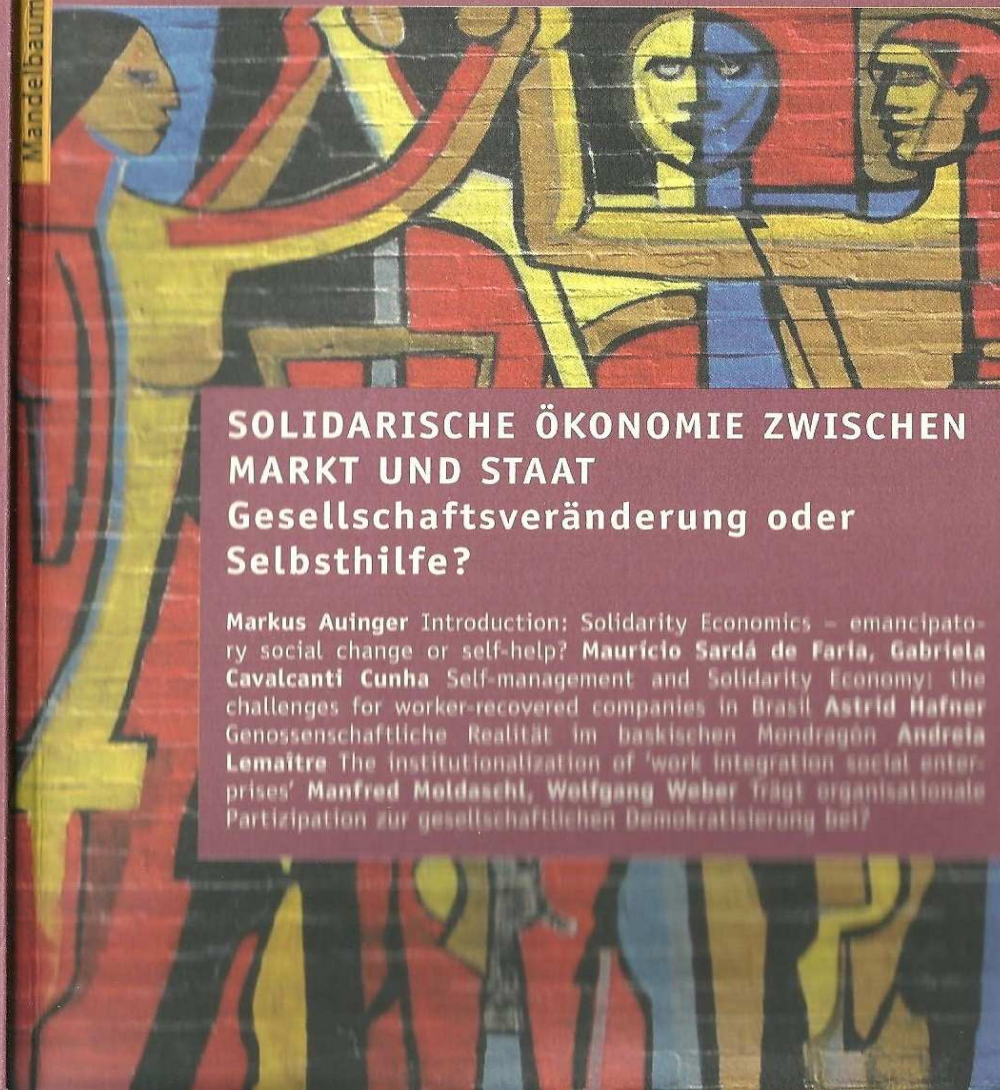
SOLIDARISCHE ÖKONOMIE ZWISCHEN MARKT UND STAAT

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## JOURNAL FÜR ENTWICKLUNGSPOLITIK

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### SOLIDARISCHE ÖKONOMIE ZWISCHEN MARKT UND STAAT Gesellschaftsveränderung oder Selbsthilfe?

**Markus Auinger** Introduction: Solidarity Economics – emancipatory social change or self-help? **Maurício Sardá de Faria**, **Gabriela Cavalcanti Cunha** Self-management and Solidarity Economy: the challenges for worker-recovered companies in Brasil **Astrid Hafner** Genossenschaftliche Realität im baskischen Mondragon **Andreia Lemaitre** The institutionalization of 'work integration social enterprises' **Manfred Moldaschl**, **Wolfgang Weber** Trägt organisationale Partizipation zur gesellschaftlichen Demokratisierung bei?

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**SOLIDARISCHE ÖKONOMIE ZWISCHEN MARKT  
UND STAAT**

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**Inhaltsverzeichnis**

- 4 MARKUS AUINGER  
Introduction: Solidarity Economics – emancipatory social change or self-help?
- 22 MAURÍCIO SARDÁ DE FARIA, GABRIELA CAVALCANTI CUNHA  
Self-management and Solidarity Economy: the challenges for worker-recovered companies in Brasil
- 43 ASTRID HAFNER  
Genossenschaftliche Realität im baskischen Mondragón
- 65 ANDREIA LEMAÎTRE  
The institutionalization of ‘work integration social enterprises’
- 87 MANFRED F. MOLDASCHL, WOLFGANG G. WEBER  
Trägt organisationale Partizipation zur gesellschaftlichen Demokratisierung bei?
- 111 Rezensionen
- 118 SchwerpunktredakteurInnen und AutorInnen
- 122 Impressum

**MAURÍCIO SARDÁ DE FARIA, GABRIELA CAVALCANTI CUNHA**  
**Self-management and Solidarity Economy: the challenges for**  
**worker-recovered companies in Brazil<sup>1</sup>**

Self-management has always been present on the horizon of class struggle, in organizations and conflicts in which workers struggle against the discipline and the fragmentation which form the basis of capital's social relations. During the 19<sup>th</sup> century, self-management turned into associations of the working class, associations which had the objective of introducing new forms of direct democracy to resist and organize the production of social life. By valuing solidarity instead of competition between co-workers, collectivism instead of fragmentation, these associated forms of production revealed a process of self-management taken both as means and end. The self-management struggles emerge as a condition of production and of the self-management of social life as well.

The repression of these associated forms of production was intensified in moments of deeper rupture, such as those witnessed in 1848 and in the post-Commune in Paris. It opened a space for a reinterpretation of what should have been the international socialist movement's urgent tasks. Due to the consolidation of the criticism regarding the trivial role of the cooperatives when confronting and transforming capitalism, they were gradually abandoned and devalued.

During the last century, the debate about cooperativism almost became frozen between members of the international workers' movement due to parliamentary improvements in German social democracy, and the English trade unions' regulation of achievements in improving working conditions, which contributed to the designation of these organizations as the traditional institutions of the workers' movement.

Even the most difficult crises that shook with more or less intensity the structures of capitalism in the 19<sup>th</sup> century weren't strong enough to revi-

talize the search for alternative forms of production. Thus, the self-management by producers through associative development in several fields of social life – that, up to this moment, was seen as a fundamental condition for achieving socialism – was eventually abandoned in favour of strategies focused on building working class parties and seizing political power.

Because of the ephemeral persistence of independent struggles during the whole of the 20<sup>th</sup> century, it was only from the 1970s crisis on that debates about production and social life self-management were restored, mainly due to the rise and recovery of bankrupt companies that turned into cooperatives, and which confronted unemployment and social exclusion, which were intensified by neo-liberalism, especially at the periphery of the capitalist system. In Brazil, as well as in other Latin-American countries, this movement expanded and gained social visibility in the 1990s, allowing, among other things – but not without contradictions – debates about self-management, cooperativism and the revitalization of socialism.

This article focuses on the experiences of worker-recovered enterprises in Brazil that became self-managed organizations. By tracing their origins, characteristics and relations to the broad field of Solidarity Economy, we attempt to discuss some of their present challenges, including their relationship with the State, trade unions and other actors. We will start by outlining the major discussions about adequate terminology, which at the same time provides the first insights into the social and economic structure of the sector. In following sections we will briefly portray the history of worker-recovered enterprises in Brazil, followed by some exemplary-enterprises, which were successfully taken over by their workers, and then leading to the institutional surroundings of the Brazilian Solidarity Economy sector. The article will then go into more detail and will try to systematize the different kinds of enterprises active in the sector, finishing with a discussion of the most important current challenges and perspectives of worker-recovered enterprises.

### **1. Solidarity Economy in Brazil**

On the whole, experiences of worker-recovered enterprises are part of a broad set of workers' collective initiatives in the economic sphere, consti-

tuting a heterogeneous field of practices referred to as 'Solidarity Economy'. The concept of Solidarity Economy has been used to name a variety of economic activities organized according to principles of solidarity, cooperation and self-management, either through the re-creation of traditional practices or through the rise of new kinds of practice. The 'workers' production cooperative' may be considered an ideal type of solidarity-based economic organization that belongs collectively to its workers and is collectively managed by them.

Considering recent initiatives, many of them indeed operate as workers' co-ops (in production, consumption, distribution or credit), with a higher or lower degree of formalization. Regardless of the legal form which these experiences assume, Solidarity Economy includes other solidarity-based economic initiatives of production and of 'enlarged livelihood reproduction' (Coraggio 1994), such as communal banks, exchange trading groups, solidarity-based fair trade shops, etc.

In Brazil, the diversity found in Solidarity Economy provides shelter for lots of groups, from informal groups and handicraft production to recovered industrial factories, also including cooperatives that provide services in urban centres, family-based agriculture cooperatives in agrarian reform settlements, solidarity-based finance organizations, production networks (honey, cotton, metal etc.), and others (Singer/Souza 2000; Singer 2002; Santos 2002).

The first national picture of such a heterogeneous field has only very recently been undertaken. A national mapping was conducted between 2005 and 2007, resulting in the Solidarity Economy Information System (*Sistema de Informações em Economia Solidária – SIES*). Although it has covered only 52% of the Brazilian territory, the national mapping identified almost 22,000 initiatives and enterprises, involving up to 1.7 million workers (SENAES/MTE 2007).

From the historical perspective of social struggles in Brazil, one might suggest that the heterogeneous field of experiences results from a confluence of several autonomous and communitarian streams, as if it was a valley to which several tributaries of a single river flow. One of them comes from the self-management and resistance experiences of Brazilian workers, both in urban and peasant movements. Another stream is the community work of churches, pastorals and civil-society institutions in supporting human rights

and indigenous forms of development. Although it has been less studied, one should also consider forms of organization observed with indigenous peoples, based on communal ownership of land and on shared forms of life production and child care; or others influenced by African culture, as for example slave-resistance villages (*quilombos*) and other traditional communities that bring back collective forms of material and social production. In a wider sense, Solidarity Economy also involves several public and private corporations (i.e. civil society organizations, trade union departments, universities and, more recently, public policy initiatives in all government spheres), which have supported solidarity-based economic initiatives and contributed to their expansion and strengthening.

Such great diversity also stimulates multiple theoretical approaches. Solidarity-based economical organizations may even be recognized under different names, so conceptual debates about Solidarity Economy should be distinguished from other debates about similar concepts according to different contexts – especially the concepts of *social economy* in Europe and Quebec, *popular economy* in Latin America, and *third sector* in the USA. Therefore, Solidarity Economy may be seen as a conceptual field still under construction, very much in the same way as the empirical field of social, political and economical struggles.

In Brazil, some of the current debates involving Solidarity Economy consider *self-management*, in its generic form, where 'each head represents a vote, as one of the main elements of *self-management* identification and self-identification, pointing out a difference when compared to what happens in the European Solidarity Economy, even if both of them recognize common roots with 19<sup>th</sup> century associationism.

It is possible to find convergences and differences between *Solidarity Economy* and 'traditional' *cooperativism*. The second one is generally linked to the Brazilian Cooperatives Organization (OCB), comprising agribusiness co-ops and service provider co-ops that have reintroduced an internal division between capital and labour. It is possible to find an analogy between the debate about the possible decline of *social economy* that can be seen in France, and other countries with associative and cooperative traditions, like Italy or Spain. In these European countries, the main theoretical debates focus on both concepts, which coexist and sometimes may be mixed up, but are still separate concepts. The recurrence of Solidarity Economy, following

the new European social movements, has partly emerged to question a social economy that increasingly denied the cooperative ideals of equality and democracy in favour of technical abilities and competitiveness in the business world (Laville 2001).<sup>2</sup>

The differences between *Solidarity Economy* and *popular economy* are equally emphasized: not all popular economy is Solidarity Economy, although a great part of Solidarity Economy in Brazil is situated in the field of popular economy. However, the conceptual link between the two of them remains, just like in other Latin-American countries where Solidarity Economy is seen as a means of resistance of the popular sectors to the structural labour crisis and receding social policies, either through autonomous initiatives for survival and work (Razeto 1984, 1990), or through ways involving work sectors instead of capital sectors (Coraggio 1994, 2000). This alternative feature is partially seen as a response of the self-managed and associativism-based socialism traditions to the collapse of the 'real socialism' (Singer 1998; Nuñez 1998). Other authors are more cautious about accepting Solidarity Economy as an alternative to capitalism, since inner contradictions remain (Quijano 1998; Coraggio 2000), and most authors acknowledge that self-managed collective work is *not* the only option for the popular sectors to overcome crisis: there is also individual autonomous work and the productive unity of the family.

*Solidarity Economy* and *informal economy* are not equivalent concepts either, even though a substantial part of the Solidarity Economy in Brazil (as in some other third-world countries) is informal, according to most current criteria that define informality, such as the absence of official registration. Even for public policies, the lack of formalization of these organizations is not enough to define them as Solidarity Economy enterprises; instead, it is taken into consideration that they do operate in a collective and self-managed way, in spite of being 'informal groups' (36.5% of solidarity-based economical initiatives at *SIES*), although generally these are also the most fragile unities.

From all the main features of these experiences, it is possible to identify an *economic* dimension (that is, socializing assets and results of the economic activity) and a *political* dimension (that is, democratically shared management of economic activity). Both dimensions are correlated and referred to, in both practice and theory, as indissociable elements of Solidarity Economy principles and values.

In the specific case of worker-recovered enterprises and factories, it is possible to say that until the mid-90s their political content was designated by the words 'self-management' and 'cooperativism'. These presented different meanings, but at the same time had a common core: the new collective property relations regarding those companies. Besides that, there were just a few mentions of co-management, usually referring to participatory mechanisms involving workers. It is only in the 1990s that the expression 'Solidarity Economy' appeared in Brazil, a few years before it began to include worker-recovered enterprises. These companies are very small in number when compared to the absolute number of Solidarity Economy enterprises, yet they form an important part of its financial capacity and gross product. Furthermore, they comprise a medium to large sized formal part, in addition to the majority of small and informal solidarity-based economic organizations in Brazil.

Thus, while they have built their identity as a constitutive part of the Brazilian Solidarity Economy, they also claim to be a differentiated segment, with their own characteristics and demands, as will be discussed in the following sections.

## 2. A short history of worker-recovered enterprises in Brazil

In Brazil, the first experiences with failed enterprises that were taken over by their employees emerged within the complex context of a deepening crisis of the capitalist system that begun in the 1970s and increased during the following two decades due to the disaggregated and exclusionary effects of neoliberal policies. This period was distinguished by capitalist and productive restructuration processes that resulted in intense changes within the productive processes and in the labour market, with deep impacts on work relations and on the configuration of the working class and its organizations.<sup>3</sup>

This prolonged context pushed a lot of Brazilian enterprises into bankruptcy and forced agreements with creditors (*concordat*). In some cases, employees decided to struggle and keep the enterprise operating in a collective way without their former employers. In general, this means they had to give up work benefits in exchange for the enterprise's ownership and its subsequent transformation into a cooperative, giving way to self-management.

This movement of worker-recovered cooperativism originating in factories represents a kind of 'resistance cooperativism', a new field where we may find practices and strategies of a certain degree of originality regarding the historical path of class organization and social struggles in Brazil. Up to this moment, the most advanced cases of workers' organization and resistance within productive unities were found in the experiences of 'factory commission', which represented ephemeral but recurrent outbursts of autonomy in the 20<sup>th</sup> century (see Pedreira Filho 1997).

Despite some unsuccessful experiences, worker-recovered factories have grown in size and number, allowing some present studies to mention the constitution of an alternative system of production or even new means of production based on co-operation and solidarity (Singer 2002). It was a period of capitalist reorganization involving mainly family enterprises, which were the majority of cases. These family enterprises had become deficient due to the 'employer's cost' (as Argentinians call it), which means that a percentage of added value is needed to support the industrial bourgeoisie's aristocratic taste. In Brazil (as in Argentina), these employers and their families were cornered by rival enterprises. Without the usual protection and benefits from the State, they decided to close their factories and live out of resulting incomes, without paying workers' due compensation. But workers stuck with their companies to maintain industrial production and services, and in many cases they were able to pay the wages and keep their jobs.

Some cases are emblematic of how worker-recovery dynamics have been going on in Brazil. For example:

- *Cooperminas* (Mineral Carbon Factory): created in 1917 in Criciúma (Santa Catarina, south of Brazil), it is a former CBCA company and was taken over by its workers in 1987. The Criciúma Miners Trade Union acted as a syndicate for the insolvent estate for ten years, until the co-op's creation in 1997.
- *Usina Catende* (Sugarcane Factory): created in 1892, it was the biggest of its kind in Latin America during the 1950s and was taken over by workers in 1995. It is by far the most complex Brazilian case of enterprise recovery, since it combines agriculture and the industrial production of sugar and alcohol, and involves about 3,200 families from five municipalities in the state of Pernambuco (northeast of Brazil). Its leaders claim that 20,000 people get their income from the work at the collective enterprise. In

2007 Catende was legally recognised by the Brazilian government as the first agrarian reform settlement of an agro-industrial nature (Kleiman 2008). The recovery project is distinctive not only because of the collective ownership of the factory facilities, but also because of the combination of family agricultural entities and sugarcane plantation in communal land.

- *Uniforja* (Metal Industry Complex): a second-degree entity situated at the main industrial pole in Brazil (the ABC region, in the São Paulo metropolitan area), created by Coopertratt (thermic treatment), Coopercon (pipes and connectors), Cooperlafe (metal lamination) and Cooperfor (metal forgery). These four co-ops were born out of the former Conforja, one of the greatest metal industries in Latin America, which declared bankruptcy in 1997. After a failed attempt of some co-managers, Conforja's workers gained the support of the ABC Metal Industry Trade Union. Uniforja's co-ops were created between December 1997 and April 1998, and took over the former Conforja's 124,000 m<sup>2</sup> area. They have recovered 60% of their production capacity and kept half the original 600 workers from before the bankruptcy.

The context in which these resistance co-ops were born was not one of ascending worker struggles. On the contrary, since the beginning of the 1990s conflicts have been decreasing. The trend of autonomous social struggles that had started in the 1970s were almost assimilated by capitalist employers and had framed by the political and trade union organizations after the late 1980s.

Facing the conservative advance and neoliberal adjustment policies so harshly implemented in peripheral countries – whose most immediate social impact was the destructuring of the labour market – the Brazilian working class found itself in a defensive position. The isolated character of worker-recovery experiences is also related to the fact that they began within a context of a total absence of social struggles. Therefore, they could not expect (except for very sporadic cases or through the mediation of trade union structures) any active support from workers from other companies.

Besides, as it was a moment of reduction of struggles, the transference of failed companies' control to workers happened without breaking the existing laws, and these required negotiation processes resulted in institutions workers did not know or could not control. Since then, mediation

has prevailed, favouring a transference process where the managers become protagonists, now elected to manage leading posts in recovered factories. In these cases, self-management loses its meaning of being a development of new social relationships and crystallizes only in the terms of a collective ownership of means of production.

On the other hand, cases such as Cooperminas, Catende and Uniforja also reveal that the growth of self-managed enterprises has been accompanied by the opening of trade union sectors to cooperativism.

The trade union organization is usually the first one to which workers turn to as their legal representative in case their former employer goes bankrupt or enters into a forced agreement with creditors. In many cases, co-management or self-management has been suggested by the trade union itself. Evidence of this new position is the creation of Solidarity Economy and self-management support institutions that could rely on full support from some sectors of trade unionism.

The National Association of Workers in Self-Management Enterprises (*Associação Nacional dos Trabalhadores de Empresas de Autogestão* – ANTEAG) was created in 1994 out of a 1991 experience with the shoe factory Makerli, from Franca (São Paulo state), that counted on the support of local trade unions. At first, ANTEAG's work was based on the North-American experience of Employee Stock Ownership Plans (ESOP), but it soon evolved and developed its own methodology of enterprise change into self-management. Among ANTEAG's associated enterprises are *Usina Catende* and *Cooperminas*.

Brazil's biggest trade union confederation, *Central Única dos Trabalhadores* – CUT, has also been forced to give up an absolute reactive attitude towards formal job losses so that it could begin internal discussions about alternative forms of work. When first experiences emerged amongst CUT's affiliated workers, they did not find any further reflection or definition about what to do when their former employers shut their doors. Negotiation – in order to grant workers' due compensation and avoid employers' tricks regarding labour rights – was, and still is, a very common practice among trade unions.

As Lojkin (1999) pointed out, self-management used to be something like a 'taboo' among the trade union movement. He sees trade unions' intervention into management as a redefinition of labour division, formerly

established between employers or managers (who made all the decisions in the productive unities) and trade unionists (who negotiated issues like work hours and payment), and which gave way to another kind of trade unionism that is beyond the duality of 'refutation and conciliation'.

In 1999, CUT launched its Solidarity-Based Development Agency (*Agência de Desenvolvimento Solidário* – ADS). Yet, the creation of it happened, in a way, detached from the worker-recovered factories movement, which was then very active. The metalworkers sector of the CUT confederation was to be the one that would eventually organize and represent the worker-recovered factories at the base of CUT's affiliates (CUT 1999).

Because of the high unemployment rates that threatened Brazil's biggest industrial pole, the ABC Metal Trade Union decided to support the creation of cooperatives in the ABC region (São Paulo state), in order to avoid more dismissals. In 1996, at its Second Congress, the ABC Metal Trade Union committed itself to spreading cooperativism and self-management as alternatives in order to create new jobs and avoid dismissals. The trade union has even made some significant steps towards historical changes, particularly extending the rights of affiliation also to co-op workers in the metalurgy sector (Oda 2000). Another important initiative was a partnership between *Lega delle Cooperative*, Italy's biggest co-op federation, and three other Italian trade union federations in order to exchange experiences, especially those in the Emilia Romana region.

In 2000, some co-ops, with the help of this trade unions (among them, the four *Uniforja* co-ops), gathered to create and launch the so-called Cooperatives Union and Solidarity (*União e Solidariedade das Cooperativas* – UNISOL), at first only in São Paulo state. Its mission is to organize and represent those initiatives, fight fake co-ops (that is, those that use the co-op's legal form to weaken labour relations – also called '*coopergatos*' in Brazil – and promote what they call 'genuine' or 'authentic' cooperativism. In 2006 it became a national entity, *UNISOL Brasil*, now with 280 affiliated enterprises, 29 of them worker-recovered ones. However, even if they only represent a little more than 10% of UNISOL affiliates, worker-recovered enterprises are still responsible for 75% of all affiliates financial production, which amounts to about R\$1 billion.



**quick portrayal: and the worker-recovered enterprises get built up ...**

Main data from the Solidarity Economy Information System indicates that 70 solidarity-based economic enterprises may be identified as worker-recovered or second-degree organizations born out of recovery processes. Another previous study (Faria 2005) had already reported 65 experiences involving 12,070 workers, including the 4,000 from Catende.

On the other hand, SIES data informs us that there are 10,000 workers that are part of these enterprises, most of them male. The most commonly used legal form is the cooperative (corresponding to 90% of them – in contrast to SIES total figures, where cooperatives correspond to only 10% of the cases). As for regional distribution, worker-recovered enterprises are concentrated in the urban areas of the South and Southeast regions, which are the most industrialized ones in Brazil. The main economic sectors are industrial production (metallurgical, textile, shoes, glass and crystal, pottery), mineral extraction and services.

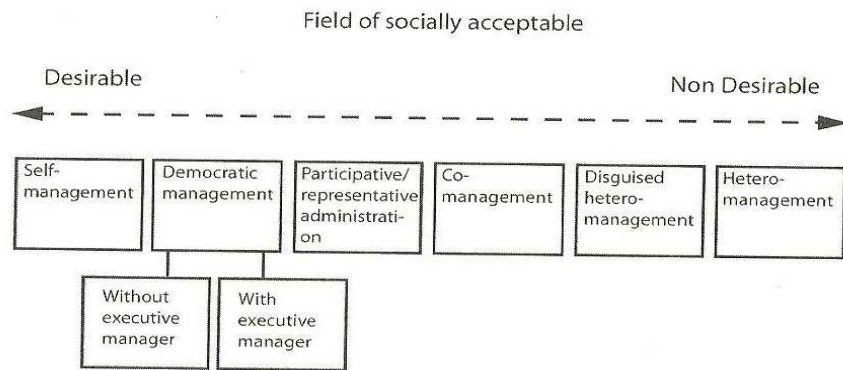


Figure 1: Field of what is socially acceptable  
Source: Tauile et al. (2005)

Field research conducted in 2005 involving 28 worker-recovered Brazilian factories established a 'self-management typology' (see figure 1) based on criteria related to management, marketing, credit, technology, ownership and institutional participation (Tauile et al. 2005). The resulting ideal types range from 'socially desirable' – that is genuine forms, such as self-management, shared management and workers' control – to 'socially non-desirable' – that is heteromanagement, 'disguised' (outsourced) or not (fake co-op).

Until the end of the 1990s, the recovery of bankrupted enterprises involving transference of ownership to workers have generally presented some common characteristics, pointed out by various studies (Oda 2001; Hillerstein 2002; Parra 2002; Esteves 2004; Faria 2005; Gitahy/Azevedo 2007). The following are examples:

- Almost all experiences come from former family enterprises; in many cases, bankruptcy or pre-bankruptcy resulted from a failed family succession. It is not uncommon to find factories from the beginning of 20<sup>th</sup> century with machines that are over 50 years old.
- In general, those enterprises already had a significant debt regarding workers' payment, and these workers had been frequently forced to live through long periods – months or even years, in some cases – of delayed salaries and improper payment of labour and social benefits.
- When enterprises are about to interrupt their activities, workers mobilize themselves to claim their labour rights. In general, at this moment the prospect arises of keeping a factory operating after the former owner's dismissal.
- Trade unions have a leading role in the worker-recovery processes, i.e. organizing workers, discussing the possibilities of keeping the company operating, negotiating with ex-owners and public and private entities in the search for financing and so on. Sometimes, the trade union also becomes co-responsible for the management when the enterprise is taken under workers' control.
- It might occur that workers find themselves compelled to give away their labour and severance pay rights in exchange for the collective ownership of the enterprise's means of production.
- In most cases, they choose the legal form of the co-op, particularly because Brazil doesn't legally recognise the particularities of this recent pheno-

menon; presently, they are also adopting the form of an SA ('anonymous society' or 'public limited company'), or LTD ('limited liability company').

- The self-management expression is frequently used in reference both to changes in the enterprise's ownership form and to democratic characteristics of the new working process organization and administration.
- However, as the activities restart, workers are usually kept at their positions of previous labour division; the difference is that they now work in a collectively owned company.
- On the other hand, the new collective ownership condition usually has a positive impact on workers' motivation, at least for a certain period, as they become more dedicated to the company's tasks in a more careful and devoted way.
- In the name of competitive strategy, those experiences may require mechanisms such as the expansion of working hours without the corresponding remuneration, or even the flexibility of the labour force to follow market developments. In other words, when there is a temporary impossibility of investing in new technologies, these enterprises may have to use typical absolute plus-value procedures in order to accomplish their economic goals.

From this very general overview of worker-recovered enterprises and resistance cooperativism in Brazil, it is possible to extract some conclusive observations about their present and future.

#### **4. Conclusion: challenges and perspectives of worker-recovered enterprises**

The transformation in the ownership relations of the means of production certainly opens a broad range of possibilities to worker-recovered enterprises, but also unveils a broad spectrum of contradictions and ambiguities deriving from their development in the very interior of capitalism.

A possible interpretation of these contradictions comes from the acknowledgment of these cooperatives' hybrid nature (Faria 2005), since these now worker-controlled enterprises originated from organizations whose essence used to be capital's self-valuation. Until then, the means of

production, the work instruments, the products and the very work force had been used in the interior of a system that produced goods and services. Neither the simple means of production's formal ownership nor the new legal shape of ownership imply immediate or direct changes in the nature of the work process or in its double nature: that is, as Marx stated it, both real work process and valuation process.

Once the company is reopened – usually facing a high degree of indebtedness and competitive obstacles regarding its products and services – workers are forced to make adjustments in order to raise productivity. Faced with no financing guarantee, workers may have to accept the possibility of increasing work intensity or extending working hours, or even reducing their own labour force. The appeal to absolute plus-value mechanisms – whatever the legal form of collective ownership is (i.e. cooperative, association, SA or LTDA Company) – has been one of the most commonly used tools of worker-recovered enterprises to avoid issuing dismissals and keep their workers.

One of the observations to be made about worker-recovered enterprises is that they do not have internal parameters like structure or operation as their main focus, nor do they intend to measure their social and economic efficacy with the same criteria as capitalist firms. However, there is a valuable perspective within the movement of resistance co-ops that confines the problem to an entropy issue – either inherited or generated by, or even intrinsic to workers/owners. According to this view, technological delay, work process organization, proper qualification for management etc., all require a certain counterbalance (that is, credit, investment, professional management etc.) as a structural condition to keep production at the nearest socially-needed boundary – a boundary that is established or historically achieved by the ever-expanding system.

Such an approach is called 'marketing cooperativism', which is characterized by its fragmented and reductionist analysis of the worker-recovered enterprise's issues. It expresses the view of all those who insist on reducing this phenomenon to nothing more than a sum of isolated production entities, and whose ideal is the Mondragón model. In the end, it is nothing but a mere reproduction of capitalist relations, only at a higher level (that is: formal, apparent and limited) of democracy or participation within production unities: it is a kind of 'market socialism' in a frustrated search for a

reconciliation between capitalism's material form of production and new and egalitarian ownership relations. In these experiences and their various structural and institutional dynamics, the antagonism between self-management and hetero-management, far from being solved by the property collective ownership, places some kind of tension between the production relations and the relations of ownership, (a tension that may also be found in the theoretical literature on the self-management phenomenon).

This tension is present in those cases of worker-recovered enterprises, soon after gaining control over the means of production, workers do not register their collective ownership as a co-op, but claim for the nationalization of the enterprise. In the few Brazilian experiences where this process has begun (i.e. Cipla, Flaskó, Interfibras), arguments in favour of nationalization were articulated to criticize co-ops operating in a capitalist system, resuming the analysis from the Second International. Both the legal vulnerability of these enterprises and the lack of any receptiveness of the government towards the proposition to nationalize bankrupted companies eventually made these workers susceptible to legal attacks, in addition to the fact that they already faced difficulties in taking credit or benefiting from public policies. However, in this case, a mistake, both theoretical and historical, is made about finding workers' emancipation in the form of ownership, as that would only mean that they would be exploited by the government, instead of by private employers. Hence they must learn their lesson, which cost Portuguese workers so much to learn during the Carnations Revolution (1974): that state socialism or private socialism are not the only options.

Worker-recovered enterprises, understood as a form of resistance cooperativism alternative based on Solidarity Economy, are confronted by the challenge of strengthening themselves to the point that they will not have to sacrifice any of their inseparable dimensions (economic or political).

Regarding Brazilian worker-recovered enterprises' demands of public policies, the absence of a proper legal framework, capable of taking control over bankrupted enterprises, should firstly be pointed out. Brazil's Bankruptcy Law, reviewed in 2005, instituted the enterprises' legal recovery, but only if it gives priority to the payment to the financial institutions responsible for providing them credit. It is different from what happens, for instance, in Spain, where specific laws even established a new legal form, the *sociedades laborales autónomas*, meaning autonomous labour societies

(Rojó 1996). In Brazil, worker-recovered enterprises do not have any tributary distinction or tax regulation. Moreover, their access to credit is denied under the pretext of both ownership and responsibility 'dispersion', since the means of production are controlled by all the workers. In spite of some weak advances in some Brazilian public banks, like the National Bank of Economic and Social Development (*Banco Nacional de Desenvolvimento Econômico e Social - BNDES*), the line of credit that had been specifically designed for worker-recovered enterprises was limited to a very few of them, that is, only to the most well established ones.

It is also important to mention the obstacles faced by worker-recovered enterprises in accomplishing the technological reconversion of their productive unities. In some cases this was an impossible task. The inherited technology, usually an old one, carries with it the essence of capital valuing (task splitting, control and fragmentation, workers' devaluation etc.). It has to do with the challenge of developing new appropriate technologies of self-management that are socially controllable and open to a technical relationship to other self-managed productive unities.

There are very few cases of Brazilian worker-recovered enterprises where a reconversion of production has begun, involving searching for social technologies, producing new products, and aiming at potential consumers among other workers who have also lived through struggle processes and turned to self-management. One example comes from a stove factory that developed a mini-distillery of alcohol fuel, specially designed for agrarian reform settlements and family peasant communities. Another one comes from the metallurgical and industrial services worker-controlled enterprises that have formed a Network of Industrial Cooperation (*Rede Nacional de Cooperação Industrial - RENACI*) to produce train wagons and infrastructure. Other initiatives, such as a Brazilian national car factory, were discussed, but didn't go any further. These are incipient steps in overcoming the challenge of a new technical frame resulting in new social relations of self-managed production. Worker-recovered enterprises still have to undergo a long path in order to achieve a higher development of a self-sufficient system of their own, with different efficacy criteria and involving self-managed initiatives from other countries.

However, in spite of some deviations, there is no doubt that the very existence of successful cases of worker-recovered enterprises (a little more

than a hundred in Brazil and Argentina) represents an achievement that should be preserved and closely followed by workers. They may be a source of inspiration to similar advances in the dynamic sectors of capitalism, up to now untouched by self-management practices in their work processes. In countries where the elites are never eager to give up anything at all, experiences of worker-controlled and collectively owned means of production, such as Usina Catende, Cooperminas, Unifortja etc., should not be ignored.

This process possibly concerns the recovery of a class struggle field that was somewhat underestimated after the Paris Commune: namely, the cooperative production of livelihood that embraces disputes about the work process organization, decision-making mechanisms, and forms of control and management of productive unities. In this field, political parties and trade unions have been proven to be somewhat insufficient and ineffective.

The question is to know whether, in the contradictory process of crisis, the phenomenon of worker-recovered factories and other alternative forms of social life production will constitute embryonic organizations of an alternative model of production, or if they will be assimilated, merely reproducing capitalism but on another basis. In any case, along with the collectivization of enterprises, it is possible to reflect on self-managed production, democratization of work relations, workers' control over means of production, work process organization, and even on overcoming the social form of capital in contemporary society.

Much like nowadays one cannot think of achieving socialism in only one country, the existence of a self-managed sector in the middle of an increasingly globalized capitalism faces countless challenges. The main lesson is to show, like Marglin (1989) once did, the uselessness of employers and the need for a deep transformation in capitalist income production. In this sense, the present crisis is an opportunity to test new forms of production and reproduction of social life, with active participation of workers, both inside and outside the productive unities. To become effective, collective ownership of the means of production should be ensured by the collective management of social and economic processes, as self-management is both the means and the end of emancipation.

- 1 We would like to thank Angela Almeida Diego Cavalcanti Cunha and Markus Auinger for reviewing our translation into English.
- 2 In Europe, debates about 'social economy' and 'solidarity-economy' (and, more recently, 'social enterprises') define themselves in opposition to the 'third-sector' approach in the USA and in other English-language countries, giving way to a 'third-sector' European concept. The 'non-profit sector' approach, predominant in the USA (where different civil organizations, including trade unions, are seen as the product of a unique associative origin) is distinguished from the 'social economy' approach in European countries. In these countries, the main distinction is not between profit and non-profit organizations, but between capitalist enterprises and social economy organizations, and the criterion is "the existence of statutory rules granting the general principle of non-predominance of capital" (Laville 2001: 40). On the other hand, in Canada (and particularly in Quebec), debates are closer to European 'social economy' and 'solidarity-economy' approaches.
- 3 A similar phenomenon emerged at about the same time in other Latin-American countries, also under neoliberal policies. In Argentina, where the crisis bankrupted 30,000 industrial companies and eliminated 750,000 direct jobs (5% of Argentinean employees), a latent movement began during the summer of 2001, and soon afterwards over 200 breaking enterprises were recovered by workers. This recovery was enabled by two important national movements in particular: namely, that of Recovered Enterprises (MNER) and of Recovered Factories (MNFR). For more on the Argentinean case, see Rébon (2004).

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## Abstracts

This article focuses on the experiences of worker-recovered enterprises in Brazil that became self-managed organizations. By tracing their origins, characteristics and relations to the widest field of Solidarity Economy, we discuss some of their present challenges, including their relationship with the State, the trade unions and others. We start by outlining the major discussions about adequate terminology, which at the same time provides the first insights into the social and economic structure of the sector. In the following parts we briefly portray the history of worker-recovered enterprises in Brazil, followed by some exemplary enterprises, which were successfully taken over by their workers, and leading to the institutional surroundings of the Brazilian Solidarity Economy sector. The article then goes into more detail and will try to systematize the different kinds of enterprises active in the sector, finishing with a discussion of the most important current challenges and perspectives of worker-recovered enterprises.

Der vorliegende Artikel widmet sich den Erfahrungen „instandbesetzer“ Betriebe, die von den ArbeiterInnen in Selbstverwaltung geführt werden. Indem wir ihren Ursprüngen, Charakteristika und vielfältigen institutionellen Beziehungen im weiten Feld der Solidarischen Ökonomie nachgehen, diskutieren wir einige ihrer aktuellen Herausforderungen. Diese finden sich vor allem im Verhältnis zum Staat, zu den Gewerkschaften und anderen AkteurInnen. Der Text umreißt zu Beginn die Hauptdiskussionslinien zur Terminologie, womit gleichzeitig die ersten Einblicke in die soziale und ökonomische Struktur des Sektors geboten werden. In den darauf folgenden Abschnitten beleuchten wir kurz die Geschichte instand-

besetzter Betriebe in Brasilien, die wir mit einigen Beispielen für geglückte Betriebsübernahmen ergänzen. Im Anschluss daran wird das institutionelle Umfeld der Betriebe beschrieben und eine Systematisierung des Sektors dargestellt. Abschließend widmen wir uns den wichtigsten aktuellen Herausforderungen und Perspektiven der betrachteten Unternehmungen.

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**ASTRID HAFNER**  
**Genossenschaftliche Realität im baskischen Mondragón**

### **1. Einleitung**

In der aktuellen Finanz- und Wirtschaftskrise wird weltweit ein lebhafter Diskurs über die Legitimität neoliberaler Marktentscheidungen geführt. Extreme Auswüchse der Finanzwirtschaft fanden lange Jahre auf einer breiten Basis Akzeptanz bzw. wurden nicht in Frage gestellt, solange der eigene Wohlstand nicht gefährdet war. Zugleich hat die Ökonomisierung des Sozialen dazu geführt, dass „das Denken von ÖkonomInnen weit über den Kreis der Wirtschaftstreibenden hinaus bedeutsam“ wurde (Novy/Jäger 2003: 1) und der Kapitalismus in viele Lebensbereiche eingedrungen ist. Im heutigen Europa werden Waren in unglaublichen Mengen produziert, Konsum wird gefördert, und der Werbung zu enttrinnen ist beinahe unmöglich. Gleichzeitig wird die Ungleichverteilung von Kapital und Lebenschancen als globales Problem bezeichnet, und Lösungsmöglichkeiten scheinen schwer greifbar.

Indes gibt es parallel zu ökonomischen Konzepten, die auf Wettbewerb, Akkumulation und Optimierung des Eigennutzens basieren, ein „ideologisches und praktisch-politisches Kampffeld“ (Nitsch 2006: 156), auf welchem solidarökonomische Modelle auf vielfältigste Weise diskutiert und realisiert werden. In diesen werden neben wirtschaftlichen auch soziale und gesellschaftliche Komponenten der Arbeit thematisiert (vgl. Albert 2006: 15ff). Eine Form der Arbeitsorganisation, in welcher eine ganzheitlichere Sichtweise des Wirtschaftens Beachtung findet, war und ist das Genossenschaftswesen. In den verschiedenen Epochen der Geschichte wurden genossenschaftliche Wege zur Befriedigung unterschiedlicher Bedürfnisse beschritten: In der Phase der frühen Industrialisierung drängten Fragen nach dem Verhältnis von Gesellschaft und Wirtschaft in den Vordergrund.