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This is the text of my presentation at “The Future of Work in Latin America” Thematic Session at the 103<sup>rd</sup> ASA Meetings in Boston (August 1-4, 2008). This is not strictly speaking a paper, but a talk, or a very rough version of a future paper. Please do not quote or cite without permission of the author.

In this talk I want to examine the organization of work in two recuperated enterprises in Argentina. The latter refers to a group of enterprises that have been appropriated by their workers and are run as self-managed cooperatives. There are about 200 of them, employing around 10,000. Some of these enterprises are doing very well and some are just generating barely the necessary to cover costs. Some have acquired the property of the business, in general through a process of expropriation that operates on a logic parallel to that of eminent domain, and most operate on a legal limbo where workers have the de facto control of the place but not the de jure ownership.

The phenomenon of recuperated enterprises emerged at a moment of crisis in the Argentine economy, when loosing one's job meant most likely becoming excluded from the world of work. Today the Argentine economy is growing and less business are going bankrupt. Given the current availability of work people may be less inclined to enter into the complicated process of recuperating a business, a process that sometimes involve conflict and sometimes involves going through periods of economic harshness. But there are in Argentina two organized movements of recuperated enterprises that help workers recuperate businesses that go bankrupt if they want to do so.

What is of great interest to me is that the workers who recuperated these factories were not political or ideological. They did not believe in cooperativism or any form of utopianism. They were people who did not want to be excluded from the labor market. This would mean not only loosing the source of livelihood but also the source of their identity. Being a worker was not only how they make a living but also who they were. The danger of exclusion led them to take a radical act, which is to violate the sacrosanct right to private property. Once they did that they stumbled into another radical step. They

decided to manage the place by themselves. Even though they were not managers, most administrative personnel left and did not participate in the takeover, they decided that they have had enough with bosses and owners. For them the latter have demonstrated that they do not know how to run a business. So they decided to run it by themselves. Furthermore, they decided to run it in a democratic way, with the workers assembly as the sovereign. This, however, is easier said than done.

In his recent book, “La Empresa de la Autonomia,” argentine sociologist Julian Rebón poses the question whether the workers of recuperated factories change the patterns of work organization to allow for more creativity and democratic decision making. I will try to answer this question by analyzing the work and decision making practices of two work places, one a paper factory and the other one a factory that produces inputs for ice cream producers and bakers. Both have acquired the property to the place, one through expropriation and the other one through the buying of the premises. The level of confrontation in both was relatively low. Both are mid-small places—one has 43 members and the one has 56 members. Members in both are mostly males and both factories are doing relatively well economically. By this I mean that they operate at a profit and that they can pay salaries that are above what most Argentinean workers earn.

My starting point in this analysis is the old debate between Braverman and Burawoy. Braverman argued that the development of work under capitalism was a constant process of separation of physical and mental activities, the increasing rain of Taylorism. Burawoy responded that within capitalism there have been alternate periods of mass production and craft production. Furthermore, Burawoy adds that even within mass

production workers often try to resignify what work means, even if this implies legitimizing their predicament. He emphasizes the processes through which workers regulate the rhythms of production. Piore and Sabel, in *The Second Industrial Divide*, also argued that work under capitalism can involve the use of flexible skills and creativity. Their argument about the coming of flexible specialization as the new hegemonic form of organizing production proved to be exaggerated, but it is certainly a trend within the world of work. It is also the case that many mass producers attempt to tap the ideas of their workers into making the mass production process more efficient (Toyotism).

How is then work organized in these worker-owned and managed factories? Are they breaching the divide between physical and intellectual work? And between decision making and everyday work? Let's remember that there is a long literature that points out to the oligarchization and degeneration trends in cooperatives. Those can fail either because they are not run well or they fell because success brings back hierarchy and separation between management and work. In any case, the hope for a more democratic and less alienated world of work, a hope that emerges constantly in different historical periods and different places, is doomed to fail.

What happens then in these two factories? Let add a little bit to their description. One was a factory with a cutting edge technology that had a leading position in the market (the foodstuff one). In this case the bankruptcy was an attempt by the owners to make their debt disappear. Their plan was to open in another location with another name, debt had put them in trouble but the business was sound. The proof is that they indeed do that, just not with the same machines. The workers kept also the brand name. The paper

factory was an old one that had really out of date technology. When the original owner died in the '90s his children let the business fall because they were not interested in it. Also manufacturing in the 90s in Argentina was a losing sector due to the opening to competition. Paper from Brazil was being brought at cheaper prices destroying the local paper industry. After the crisis of 2001, a high dollar – peso exchange rate protected manufacturing activities.

When one first approaches the workers the first answer is now we work for ourselves, work is less stressful. But after going a little bit beyond this veneer one realizes that things are more complex. The first problem that workers confront is timely arrival and absenteeism. This is solved usually with a combination of sanctions and incentives. The paper factory has both. The foodstuff factory instituted them, then took them off (suddenly really sick workers were not receiving pay for their days of absence, which was perceived as unfair) but several people were demanding that they be reinstated because absenteeism went up once the sanctions were off. In this factory people did not want to put a clock to mark the time in which people come in and out, because that reminded them of the time in which they worked under bosses. Instead they have a person who sits in the entry desk whose task is to write down in a piece of paper the time in which people arrive and leave. But all these takes care of people coming to work, not of what they do at work. In fact recuperated factories confront the same challenge that common factories confront which is how to do so the worker does the tasks that are required.

How work is organized in the paper factory? There are two old machines that produce the paper. Six workers work in one of them and three in the other. In addition

there are three people who work feeding the machines and the maintenance and administrative people. In this factory the work day is 12 hours, and workers alternate weekly day and night shifts. This is the result of a combination of high demand and old technology. But it is also the result of limiting the number of people who share in the profits. This is a dilemma confronted by all the recuperated factories that do well. The Argentinean cooperative law stipulates that after a probatory period of six months, cooperatives should decide if new workers become members of the cooperative or are let go. Some recuperated factories are not following the law. Others play with the probatory period. The paper factory had hired new workers and had extended their probatory period but eventually has made them members.

The paper factory seems to be in a bound in this sense. They cannot buy new machines because the price of a new machine is much higher than the value of the whole factory. Also, after the crises of 2001 people in Argentina are very wary of getting in debt, and although these are workers turned entrepreneurs, they don't want to take credit. Since they don't want to bring in the people necessary to create a new shift because this would mean that every cooperative member will get less, they are stuck with 12 hours shifts.

The work at the machines is not stressful. Workers sit near them and drink mate. The machine requires intense action at certain periods but between them workers just observe that nothing out of the ordinary happens. Workers are proud of how they have brought old machines that were abandoned when they recuperated the factory back into production. And they are proud also of small modifications they have made to make them work more efficiently or to make the work process less arduous. But their ability to

innovate is limited by the boundaries of the old technology. Work is basically tedious and boring. There is a tendency to shirking, that perhaps is understandable giving the long and tedious work shifts, but it creates lots of tensions between the workers. One axis of tensions is between people who were workers under the “old regime” and participated in the recuperation and new workers. The latter claim that the former feel entitled.

In addition, there is not much propensity to take leadership positions and there is a de facto division between workers and management. The assembly is still the sovereign and often the decisions of the worker managers are overturned, but giving the intense pace of work the frequency of assemblies is low (every three months, unless there is a special one called in by someone). One of the worker managers compared the workers to public employees that do the minimum necessary. They can do much because after all their authority is limited. On the other hand say that the worker managers do nothing, they don't respond to their requests, and they go away from work as much as they can. In spite of all this dysfunctions, the members of the cooperative are receiving wages higher than similar workplaces and have spaces to exercise innovation and decision making, but within a general climate of tension and stress.

In the foodstuff factory work is organized in different sections that produce different products. In the heydays of the factory more than two hundred people worked in all these sections in three shifts. Today, forty something cooperativists work there in only one shift. Demand is high but it is seasonal and it is not always in the same areas. So work goes from periods of intensity to periods of calm and it is not always the same. In this way routines are broken.

In this factory technology is more modern, so workers could not make many changes to the actual machines, but they have taken the initiative in marketing and the developing of new products. They realized that in order to keep the leading position they have to learn how to market their products, and several of the workers claim to have developed new ice cream tastes. Here there has been rotation in leadership positions, although the rotation took place in part because people escaped from certain positions. For example, being the treasurer of the cooperative is a position of high rotation. A former treasurer told me that when he took this position he came into contact with more money than he had ever seen in his life and that he could not sleep thinking that the responsibility for the well being of all his fellow workers rested on his shoulders. Another position with a high level of rotation is coordinator of production. This is the person in charge of distributing the daily tasks according with the existing demand. This position wears down people because workers have their preferred activities and they are often reluctant to change them, although there is a need for that. In both places some workers complain that others do not realize that now they are in charge and that means taking responsibility.

In this factory there is an assembly every other Friday (sometimes they move it back a week in times of high demand). People are informed as to the economic situation. In the paper factory there are accusations that the management does not want to provide accurate data. This is often related with the distribution of the yearly excedents. The worker-managers often want to invest them and the workers to take them home. This may seem irrational but successive crisis had made Argentinean workers to operate with a short expectations horizon, and has also created numerous unmet demands that people

want to address today. After all, the fact that they are making more than most workers, does not mean that they are making a lot of money). The centrality of the workers assembly in the foodstuff factory is the result in part of fewer tensions in the work process but also the result of the fact that the foodstuff factory occupies a central position in one of the movements of recuperated factories. The movement emphasizes the importance of the assemblies.

In both factories, then, there are innovations in the process of production. In the paper factory the innovations are limited by the old technology. In the foodstuff factory the innovation is more on marketing and product development than in how work is conducted. Both places confront problems of discipline and shirking, and have to solve them through the imposition of disciplining measures. Those measures, however, are discussed and decided by the workers, and are often revoked when seen unfair. There is no easy way to deal with this questions, the difference between this factories and regular factories is that discipline is the result of reflective activities by the workers.

There are indeed dangers of oligarchization. Those are more palpable in the paper factory. But even the members of the cooperative have limited the authority of managers in concrete ways. They sometimes also have taken the role of positive participation. There is however a question of time. I have been following these factories for four years now and they have been operating six years. Oligarchization tendencies may need more time.

To summarize, I argue that there is in the recuperated factories important potential to change work life, but that the realization of this potential needs a lot of work. It is not easy to manage life democratically (often when I hear about the internal conflicts of the

factories what comes to my mind is what I know about internal conflicts in my department and university). There are concrete limits to the process of democratization and innovation of work life, limits given by the technology of production and the demands of the market, but the political decision of the workers is also important. The determination to keep regular assembly meetings in the foodstuff factory is a political decision. The paper factory was initially a member of the same movement but it distanced itself from it. And finally there is the question of broader solidarity. All the workers emphasize the solidarity that they receive in the process of recuperation. But now that they are owners in both places they confront the choice of who else to include and how to participate in the struggles of others and community life. The score here is also ambivalent, but this is a topic for a different talk.

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