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## **The Recovered Factories and Argentine Labour Movement: a grey zone in a 'new' social movement**

### **Introduction**

This essay will attempt to connect the movement of recovered factories with both historical Peronism but also with the current ongoing Peronism in its different forms, centered on the Peronist trade unions. The analysis will look at traditional Peronist culture and ideology developed since the first government of General Peron, and its links to current Peronist movements as well as to the recovered factories phenomenon. The main connection between the *fabrica* movement and Peronism in its functional structural aspects will be done through an analysis of the Peronist government of Carlos Menem in the 1990s. The analysis will include the reconfiguration of traditional Peronist ideas, and the reshaping of policies towards a neoliberal model. The effects of these changes on labor politics, workers unions and the Peronist movement itself, will contribute to an understanding of the recovered factories movement in relation to historical workers movements as oppose to the perspective that looks at the factories as a process alienated from historical roots (Rebon 2004, 2006; Heller 2004; Fernandez 2006). Furthermore, the analysis of the Menem government includes the divisions and confrontations inside the Peronist movement, mainly concerning conflicting understandings of the Peronist doctrine and the reinterpretation that the Menem government was attempting and finally applied. These divisions brought in a debate between 'traditional/truly' Peronist and 'new/menemist' Peronist' (Galasso 1996; Levitsky 2003, 2005; McGuire 1997), which is essential in explaining the diverse forms by which Peronism is connected to the *fabrica* movement. Taking into consideration that labor policies and the positioning of unions influence the recovered factories, this essay carefully addresses the effects of Menem's politics in creating the split inside the General Labor Confederation (CGT in Spanish). The confrontations inside the union over supporting or not the liberalization process led to the creation of the Worker's Confederation of Argentina (CTA henceforth), challenging the monopoly on workers organization and also defying the claim that CGT was the sole representative of Peronist ideals. Under the leadership of former Peronist activist German Abdala and Victor de Gennaro, the CTA irrupted into the labor scene with banners based on Peronist conceptions of social justice and the role of the working class in the Argentina political and economic sphere. This coming apart of the union movement was partially the confirmation of lasting divisions inside Peronism between those who defended a leftist tendency- represented by figures like Cook and the Resistencia in the 1970s- and those who preferred to negotiate so as to maintain relative positions of power. Both the CGT and the CTA played a critical role in the development of the *fabrica* movement, and will then be central in the thesis of this essay.

Despite the recovered factories movement being a relatively recent phenomenon, beginning in 2001, with 2002 and 2003 accounting for the largest amounts of companies being recovered (Lavaca Collective, 2004), it has caught the attention of several scholars in Argentina and in North America. These studies tend to focus directly on the process, on the forms of organization of the workers inside the factories, as well as the different challenges that the movements had in the beginning, in the present times and in the future (Rebon 2004, 2006; Heller 2004; Magnani 2003; Almeyra 2004; Fernandez 2006). This approach to the movement contributes largely on a practical understanding, being oriented to a problem-solving question. The explanation provided is directed to the movement being a consequence mainly of the application of neoliberal policies under the Menem government (Fernandez; Rebon). Some might go even further to include the ‘deperonization’ of Peronism under Menem as part of the liberalization package (Rebon and Saavedra, 2006: 25). In spite of this connection, the analyses generally emphasize the working class nature of the movement (Heller, 2004), but do not connect it to historical working class movements in Argentina, among which Peronism is considered the most influential one (Horowicz 1990; Galasso 1996, 2005; Altamirano 2001; Fayt 1967; James 1993). Moreover, the analyses narrow down the Peronist movement to Menem’s government and the CGT (Rebon and Saavedra: 27), therefore misunderstanding both the differences inside the movement as well as the fluidity and hybridization that the movement has into different forms and structures. It is through this informal structures, as well as the already mention formal ‘true Peronist’ ones, that most of the connections can be made. This isolation of the *fabrica* movement from informal and formal connections to greater political movements creates a superficial understanding on the conditions from which it arises and persists. In an attempt to reshape the understanding of the nature of the *fabrica* movement, this essay analyzes these intrinsic connections to the Peronist movement, in order to provide a deeper and more structural understanding of the nature of the *fabrica* movement. The movement is presented as a reflection of a gray zone of politics (Auyero, 2007), traditional union politics, traditional Peronist cultural norms and traditional ideologies.

As Auyero (2007) points out, in every socio-political process there is a gray zone, in which factors that at simple sight are not obvious appear (32). The analysis of this zone provides a “conceptual tool that warns us against too rigid -and misleading- dichotomies” (32). In this zone takes place the exchange between actors that normally do not take part of descriptions, but that still represent a key element in the process. This concept of gray zone is essential in arguing for the connection between Peronism and the recovered factories movement. In the case of the *fabrica* movement, this gray zone links the movement to the Peronist movement in the roles of the CGT and the CTA. The role played by both unions is relevant in understanding that the process initiated in 2001 did not take place in a vacuum, but rather happened in a politicized context in which unions- and especially its leadership- were influential either supporting or confronting the process of recovery. The two cases analyzed later in this essay are a portrayal of this context.

This essay links these transitions happening inside the Peronist movement, both ideological and institutional, the effects they provoked on Argentine politics and particularly in the recovered factories movements started in 2001. By focusing the analysis in the union movement, the intention is to narrow down the broad movement Peronism is and represent that transition in one of its most influential elements: labor. Coincidentally, it will be the labor movement the most active sector of mainstream politics in being involved with the *fabrica* phenomena.

The paper is divided in four sections. Section one underlines Peronism and the road to Menem's presidency. Section two presents Menem's government, the reforms and the role of the union movement in it. Section three introduces the *fabrica* movement and briefly presents the case studies. Section four engages in a debate regarding the role of CTA and CGT as seen in the case studies. Finally, the concluding remarks integrate the main arguments and challenge the conceptions that the *fabrica* movement is a new radical form of organization, clean of political history and dilemmas, and in turn propose that it is a consequence of several factors, Peronism being among the most important ones to consider.

### **Section one. Peronism in brief**

Peronism is the most important socio-political movement in contemporary Argentine history. The influence and dominant position began under the figure of General Juan Domingo Peron in the early 1940s. Peron was initially appointed Minister of Labor of a military government, and he increasingly gained decision-making power inside the coup stagers, leading to his appointment as Minister of War and Vice-president by 1945. The main success by Peron at this point came through the Ministry of Labor, where he managed to build working-class support and unify the largest sector of the union movement under the CGT leadership (Levitsky and Murillo 2005: 25). This institutionalization of the working-class was joined by the promotion of social policies that improved the living and working conditions of an increasingly urbanized society. The increasing popularity of Peron led the President of the military government to jail Peron and remove him from office. This act in turn led to the October 17<sup>th</sup> 1945 popular outcry for the return of Peron. From that particular day onwards and after such a demonstration of loyalty to Peron, the organized workers movements will be integrated as a primary component of government policies. Following that day, Peron was released from prison and the government called for elections in the following February. Peron won the elections against a broad coalition led by the Radical Party (UCR) but that also included socialist and communist representatives (Levistky and Murillo: 23). From then onwards, Peronism established itself as the leading movement in the political scenario, and went on to promote some of the most profound socioeconomic reforms the country had witnessed.

The presence of the State in both the economy and in social life became, during the Peron governments, a common part of the country. One of the major ways through which the State became a key player in the economy was through the nationalization of those public services that were considered "essential for the livelihoods of Argentines" (Luna: 148). The nationalizations of private corporations to the State occurred together with the formation of new state corporations. The main nationalizations were the train companies (both British and French), the telephones (Luna: 156) and gas services (Galasso: 502)..

In the social sphere, the government gained a leading role. Hundred of schools were built at the elementary and secondary levels. The government built more schools and classrooms in the two periods, than in the previous periods of Argentine history added together (Galasso: 514). The numbers of students increased dramatically, principally in the first government, when they went from 143,000 in 1940 to 446,000 in 1954 (Galasso:516). The schools and classrooms became a useful tool for Peron to expand the ideology and culture being created by Peronism, but also to promote through propaganda in school texts the different measures of the government (Luna: 385). Particularly the universities became a main source of new cadres and militants for

the Peronist movements, and it became an important sector during the Resistance years. Peron's housing policy would also be a fundamental column in the State social policy. The large mass of rural to urban migration found the possibility of accessing housing in the ten years of Peronist government through this government policies, and led Buenos Aires to be one of the industrial centers in Latin America with the lowest percentage of its population (2 percent) living in shanty towns (Schteingart and Broide, 1974). The immersion of the State in both the economy through nationalizations and regulations, as well as in the field of social benefits through education, health care and housing, largely contributed to the concept of the 'organized community' in which the State was indeed the main organizer. As Peron himself would express it in a speech on May Day in 1944: "we seek to surpass the class struggle, replacing it by a just agreement between the workers and the employers, based on a justice that springs from the state" (James, 1993: 34).

Peron's administration relied on a balance between the union movement and sectors of the industrial bourgeoisie. Peron himself developed the concept of the 'organized community', representing that balancing of interests for the sake of stability and social progress. Despite discrepancies and disagreements among the business sector with some of the social policies intended by the Peron government, the committee remained as a fundamental pillar for the government and became even more essential with its promotion to the General Economic Committee (CGE), in 1952 (Brennan, 1998: 90). This organization had as a main instrument the Argentine Institute for Trade Promotion (IAPI), whose main function was to transfer resources through an export tax, from agricultural exports to the main industrial sector (McGuire, 1997: 71; Luna, 1984:175). The IAPI became a main source of funds for investment and development of the industrial sector in the Peronism government, by applying a differential tax, *renta diferencial*, on the main agricultural exports (Galasso, 1990). As Horowitz refers to it, the formula applied through the IAPI would be "the more the agricultural exports, the more industrial activity the country will have" (Horowitz, 1990: 166).

Peronism can be mainly understood as a working class movement and a working class culture. This is due to the large relevance that organized workers gained in Peron's government, to whom he was the leading figure in their struggle. The workers became the main column of the 'organized community', and it was, in Peron's own words, "one of the main determinant powers, as long as it was organized under a strong union movement" (Eloy Martinez, 1996: 60). This "strong organization" was provided by the General Confederation of Labour (CGT), which got priority against other national unions and became the leading organization influencing governments and workers' claims throughout the years of Peronist governments and also in opposition to military juntas and non-Peronist regimes. The CGT is even to this day the organization that most clearly identifies itself with traditional Peronist values and claims to be the most loyal to these. In many aspects this consideration of Peronism as a working class movement is still present today, and the appropriation of working-class manifestation still affects the remaining social and political movements that are not directly identified with Peronism, such as the *fabrica* movement.

The fall of Peron's government through a military coup in September 1955, signified not only the fall of the regime, but also the beginning of a period known as the Peronist Resistance, *la resistencia Peronista* (James 1993; Galasso; McGuire; Brennan; Horowitz). Due to Peron's exile, this period reconfigured the mass-based movements since its main and unique leader was not present but rather directing from distance. This left a power vacuum in the movement that was disputed between main rank and file delegates, union leaders and some figures of the

Peronist business sector. The predominance of rank and file delegates, with strong leftist ideals of Peronism, rearranged parts of the Peronist cultural identity, moving towards a more revolutionary and confrontational identity.

The revolutionary identification of many Peronist rank and file delegates combined with the co-optation and inertia of main CGT leaders reconfigured Peronism towards a leftist revolutionary movement and ideology. The Resistance begins to be organized by John W. Cook and Cesar Marcos. They formed the National Peronist Command, which attempted to coordinate all the different remaining Peronist organizations and its members (Galasso: 796). This Resistance was not institutional or formally organized. The Command coordinated the different actions of Resistance in several places among which the factories and the prisons were two main ones. However, this Command did not have the full control over the remaining resources, nor had the explicit confirmation, of Peron himself, that it was supposed to lead the Resistance. Despite the lack of formal organization, the Resistance had support in the *barrios*, in the factories, and wherever the cultural identity of Peronism was still alive (Galasso: 797). Old rank and file cadres did the organization in the factories, since the main union leaders were not completely supportive of the Resistance. The outspoken reason for Resistance in the factories was the defense of the gains workers had achieved throughout the Peron years, and that were now being challenged by the Military regime. Nevertheless, this resistance to policy changes had an underlying resistance to the expulsion of Peronism from government and to the prohibition of Peronist cultural identities that were attached to most workers (James: 64). The Resistance was also divided even among the workers' organizations. One sector was the sector led by Cook. This sector of the Resistance was radically against the military regime and against negotiations with the Generals in power. It was the sector in which the nature of Peronism was mostly reshaped into a Resistance and revolutionary movement, away from an 'organized community', but still strongly associated with the ideals of social justice propagated in Peron's government. The symbol of the change in this sector's identity was Cook himself. He was one of the members of the movement with greatest anti-imperialist advocacy, and a promoter of Marxist ideology with relation to Peronism (Galasso: 799). Cook was the person with the most fluent contact with Peron, who adhered to Cook's policies of complete intransigency and opposition with respects to the military regime.

The other main sector of the Peronist Resistance was the one led by some new union leaders who had not abandoned the movement, but had a different position with regards to the military government than the one taken by Cook. This group was led by Augusto Vandor, from the metal workers (James: 72). These leaders were in constant friction with some old remaining union leader such as Andres Framini of the textile workers. This group had a less-extreme position since many of its members were still officially recognized union leaders, and therefore still had legal power of the union to deal with government policies. The main representations of this group were two organizations: the Intersindical and the 62 Organizations (James: 74; Horowitz: 219). This sector engaged in legal activities such as strikes and mobilizations, but its outspoken demands were mostly against the government policies, strategically focusing on regaining workers' benefits rather than on the return of Peron.

The main confrontations between the Peronist Youth and the most traditional Peronist union leaders exploded in Peron's return, in the international airport of Ezeiza, when the sector led by the metal workers' union leader Jose Rucci clashed with the members of the Peronist Youth. The massive numbers of the reception (over one million people) made the clashed even more obvious and brutal (Galasso: 1194). This episode meant both the confrontation of ideas, but

also the confrontation between two groups that belonged to different generations, organized under different circumstances (Galasso: 1201). This division was based on a reinterpretation of Peronist culture and identity towards a more confrontational and revolutionary stance by the Peronist Youth, and a more traditional interpretation of balance among the 'organized community' promoted by the Union and Peron himself.

Peron's death in 1974 led the government in the hands of his wife, Isabel Peron, but in actual terms the government was in the hands of right-wing Peronists led by Jose Lopez Rega. The transition government of Isabel Peron was then a bridge towards the 1976 coup that began one of the bloodiest moments of Argentine history. 1983 and the post-dictatorship years were a challenge for Peronism- as for every other political movement in Argentina- since many cadres were lost and the divisions initiated in the period of the Resistance were deepened. This flourished with the election of Menem into government in 1989 and the application of some of the most radical neoliberal reforms witnessed up to that moment by a single administration. As the following section will present, Menem's government exacerbated the existing confrontations inside Peronism and led to the break up of one of the most elemental factions: the union movement.

### **Section two. Menem's candidacy and government**

Carlos Menem represented a new face for Peronism in the transition and transformation that the movement went through from the electoral defeat in 1983 to the elections of the Peronist candidate for the National elections in 1989. Through the Renovation period, Menem was closely aligned with the ideas portrayed by the main leadership, and he based most of that new Party structure towards patronage territorial support to win the Provincial elections in La Rioja in 1983 (Levistky: 110). Furthermore, Menem was one of the first main critics of organized union leadership inside Peronism, and de-link himself from that section of the movement. The surprising shift with Menem's political ideas and relation with respects to the union movement inside Peronism would come in the PJ presidential primaries in July 1988 (Levistky: 121). Menem contested the other candidate, Antonio Cafiero, through the proposition of a populist platform in which the main organized support would be the union movement (Levistky and Murillo; Levistky; Galasso, 1990). The CGT and a newly formed coalition of Labor movement supporting Menem provided the main financial resources for Menem's campaign (Levistky: 121). In contrast, the opposing candidate, Antonio Cafiero, represented the party apparatus and the old-style leadership that embarked negotiations rather than confrontation. In this particular confrontation, Menem used traditional ideas regarding the leader, social justice, and the 'organized community', expressed in Peronist cultural identity and ideology, to gain substantial support from the lower classes and from the union movement. Menem campaign was based on recreating these values of social justice and the 'organized community' into that particular context in Argentina. The country was under a serious economic crisis, and the massive unemployment led to the need to recreate a populist figure that could bring back the memories of Peron's first two governments, and also bring back people's ideas of Peron. Menem reinvigorated the 'organized community' by remarking the importance of organize union movement, as well as the need to bring the state back into the decision-making. Moreover, Menem portrayed himself as the leader that could get the country out the economic crisis, by remaking some of the old values expressed in Peron. In addition, Menem had also being part of the Peronist Resistance and was put in jail for most of the period of the last military dictatorship.

He could therefore present himself as both the old style Peronist leader based on an alliance with the working-class, but also as part of the Peronist Resistance that supported and maintained Peronism alive through the prescription in the different dictatorships.

Including this combination of factors, and presenting a populist platform, Menem won the presidential primaries against Antonio Cafiero, and after the general presidential elections in 1989, with a nearly majority of the popular vote, 47.3 percent, which provided him not only with the presidency but also the control of the Congress. From that election onwards, and despite the first few months of “honeymoon” between Menem and the lower classes, Menem’s government will commit one of the most controversial betrayal on the majority that had elected him into government (Galasso; Levistky; Boron). The government proposed a strictly neoliberal economic policy, opposing his electoral promises, and giving space in the government to the right-wing side of Peronist politics and cadres. Moreover, Menem got the support of some sectors of the union movement, despite the reforms opposing traditional claims made by labor organizations. The period of economic liberalization and state retrenchment implemented in the Menem government was possible not only through political negotiations, but mainly through a reconfiguration of the Peronist movement, its ideologies and its cultural identities both in the working-class as well as in the leadership of the movement at the time.

The ‘organized community’ will undergo the largest changes in Menem’s period, almost opposing the former ideas presented in the Peronist governments between 1945 and 1955. The three main components (the state, the business sector and the unions) would be reoriented towards a neoliberal scheme. Moreover, these three components were joined by a new incorporation, which came from the ideas of the Renovation inside Peronism, which was the massive informal territorial-clientelistic organization that Peronism will develop under the Menem government (Auyero 2001, 2007).

The State was reoriented towards ‘regulating’ the liberalization and privatization of the economy. If under Peron’s government the State acted as main regulator through the use of State-led enterprises, under Menem most of those enterprises were privatized for low market prices, under the explanations that they were inefficient in providing a service. The privatizations included almost every national-level, from the most deficit ridden sectors (e.g., railroads) to the most profitable (e.g., YPF), from the most tied to national security (e.g., a few nuclear power plants) to the most inconsequential for national security (e.g., sanitation services) (Corrales, 1998). Among the main companies privatized were YPF (oil), Gas del Estado, ENTEL (telephone), Hidronor (water), YCF (coal), Ferrocarriles Argentinos (railroads), Obras Sanitarias (water works) (Corrales, 1998). One of the most relevant aspects of this process of privatizations, is that it included some of the main companies that were nationalized under the first two Peronist governments. This expresses a remarkable contrast between two governments that got to power under similar cultural identifications and ideologies (or at least outspokenly expressed). In addition to the privatizations, the State eliminated a variety of regulations, price controls, industrial subsidies, and restrictions on foreign investment, lowered tariff barriers and launched a state-restructuring program (La Reforma del Estado)(Levistky: 145). The Menem period signified the retrenchment of the State from providing elemental services through state companies to a State that mostly regulated the functioning of the private sector which came to dominate the economic sphere.

One other main component was the business class that during the Menem years presented itself as one of the closest allies and benefactors of the reforms that the government was promoting. The promotion of Structural Adjustment Programs beginning in the period of

Alfonsin and strongly reinforced under Menem, led to the consolidation of large (private) companies and so-called *grupos economicos* (Economic groups) (Teubal, 2004: 174). One of the main policies that led to the strengthening of economic groups was the Convertibility Plan in 1991, which managed to bring down inflations and the inflationary expectations that characterized the period of the hyperinflation at the end of Alfonsin's government (Teubal: 181). This plan came together with the liberalization of markets, and the reform of labour laws, which made it more flexible for companies to hire and lay-off workers. These measures benefited many transnational economic groups (Teubal: 183), but also many of the national bourgeoisie that was now supporting Menem as in the past it had supported Peron. Some of the main businesses that became powerful in Peron's years through the period of heavy industrialization and protection of national industries were now in line with Menem's policies of market liberalization and reduction of State intervention in the economy (Saba and Manzetti, 1997). The businesses associated to the Fortabat, Rocca, Di Tella and Pescarmona, would gain both economic powers as well as political ones. The former supporters of Peron's populist, industrialist reforms were now changing towards the neo-Peronist reforms taken by Carlos Menem.

### *The role of the CGT under Menem and the formation of CTA*

The significance of the union movement during the years of the Menem administration deserves its own analysis considering its relevance for this essay later on.. Unions, and particularly Peronist unions, preserved a large share of the power gained throughout Peron's governments as well as through the Resistance period. The most striking aspect of the workers' unions, especially CGT, was the support provided to Menem's structural reforms. The support of dominant Peronist union leadership to the reforms led to the split in the union movement inside the CGT, with the formation of the Worker's Confederation of Argentina (CTA). This group became a key player in challenging both the official and corrupt union politics, but also the policies promoted by the government under Menem's presidency. In addition, these movements began reshaping the ideas around Peronism, and Peronist identity. The so-called "betrayal of Menem" to both campaign promises and Peronist historical claims (Galasso, 1990: 128), will lead to a division that can be generally define between Peronist-Menemist, often considered non-Peronist, and Peronist of Peron, identified as true Peronist (Auyero 2001). As Galasso expresses it, the opposition of 'true' Peronist will "attempt to continue the same old struggle for workers' rights, by ratifying the 'best' Peronist history and excluding the current leadership of the movement as part of that history"(Galasso: 136-7).

As argued by Etchemendy, there were divisions among groups supporting and groups opposing the reforms inside the union movement. However, the dominant unions were part of the reform coalition (Etchemendy, 2005: 63). The most dominant union movement seemed to have one clear goal in the process of marketization and liberalization: to preserve a non-competitive corporatist institutional order (Etchemendy: 64) in the labor movement. Peronist union support for government initiatives came through benefiting certain unions and its leaders through the following mechanisms: maintaining corporatist labor structure; preserving the role of unions in administering the health-care system; granting unions a privilege position in the private pension funds market; and lastly granting unions a share of privatization (Etchemendy: 74). These four major concessions for main dominant unions included some of the most traditional Peronist unions such as SUPE (Union of State Oil Workers), UOCRA (construction workers), SMATA

(autoworkers) and UOM (metal workers) (Etchemendy: 76; Levitsky: 130). The support for the reforms as well as the benefits of these four points was mainly achieved through compliance in the leadership of the main unions, and some of the rank and file delegates. The administration of these compensations provided by the government, such as the pension plans and the health care system, was in the hands of the main leaders who now had an increasing economic and bargaining power both with regards to the government, but also inside the union and the workplace. Decisions taken “from above” in the unions were hardly challenged by shop floor workers due to the increasing control over resources that the leaders had (Etchemendy: 79).

The changes in the economic policy of the government and the support provided by the most significant sector of the unions, the CGT, led to a confrontation and split in it. There were sectors inside that claimed that Menem was betraying the historical banners of Peronism associated with social justice and the improvement of working class life standards. Martucelli and Svampa (1997) present an analysis precisely on this period. The argument is that the break-up of the union movement was similar to the one that was already happening since the times of the Resistance and the unions. The core of the argument is that the confrontation depended on the conception of Peronism of those activists (Martucelli and Svampa: 163). While some argued in favor of a welfare-oriented state, others were inclined for a pragmatic understanding, therefore supporting Menem’s changes. Among the later one is the faction that dominated the CGT and benefited from Menem’s blessings. The earlier ones is the core of the CTA. Based on the leadership coming from the State Workers Association (ATE), the CTA was created in 1991 not solely to confront the policies undertaken by the government, but also to lead a new way of “political construction”(Martucelli and Svampa: 282). CTA mirrored itself in the experience of Solidarity in Poland and the CUT in Brazil, these being examples of workers confederations that integrated unions with other sectors of society such as the church and the unemployed.

CTA presented an alternative to CGT’s model of unionism. However, the CTA can still be considered within the framework of a Peronist movement. The majority of its leadership comes from the annals of the Peronist Resistance, such as the cases of German Abdala- elected parliamentary by PJ in 1989- and Victor De Gennaro (Martucelli and Svampa: 295). Despite the rhetoric being fiercely anti-Peronist, it is mostly an outcome of the identification with Menem’s model understood as Peronism. It is not uncommon to hear the CTA militants mentioning their “Peronist precedence, not identity” or the following of “Evita’s philosophy” (Martucelli and Svampa: 294). The presence of Peronism in this alternative to the CGT is less explicit, limited to the private sphere, however present nonetheless. The CTA contradicts itself in that it challenges the dependence of the union movement to a “higher power” –the party- but at the same time it carries the banners of a national-popular model of State welfarism directly related to the experiences of Peronism.

CTA and CGT represent different strands of Peronism, one more related to the Resistance and figures like John William Cook (the CTA), while the CGT is in part closely associated with such figures as Vandor, Rucci and Balbin, all of them representing a more institutional side, leaning towards negotiation rather than confrontation. The position in the political scenario is also different. Despite the growing presence, CTA does not yet have the capacity of mobilization that CGT maintains. In negotiating with governments, and business, CGT is still the most powerful of the two, being able to paralyze strategic industries in the case of a strike. Furthermore, in trying to expand its sphere of influence, CTA has been determined to include in its institution social movements of the unemployed and other sectors of civil society (Armellino 2004: 1). CTA was committed to a more genuine model of community trade union. However,

this might have been the case only in the origins, since with time CTA has also become a large and influential union, not recognized officially by the government, but recognized in reality. CTA is a member of the government tables of negotiation that discuss minimum wage, and has an increased potential of mobilization and pressure.

While CGT maintained its status-quo as the major representative of workers interest, CTA has moved to incorporate other sectors beyond organized workers. In addition, with the economic crisis that took place in 2001 as an outcome of the political liberalization of Menem's administration, CTA was involved in sectors of the newly created movements, providing mainly an institutional support and legal defense in some cases as well. This grey zone of politics through the union movement also affected the *fabrica* movement. CTA played a substantial role in some cases to promote and consolidate the struggle of the newly created cooperatives. On the opposite side, CGT was a dominant player on the side of bureaucratized union leaders, who participated actively in boycotting the processes of retaking the factories. This connection will be explained in the coming section.

### **Section three. The *fabricas* are running again.**

The period of Menem's government led to one of the most important crises in Argentine history. By 1998, Argentina's gross national product stopped increasing, which added to the increasing stagnation in the economy, led to a situation of protest and crisis. Mass unemployment, high poverty levels and the lack of State intervention created a growing discontent with the policies of the government (Teubal: 185). The 1999 elections were the moment for a change in the country, as this was represented by the popularity of a coalition of former members of the Peronist Party, 'true' Peronist, left-wing parties and the historical opposition to Peronism, the UCR. The coalition won the elections over a candidate from the Peronist-Menemist sector, Eduardo Duhalde. The hopes for change initially created with the change in government and the victory of a centre-left coalition, were very almost immediately dismantle by the growing economic crisis the government was facing. The economic minister designated by De la Rúa (the new president), attempted to get the country of the stagnation by taking loans from foreign banks and financial institutions, called the '*blindaje financiero*', was joined by even deeper policies of structural adjustment and cuts in state expenditure (Teubal: 185). The failures to stabilize the economy led to a constant change in the economic ministry, until the appointment of Domingo Cavallo, Menem's former and most relevant economic minister. Cavallo's policies did not improve the situation either, and the country had now a total foreign debt of USD 115 Billion (Teubal: 185), which was a combination of Menem's years as well as the few years of the Alianza government emphasizing Menem's policies. The overall situation of macroeconomic instability together with the increases in the numbers of unemployment and poverty, led to a collapse of the country's situation on December 19<sup>th</sup> 2001 (Teubal: 186).

In this context, Argentina's shantytowns and neighborhoods were immersed in 'political hyperactivity' (Magnani, 2003: 38). This allowed that the 'new' social movements that were being formed in the country since the beginning of the structural crisis (1998), now gained relevance and support among Argentine population. The case of the movement of recovered factories, which here will be address as *fabrica*, would be an example of an increasingly 'new'

actor participating in the political and social life of the country. The recovered factories was a process in which the workers of factories that were locked up under the crisis at the end of Menem's mandate, when several companies declared bankruptcy and laid-off the workers. These factories were left abandoned in most cases, with most of the machinery inside. Slowly, laid-off workers began organizing and retaking, reoccupying, recovering the factories as both a solution to their current unemployment as well as a claim on the former administration that fired them (Almeyra, 2004; Fernandez 2006; Heller 2004; Magnani; Lavaca 2007). The main perspective that the workers have is to become new owners, therefore being their own bosses in the production process (Heller: 43). The moment when the *fabrica* movement began is not exactly determined, but most studies pose it in the mid-to-late 1990s, at the end of the Menem mandate (Magnani: 43). However, it is clear that the movement did not become relevant as a social movement until the post-2001 crisis (Magnani: 46; Heller: 11; Lavaca). The actions undertaken by the movement are based on two national laws: Ley de Expropiacion (Expropriation Laws) and the Ley de Quiebras (Law of Bankruptcies) (Heller: 145). These laws established that the workers are not the owners of the factories or companies, but rather that they are 'momentarily occupying' the factory (Heller: 145-6). This means that the workers can organize the production and functioning of the factory, as long as the judge in charge of the bankruptcy of the company does not make a final decision with regards to its assets. Basing themselves on the combination of these two laws, workers began retaking their old sources of employment, and promoted the beginning of several factories and companies in a wide range of sectors. There is no actual number of recovered factories, but an estimate provided by one of the main leaders of the movement, Eduardo Murua, is around 170 by mid august 2003 (Magnani: 43), when the process was at its peak. The sectors in which factories and companies have been recovered by the workers include food, construction, cosmetics, leather, education, electrical products, restaurants, graphic arts, gasoline, hotels, lumber, automobile, manufacturing, communications, plastics, chemicals, health, textile and transport (Lavaca: 229-236).

In order to better explain the situation of the recovered factories and their relations with the unions, the cases of two companies are illustrated below: Ceramica Zanon, and the ADOS medical clinic, both situated in the province of Neuquen.

### Zanon and FASINPAT

Ceramica Zanon is one of the most emblematic and widely promoted cases of recovered factories. It has been the purpose of many studies (see Aiziczon, 2009; Ranis 2006) and is symbolically the most relevant of the *fabrica* movement due to the impact in the economic sector (produces just over ten percent of the overall countrywide ceramic's production) but also politically (since they went against not just the owner but also the provincial administration).

Despite the relevance gained by the conflict between the workers and the bosses in the post-2001 period, Ceramica Zanon used to be a quality working place. As explained by Aiziczon (118-119) working for Ceramica Zanon was seen "a dream" for most workers of the area, since the salaries were high and the benefits and working atmosphere were also good. The changes began in the 1990s, with the restructuring of Argentine industries and the labor laws under the Menem government. Zanon grew in size, which meant also a restructuring of workers relations especially between the managers and the floor workers. The pressure for more productivity and efficiency by the managers altered the existing patterns of relationships, leading to increasing competition among the workers themselves (Aiziczon: 123). Moreover, in this period, Zanon opened a third sector of production: *porcellanato*. The opening of this highly sophisticated sector

involved several different dynamics in the factory, which will later influence the process of conflict. The provincial and national government (Menem even visited the factory in 1994 for the opening act), in an unclear process, benefited Zanon with a credit of just over nineteen million dollars (Aiziczon: 122) as part of a Provincial Development Fund program. The closeness between the owner of Zanon (“Don Luiggi”) and both Menem and Sobich (governor of Neuquen at that time), led to Zanon obtaining about thirty percent of the total available funds from that program, which was meant to develop the industrial capacity and diversity of the province.

This connection with the provincial and national political class by the owner of the factory will be playing a critical role in the process of recovery and conflict with the workers. The second factor that was also at the center of the scene was the union. The Sindicato de Obreros y Empleados Ceramistas de Neuquen (SOECN), member of the CGT at the national and provincial level, was a key allied of the owner in promoting such changes. The union made no attempt to defend the workers in their struggle against the changes in the labour laws and also in the re-structuring of the factory itself (Aiziczon: 127). Inside the union traditional Peronist cadres (mainly two brothers: “los hermanos Montes”) took over the leadership in the mid 1980s and were keep their place until 2000, when the majority of the workers voted for a change in leadership and their removal from the union. The Montes brothers represented the most institutionalized and bureaucratized sector of the union movement in Argentina at the time, closely linked to the main heads of the CGT and supporters of the Menem government’s reform process.

The conflict in Zanon begins in the mid-to-late 1990s, around 1997, together with the increasingly problematic economic situation of the country. As mentioned above, the process of change in the factory had two key components: the owner’s initiative with the support of provincial and national governments; and the CGT-dominated union that supported this process. Considering these two points, it should not come as a surprise that the main conflicts where in these two fronts: against the owner and government, but also against the union. The first conflict before the process of recovery even began was inside the union itself, by floor workers (headed by Sergio Godoy) against the main union leaders, the Montes brothers (Aiziczon: 139). The assemblies inside the union became increasingly heated debates regarding the compliance with the owner by the existing leadership of the union. After years of discussions and confrontations (for detailed description see Aiziczon: 139-180), the union was finally conquered by the sector headed by Godoy, in December of 2000 (Aiziczon: 168). In order to win such a dispute, the floor workers had to mobilize all their efforts in getting people to support them in the assembly. This victory, and the “recovery” (as they name it) of the union by the workers stayed in the workers consciousness for years to come, and was one of the pillars in the moves to recover the factory later.

The second conflict was economic. Towards the end of the Menem period, Argentina entered a period of economic downturn, and Zanon was no exception to that. Zanon began to suspend workers of their duties, to cut back on production and slowly the workers witnessed a process of “emptying” (*vaciamiento*) of the factory. Furthermore, reasons of maladministration led Zanon to cease in the pay compromises both to the workers but also to the creditors (Aiziczon: 173). The economic downturn extends beyond the factory to all sectors of society, which creates the atmosphere for constant demonstrations and strikes across the country, but even more so in Neuquen, as we shall see later in this essay. The important aspect to note here is that the workers of Zanon, and mainly the SOECN under their control, become a representative

and combative member of the collective actions taken by a broad sector of society, including unions, social movements and political parties. The most relevant clash comes when Zanon decides to close the door of the factory and send telegrams of dismissal to all its workers. The excuse is that the company had over 75 million dollars in debts to public and private creditors (Trigona: 155) and that the running of the factory was unsustainable. At this point, the workers decide to camp in the factory, since they argue that the factory can still run and be productive (Aiziczon: 186). In October, the workers prove that the factory still has material to work with, and that with two days of production it was enough to pay the salaries of all the workers. In addition to paying salaries, the workers occupy the factory due to the fear that the owners were emptying it completely. The owner did not stay arms-crossed to this situation, and went to the courts in order to get back what he claimed was his. There were a few attempts by the police to expel the workers from the factory, but this was not possible due to workers' organization and Resistance, and also the heavy support given by large sector of Neuquen's society, which came out in defense of Zanon's workers (Aiziczon: 197). In addition to this pressure, the workers of Zanon had to resist campaigns in the media against them, mainly organized by Montes and their followers (Aiziczon: 197).

By March 2002, the available stock run out, and the workers decided to start up production without bosses, with the entire process under workers control. The factory was up and running again, however the organization went on for four years without any legal standing whatsoever. It was not until October 2005, and after several petitions to provincial and national authorities, that the workers were allowed to form a cooperative with the right to run the factory for one year. This cooperative was, and still is today, named FASINPAT, *fabrica sin patrones* (factory without bosses). In the first year following this decision, FASINPAT won a hard battle in courts and was allowed to run the factory for three more years, when the decision would be up for revision. The main claim by the workers, now organized in FASINPAT, throughout these years has been for the state to expropriate the factory, pay-off the old debts (acquired in the times of Luigi Zanon) and declare the factory "under workers' control", *bajo control obrero*. In August 2009, in a historic decision made by Neuquen's provincial legislature, the provincial government expropriated Zanon and compromised who to cancel the debts with public creditors. The other issue that will be up for debate, is whether the workers keep functioning under the figure of the cooperative FASINPAT, or they manage to get the provincial government to agree with their proposal of "state-led company under workers management", a model unknown and unpracticed in Argentina till now.

### ADOS<sup>1</sup>

The case of the medical clinic ADOS has not received much attention by the main studies on the *fabrica* movement, possibly because it is not a "factory" but rather a clinic being retaken and run by the workers. For the purpose of this essay, ADOS represents a key example of the *fabrica* movement and its nexus to Peronism. In order to understand the process of re-taking the clinic, it is relevant to link it to the process of liberalization encompassed in the early years of the Menem government. As explained earlier in this essay, one of the key elements supporting

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<sup>1</sup> Important sections of the information gathered for this section come from several personal interviews with Juan Jose Gonzalez, who is the accountant in charge of administering the numbers both for Zanon as well as for ADOS. The interviews took place between July 2008 and October 2009.

Menem's liberal reforms was the main branch of the CGT, which in exchange for its support got the administration of areas of the healthcare system and also benefits in the private pension plan market. Moreover, this reform included the move towards self-financed and administered hospitals, of which the ADOS (meaning Asociación de Obras Sociales) would be the most common form.

The ADOS in Neuquen, was created in 1958 and its' administration for the next thirty years fell under the scheme of the Superintendencia de Servicios de Salud (Secretary of health services), an organism belonging to the Ministry of Health (Favoro and Iuorno, 2008: 13-14). This secretary has been historically administered by the CGT, both at the national and also at the provincial level. In Neuquen, throughout the years of Menem's government, ADOS was administered by representatives of the most pragmatic sector of the CGT in Neuquen, represented mainly in the Healthcare Union and the Union of Commerce's Employees (Favoro and Iuorno: 16).

, 2002: 25-26). This in turn leads also to a political crisis and criticism towards the administration, accused of corruption and maladministration. Towards the year 2000, there is combination of factors that leads to the recovery of the clinic under workers' control. The administration of the clinic called an assembly of creditors (*convocatoria de acreedores*) and moreover declared the organism in bankruptcy, unable to pay the salaries to its workers and with high debts to the national pension plans and to the national tax agency (Favoro and Iuorno: 15). In the process leading to bankruptcy, many of the clinic's workers ended up unemployed and with unpaid salaries. In the initial years, the role of the CTA was critical in organizing the workers and providing the institutional support for the creation of a cooperative that could administer the clinic once it was recovered. This role will be discussed later in conjunction with the other process discussed as case studies in this essay.

Towards the end of 2000, the workers of the clinic organized into a new union, called the Sindicato de Salud Privada del Neuquen (SUTRASPRIN). This union included all the workers of the clinic, disregarding their professions, with the exception of the administrators, blamed for the situation of crisis in which the clinic fell into. Through this unionize move, the workers pressured the government to finally declare bankruptcy and give the administration of ADOS to a newly created cooperative, under workers' control. The process of dispute was extended throughout 2 years in which the clinic kept minimally working, under the administration of a tripartite (*triumvirato*) corpus integrated by the CTA, the Doctors Association of Neuquen and the a representative of the workers (Favoro and Iuorno: 16). The judged in charge of the case investigated the situation, and at the end of 2003 decided to approve the bankruptcy and give the administration of the clinic to the newly created Cooperativa de Trabajo ADOS Ltda. This cooperative is still the one in charge of the administration of the clinic today, and has proven a large capacity to administer the clinic, increase its coverage and improve the livelihoods of its workers.

#### **Section four. Zanon and ADOS. Engaging between unions**

The interaction between the CTA and the CGT in the conflicts of Zanon and ADOS was rather similar, although manifested at different times. CGT presented the opponent side in both the conflicts. As expressed by Godoy, the leading head inside the Zanon recovery process,

winning over the union was a major strike against the “bureaucracy of the UOCRA” (Aiziczon: 78). The CGT incarnated in the figure of the Montes brothers was a live illustration of the changes that the mainstream Peronist leaders had undergone by supporting Menem’s policies. Montes was firm in staying side by side with the owner and the status quo of the factory, more convenient for his own political strength, even though this convenience led to the rebellion of several other workers. The CGT leadership in the city and the province of Neuquen aligned itself with Menem and the local Peronist government of the neo-Peronist MPN. This alliance was no more than a representation of the alliance arrived at nationally between CGT and Menem. In Neuquen, the Ceramist Union was among the leading provincial unions controlled by the CGT.

Also in the case of ADOS, CGT represented the enemy, the face of the former fraudulent administration that had led to the ruin of the clinic. By been the target of the outrage, CGT had lost legitimacy to represent the workers. Further, the administration of ADOS prior to the recovery was not only done directly by the CGT, but also involved the back up of the provincial authorities on the administration. In contrast with Zanon, where the bosses of CGT were expelled from any intervention in the working of the cooperative, in ADOS the CGT is trying to strike back and regain the control of the clinic. As Juan Jose Gonzalez, accountant of the cooperative, expressed it:

“CGT is rearming itself to retake ADOS into their hands. There is still a strong Resistance inside the cooperative to CGT cadres. The provincial government offered financial assistance with the condition that the CGT is allowed in the cooperative as a co-administrator. It was rejected right away, since the memory of ADOS in bankruptcy is still too fresh for many in the cooperative”. (Interview Oct.3 2009, *my translation*).

As Gonzalez illustrates, CGT is still interested in partaking in ADOS, since there is potential for economic gains, and therefore for increasing the power of the union. However, the rejection inside the leadership of the cooperative shows how the image of the former administration and the struggle they had to go through is still very much fresh. In addition to this, the provincial government, still in hands of MPN, has also shown interest in promoting a rapprochement between the cooperative and the former administration. This only makes the image of CGT in the conception of the workers worst.

CTA had a different impact in both these processes of recovery. The Neuquen affiliate of CTA is led mainly by ATE, which includes among its leading cadres an important proportion of former Peronist youth associated with the Peronist Resistance of the 1960s and 1970s. Neuquen has a history of migration into the province of many leftist Peronist cadres coming to the province in a form of internal exile during the military dictatorship (Aiziczon: 69). Many of these cadres integrated and still do today the ranks of ATE, since the state bureaucracy was a leading sector in the economic and social life of the province. Since the creation of the CTA and establishment throughout the country in the mid 1990s, it gained important relevance in the provincial spheres, possibly even more than at the national one. Neuquen was one of these cases. CTA led the struggle against Menem’s neoliberalization program, and the application of it in the province. This confrontation, added to the high levels of social discontent towards the end of the decade, placed CTA at the center of the struggles and as a key player within the politics of the province. The processes of Zanon and ADOS had also their share of influence by the CTA, more so ADOS than Zanon.

CTA in Neuquen has been engaged in the most important political moments of the last decade in the province. The capacity of mobilization and the power of confrontation towards the MPN governing elite make it a pillar of Neuquen's political and social movements. CTA has a traditional Peronist identity underlined earlier in this essay, linked to a national-popular model of political participation, with the State been an active player in providing social justice. This image is also present in Neuquen. CTA and mainly ATE have progressively attained a leading role in confronting the reforms of MPN's governments throughout the 1990s (Aiziczon: 71). The challenge to liberalization came from the a belief in the need for government presence in the economy, but also on a more fair distribution of the immense resources- especially oil- the province has.

Despite the progressive role of CTA in Neuquen, there is still debate on whether it represents a new style of unionism, or is more of the same. This debate is clear in the case of Zanon. As Gonzalez points out: "... the debate in the assemblies in Zanon mainly comes from two positions: one that beliefs that CTA is another expression of bureaucratize unionism (and Peronism), and the other which beliefs that CTA has supported their struggle and therefore they- Zanon- should work with them" (Interview July 2008, *my translation*). This debate characterizes both Zanon and CTA. Zanon has managed to maintain certain autonomy from larger political movements, however this autonomy been more rhetoric than in practice. The main influence, at least in its leadership, comes from trostkist leftist tendencies similar to those express by the Peronist Youth and the Peronist Resistance in the 1970s. This influences leads to a firm belief in the process of consensus and assemblies, which is not shared by the more vertical unionism CTA uses, based on delegates participating in the daily debates rather than the entire affiliation integrating all the decisions. The modes of decision-making are key for Zanon. The assembly as a mode of decision-making is defended at all times. As Christian Moya, press secretary of the cooperative told me:

"At Zanon there are compañeros of every political affiliation. Even the leadership has a particular affiliation with the PTS (Socialist Workers Party). But no party or group can impose its perspectives without going to the general assembly of all the workers. This has been like this since the beginning and is widely supported in the factory" (Interview July 2008. *My translation*).

The conflicting forms of carrying the debate have not however impeded the collaboration between CTA and the cooperative in Zanon. Especially at the beginning of the conflict, CTA represented one of the most important groups in defending the recovery of the factory. The first lawyer the workers use in the struggle against the government and the former owner was Mariano Mansilla, ATE's and CTA's leading lawyer in Neuquen (Aiziczon: 162). A last point to mention about Zanon and its relationship with CTA is that from mid-September 2009, the union organized in Zanon is considering joining CTA in attempt to get institutional support and also to expand its sphere of influence beyond the factory.

In the case of ADOS, CTA did play a major role in the process of recovery of the clinic, and this has been recognized by the cooperative (Favoro and Iuorno: 21). The initial struggle was headed by CTA, which provided not only the legal defense for the workers but also the institutional support and mobilization needed to undertake the recovery. The leading role was recognized later by CTA's presence in the governing tripartite council. However, ADOS has different dynamics than Zanon, and this is a result of the different composition in the cooperative. In ADOS there are doctors, nurses, administration and cleaning staff. The class composition is therefore more complex, which leads to the cooperative been less politically

active. The general line of decisions is kept throughout the different mandates, but the political activity varies according to whether the director of the cooperative is a doctor, a nurse or someone with an administrative position. CTA has definitely its largest influence on the nursing and administrative groups in the cooperative.

In spite of these internal differences in ADOS, the cooperative is one of the cornerstones in ANTA (Self-administrated Workers' Association). ANTA is an autonomous group, but operates inside CTA and has gained important support from the leadership, both at the national level as well as the provincial one. The ANTA is a conglomeration of different workers cooperatives, both recovered but also including those cooperatives that were formed as such since their origins. ANTA operates under the umbrella of the CTA and since 2004 it has broken the antagonism between the MNER and the MFRPT that dominated the recovered factories scenario. ANTA has gained relevance in the sphere of CTA due to its great symbolic impact for workers organization. None of the cooperatives represents a high economic relevance, nor in the numbers of members. However, the recovered factories everywhere, including the ones in ANTA, have impacted other movements as being an example of struggle and success of the working class against hegemonic movements (CGT and Peronism among them), and the business sector.

## Conclusion

Auyero, in his book *Routine politics and violence in Argentina* (2007), proposes a 'grey zone' in the context of the lootings occurred in Argentina in the episode of the popular protests of December 2001. He argues that the activities of the looters were not independent from party politics and the police, especially from Peronist party informal networks. In this framework, the 'grey zone' is a zone in which "activities of those perpetrating the violence and those who presumably seek to control them coalesce" (32). It is therefore a "murky area where normative boundaries dissolve, where state actors and political elites promote and/or actively tolerate and/or participate in damage-making" (32). This idea was reinterpreted and adapted into the relationship between the *fabrica* movement and Peronist culture and ideology as represented in the form of the union movement. In the process of the formation of 'new' social movements in Argentina, there is a rigid dichotomy in the analysis between the new movements being either Peronist or non-Peronist. This dichotomy is based on both a connotation and a simplification of Peronism, which is at the time (between 1999 and 2004) strictly associated with Peronist-Menemism. The argument presented in this essay is that in the case of Peronism and new social movements, particularly the *fabrica* movement, there is a 'grey zone'. This zone presents a blurred combination of different aspects of Peronism affecting and influencing the *fabrica* movement.

The focus throughout this essay was the structural connection between the *fabricas* and the union movement. Peronism's historical roots, the transformations and development into different political forms were analyzed in the initial section of this essay. Following, Menem's period of government was presented, with especial focus on the split in the union movement. It was from this sector that the 'grey zone' was presented later on. The argument is that despite a confrontation between CGT and CTA, at the core of both unions there is an undeniable Peronist identity and mode of action. The participation of these unions, whether through opposition or support, played a critical role in the process of retaking factories in the post-2001 scenario. These

roles were not only institutional, but also influenced issues of identity of the newly created movement.

The cases of Zanon (FASINPAT) and ADOS in Neuquen are an important source of analysis to understand the struggles in the *fabrica* movement and its relation with older forms of political participation, mainly the unions. Zanon and ADOS were in the midst of a fight not only between the workers and the bosses, but also between CGT and CTA. In both these cases, CGT represented the opposing side of the struggle, and also the main face of their enemy. Its role represented that of the union at the national level during Menem's years, siding with the 'patronal' (bosses) and with support from the governing authorities. They were instrumental in delegitimizing the struggle of the workers. On the other side, CTA sided with the workers in trying to retake their source of labor. In their claim to strive for social justice and for a larger participation of the working-class in the economic and political sphere, CTA represented a side of Peronist movements that identifies with leftist politics following a line installed by Cook in the 1950s and 1960s. This was clearly the case of Zanon and ADOS, where despite differences, CTA has maintained a firm support in favor of the workers. This influence of CGT and CTA create a 'grey zone' in the *fabrica* movement, in which the old forms of political participation and political identity mix inside recent forms.

The *fabrica* movement has been presented as a novel social, economic and political movement that confronts old forms of organization and participation. This essay addressed this claim by refuting it. It proved that there is a zone in which old and new forms are intertwined with each other and there is not a clear separation between one and the other. Argentina has a history in which Peronism plays a leading role throughout the second half of the twentieth century and in the present time as well. Denying this role and influence on working class movements leads to misleading interpretations of current forms of political and social expression. This is not to say that all new movements are Peronist. It is rather creating the link with historical roots and with other pre-existing organizations that can in turn help in understanding the present ones. The *fabrica* movement falls into this dilemma as well, between old and new identities, between autonomy and the need to structure their struggle with other existing institutions, and importantly with the unions.

Raymond Williams in his book *Marxism and Literature* (1977), discussed the different interpretations of the idea of 'culture', its uses and development. He asserts the following:

"The complexity of a culture is to be found not only in its variable processes and their social definitions- traditions, institutions, and formations- but also in the dynamic interrelations, at every point in the process, of historically varied and variable elements"(Williams, 1977: 121).

Peronism as a culture and political formation has extensively influenced Argentine working class. As Williams illustrates, culture, but also politics, are dynamic interrelations, constantly being reinterpreted according to contextual situations. Peronism is no exception to this. Since it played a considerable role throughout the last fifty years, it is also a contested movement. Understanding Peronism, interpreting Peronism requires exploring Argentina's history since the early 1940s until today. Connecting this history with current ongoing struggles such as the *fabrica* movement is therefore critical in understanding this novel formation. The 'gray zone' idea is therefore a useful tool in approaching 'new' social movements, but also in understanding present expressions of political mobilization.

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