FASINPAT

Zanon es del Pueblo:

The Struggle of the Fábrica Sin Patrón in Neuquén, Argentina

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**Introduction**

In March 2002, in the Neuquén province of Argentina, a group of over 200 recently unemployed workers voted in an assembly to break the chains on their bankrupt ceramics factory and start producing after four months without work or pay. Since this event, the factory has increased production to 300,000 m$^2$ of ceramic tile per month, hired over 170 new workers from the vast Argentine unemployment sector, while maintaining the democratic popular assembly as a means of decision-making. The workers recently began to demand legal recognition from the national government as a workers’ cooperative that discards the old factory name of Zanon for a new one: Fasinpat- *Fábrica Sin Patrón* (Factory Without Bosses).

In December of 2001, four months before the Zanon takeover, Argentina suffered an economic crisis twice the size of the crash that caused the Great Depression in the United States (Eppler, 2004). The Argentine crisis was the culmination of a decade characterized by the neoliberal economic policies of former Argentine president Carlos Saúl Menem, whose presidency began in 1989, beginning the *Decada Menemista*. Menem managed to implement many open market reforms from his base in the traditionally union supported Peronist party (PJ), avoiding the problems of his predecessor, Raúl Alfonsín, by building a coalition of labor unions, provincial governors, and the traditionally Peronist lower class (Murillo, 2001: 136). Menem’s presidency brought currency stability and economic growth at the cost of high unemployment, factory closings, and growing poverty and inequality. He justified the break with traditional Peronism by explaining that “If Peronism doesn’t change, it will disappear the way Communism has disappeared” (Ranis, 1995: 210). One of the more striking phenomena that arose during this period is the movement of factories ‘recovered’ by their workers (*fábricas recuperadas*).
The cause of the bankruptcy, closing or abandonment of many domestic businesses and factories was often linked to Menem’s economic policies. The “Law of Convertibility” was a policy initiated in the beginning of the 1990s that fixed the Argentine peso to the US dollar in order to stabilize the fluctuating currency, but this created difficulties for Argentine enterprises in a competitive international market. Unemployment and poverty levels increased, while some of the corrupt business owners, such as Luis Zanon, remained with borrowed money that was never invested in their companies. Labor federations were either compliant in these policies or ineffective in combating them. As a response to these policies and realities, the workers of some of the closed, abandoned or bankrupt businesses, decided to continue working illegally. Although the owners, bosses and administrations had left, the workers chose to stay because they had no alternative other than to join the massive groups of unemployed *piqueteros* fighting for jobs in the street. Worker takeovers took place in the context of labor relations that had traditionally focused on hierarchical union organization and national collective bargaining (Murillo, 1997: 75).

The most recent figures state that there are now around 170 recovered businesses that employ 12,000 workers (*Diario de Cuyo*, 2005), growing from 120 in 2003 (*Ciudad Internet*, 2003). Zanon has been one of the most successful, while diverging from the “mainstream” recovered business movement in its political discourse, system of management, and community alliances. This paper will describe the Zanon factory’s current situation and recent history through the workers’ perspectives within the social and political context, the movement of recovered factories, and Argentine labor relations. Through the use of primary qualitative research, the main question that this paper will address is: What does the Zanon factory represent in terms of traditional Argentine labor relations and how does this relate to the way its workers view themselves and their jobs?
The research for this study began as a senior-year undergraduate study abroad project in Argentina at the end of 2004. I was initially drawn to the *piquetero* unemployed workers movement because of its sheer size and controversial status in Argentine culture.\(^1\) Recovered factories and businesses seemed to offer a unique solution not only to unemployment, but other historical problems in Argentina such as corruption, inequality, and a low confidence in democracy. There are many in Argentina who recognized the possibilities of recovered businesses early on, and major national news media have given the movement a fair amount of publicity (*Clarín, La Nación, Pagina 12*).\(^2\)

*Zanon* is constantly at the forefront of the recovered business debate, and the factory has excelled economically and garnered major support from the community, while the workers have acquired the almost mythic status in the community that the Madres de la Plaza de Mayo achieved during Argentina’s brutal dictatorship.\(^3\) Yet *Zanon* has continued to work outside of formal recovered business and other labor organizations, along with a precarious relationship with the local and national government and judiciary, and is currently fighting a legal battle that it may lose.\(^4\) The *Zanon* factory and its’ workers provide an intriguing factory case study in Argentina.

Studies of the working class in Argentina often focus on labor leaders, state-labor relations, and statistical analysis (Murillo, 1997, 2001; Levitsky, 2003; Galiani and Gerchunoff, 2003). These factors are always relevant, especially in the context of centralized national labor unions and a corporatist state, but recent reforms in Argentina may justify a more localized research approach. Peter Winn argues that the factory study can shed light on larger processes and their connection to the “presumed protagonists of labor history” (Winn, 1979: 131-132). Peter Ranis continues that the value of listening to the “voices of the Argentine workers for their own sake” is often overlooked, and labor research tends to focus on statistics and labor union leadership (Ranis, 1995: 3-4). These
authors stress the diversity of opinions among the workers and the working class that is lost in these analyses, and Winn highlights the ability of the factory study to generate hypotheses and lead further research (Winn, 1979: 136).

This paper is based on qualitative field research conducted in Argentina. I developed a better understanding of the current situation of Zanon through factory visits, observations of the production process of the factory, interviews with the workers and their community supporters, along with participation in a weeklong campout that the workers organized in front of the Argentine National Congress in the capital of Buenos Aires. I especially investigated the workers’ diverse perspectives in relation to the current political situation of the factory, along with their degree of identification within the larger movement of factory takeovers in Argentina. The majority of the interviews I conducted were informal and consisted of brief chats over lunch or mate tea with shop floor workers, representatives from alternative media sources or the government, and others I met through the investigation process. The more in-depth interviews and formal meetings that I recorded are listed in Appendices 1 and 2. The workers themselves are the main source of information obtained in the empirical section, and this may have biased the study in their favor to a degree. Upon returning to the United States, I further examined the situation of Zanon and sought to contextualize it within Argentine politics and labor.

Zanon represents the ability of Argentine workers to effect major change from the factory level after the national reforms of the 1990s. (1) Zanon workers have democratically defeated the entrenched union bureaucracy, taken over the means of production from the patronal, and initiated and maintained a system of worker democracy in factory decision-making. (2) They have developed a unique relationship with suppliers, buyers, and a supportive local community without investment that might traditionally come from the state or international sources more recently. (3) Zanon has
remained autonomous from the national recovered factory organizations and the broader labor movement, traditionally associated with the ruling Peronist party. Throughout these processes, the factory workers have sustained and nurtured a level of base solidarity among themselves and their supporters, although there is a considerable degree of diversity in the ideologies of the workers. All of these factors highlight issues within the broader Argentine labor context, generating new questions and hypotheses.

Exploring Zanon’s Meaning for Argentine Labor

The Argentine labor movement has been called “the most important syndical movement of the New World” (Galiani and Gerchunoff, 2003: 133). It has undergone many important transformations, but perhaps the most lasting has been the establishment of a relationship with the Peronist party, which began to establish itself as a labor-based populist party with Juan Domingo Perón at its head in the 1940s. Since its conception, Peronism has suffered, “illegal status, flawed elections, various forms of political proscription, and outright military repression” (Ranis, 1995: 10), but it has maintained the support of the majority of the working- and lower-classes throughout the 20th Century (Levitsky, 2003: 37-41). Peronism aligned itself closely with the General Labor Confederation (CGT) and opposed liberal economic policies in favor of labor-oriented ones (Levitsky, 2003: 1), further strengthening the burgeoning labor movement (Galiani and Gerchunoff, 2003: 134).

Paul H. Lewis (1990) highlights two major problems that occurred during the post-Perón years in the unionized labor atmosphere: union fragmentation and leadership corruption. The fall of Perón divided unionized labor and the CGT became polarized between 62 Peronist and 32 anti-Peronist organizations (Lewis, 1990: 390). Further splits in the national union confederation followed different lines under various forms of governance. However, Perón returned to power in 1973 and
strengthened national collective bargaining agreements that allowed for negotiation by entire industries that displaced subordinate factory agreements (Cieza, 1997: 22). The leadership that formed within the strong national unions became typified as a corrupt and unrepresentative bureaucracy. As successful union representatives progressed from union shop steward to local branch committee, to provincial committee, to the national federation, they became more alienated from workers on the shop floor. The centralized process of collective bargaining, wage differentiation between different levels of union leadership, and the management of large union funds further contributed to the corruption and alienation of union bureaucrats (Lewis, 1990: 403-410).

Despite these major problems, unions remained a strong force in Argentina for any political regime in power (Ranis, 1995: 7). Raúl Alfonsín, Argentina’s first democratically elected president after the dictatorship, faced major Peronist and union opposition (Ranis, 1995: 65). The Peronist party gained control of the presidency in 1989, but the relationship between organized labor and its traditional political support was beginning to change dramatically with Menem at the forefront of this transition.

Alfonsín unsuccessfully tried to implement some of the neoliberal tenets in Argentina through his Austral Plan, but it was Menem who managed to take Argentina down the neoliberal path. The neoliberal model differed in detail, magnitude, and implementation depending on the country and its political situation, but in Argentina during the 1990s it consisted of “a system of convertibility, the privatization of public businesses and services, the deregulation of the external market, capital and labor, fiscal reform and regional integration (MERCOSUR)” (Cerruti and Grimson, 2004: 3).

The Argentine economic strategy was portrayed “as a model of a policy of successful adaptation to orthodox policy prescriptions,” although there were problems with its implementation.
Menem’s ‘Law of Convertibility’ was initiated at the beginning of the 1990s, which fixed the Argentine peso to the US dollar, bringing inflation from an annual rate of 3,000 percent in 1989 to less than 1 percent (FOCAL, 1999). Currency stabilization reduced interest rates, stimulated demand, and allowed for economic activity to recover in a post-stabilization boom (Eichengreen, 2002: 102; Schvarzer, 1998: 87). However, a strong currency combined with trade liberalization and fiscal and labor reform, exacerbated major social problems in Argentina. Many Argentine enterprises were forced to lay off workers or go bankrupt and government spending cuts and the sale of public enterprises reduced the number of state employees as unemployment and poverty levels continued to rise. While the economy grew in terms of GDP during the early 1990s, open unemployment grew as well, from 5.2% in 1991 to more than 18% in 1995 (Cerruti and Grimson, 2004: 3).8

Labor reacted to these policies in a number of ways, but in general they were more compliant under Menem’s Peronist leadership than Alfonsin’s, as evidenced by the CGT’s organization of thirteen general strikes during Alfonsin’s presidency and only one during Menem’s first term. The CGT split into supportive and oppositional camps in 1989, then reunited in 1992 and lost members to the newly formed Argentine Congress of Labor (CTA), which has remained antagonistic towards the government. Other unions chose to pursue strategies autonomous of the government, working within the new context of privatization and a smaller state (Murillo, 1997: 82-83). Increasing competitiveness and unemployment augmented job competition and strained nationally organized labor’s ability to strike, reducing wages and labor militancy (Cieza, 1998).

Economic growth and prospects for the neoliberal model seemed good as Menem was re-elected in 1995,9 although his second term proved to be less successful than his first. Economic problems in Mexico and Brazil had negative effects on the newly liberalized Argentine market and
growth after 1994 was unstable (Cerruti y Grimson, 2004: 3; Cibils, 2002). Menem’s political opposition, the newly formed UCR-FREPASO coalition, gained momentum through success in the legislative elections of 1997. Opposition from within his own party divided the Peronist Justicialist Party (PJ) leadership and in 1999 the UCR-FREPASO won the presidential elections with former Buenos Aires mayor Fernando de la Rúa as their candidate (Weyland, 2002: 194). De la Rúa continued with many of Menem’s economic policies, although he was elected on a campaign of “softer liberalization” (Weyland, 2002: 202). The country was in need of drastic policy change, especially in relation to the unsustainable currency peg, but 64 percent of Argentines in major urban areas still supported the convertibility plan, making any major adjustments politically suicidal (Gallup poll in La Nación, 2001).

On the 19th and 20th of December 2001, the system finally proved unsustainable after various futile attempts by the government and IFIs to save it. People from all social classes filled the streets of major cities “asking for an end to ‘el modelo’ (neoliberalism), the resignation of Cavallo, De la Rúa, and all corrupt politicians” (Cibils, 2002). De la Rúa resigned, along with his Minister of Finance, Domingo Cavallo (the same as Menem’s), followed by a over a year of major political and economic instability, during which numerous presidents rose and fell. Factory bankruptcies were occurring at a rapid pace during this time, and between 1999 and 2003 there were “an average of 1,000 bankruptcies per year” (Ciudad Internet, 2003).

The president of Argentina elected in November 2003, Nestor Kirchner, has maintained power until today. The political and economic situation has become less hostile, although major problems remain. Kirchner has sought to distance himself from Menem and neoliberalism, representing the same Peronist party as Menem—his rival candidate in the 2003 elections. He has maintained a discourse of honesty and transparency in government, less neoliberal policies than those
of Menem, and he is playing ‘hardball’ with the IMF, proposing the largest and most complex debt restructuring of any highly indebted country (Casey, 2004). In 2003 GDP growth rates of near 7 percent have caused for more optimism after the 2001 economic crisis, while unemployment, inequality, and poverty remain major problems. The national and local governments are largely bankrupt due to a massive external debt. Many Argentines are disillusioned with politicians and even more so with the IMF and IFIs to which their country is hugely indebted.

Neuquén, the province where Zanon is located, represents a microcosm of the nation in many ways. The large state oil company YPF entered the process of privatization in 1991 (Pedrero and Eguía, 2004: 33), and the layoffs that took place after the privatization spurred newly unemployed petroleum workers to action, an event that has been avowed by some as the beginnings of the piquetero movement. These unemployed “cutralcazos” were the “children of the poverty derived from the privatization” who became combative and started to demand “work for all” (Pedrero and Eguía, 2004: 34). In contrast during the early 1990s, Zanon was a regional factory example of Menem’s goal of developing a competitive national private industry. Zanon’s labor policies also reflected national labor reforms: reduction of health and safety conditions, speed-ups and longer work days, and more short-term contracts in the name of efficiency (Cieza, 1998). Menem even visited the province in 1993 to toast with owner Luis Zanon and the business-friendly Governor Jorge Sobisch on the recent technological “investment made by the business that would allow it to be the leader in South America in porcelain production” (Magnani, 2003: 135).

During the early 1990s and the time leading up to the conflict at the Zanon, the manner in which the workers were treated was very poor. The patrones (bosses) lowered wages, disregarded basic security measures and pressured employees to work harder at longer hours in order to contract fewer workers. These conditions led to an average of 25-30 accidents per month and 14 workers died
within the factory walls during these years (Trigona, 2004), statistics that were justified by the administration as necessary to maximize profits. Furthermore, if an accident occurred, “the fault always lay with the worker,” and not with the 16-hour work day, from six in the morning until 10 at night, with only the possibility of donating blood in order to obtain a day of rest (Godoy, 2002: 69). These conditions reflect national changes in labor legislation, which limited workers’ compensation for accidents “in order to curtail firms’ costs” and reduced strike activity (Murillo, 1997: 80).

Workers on the factory floor were not represented by the union and had no way to file complaints about working conditions. According to Raúl Godoy, the current General Secretary of the Ceramic Workers Union of Neuquén (SOECN), “before [the change in union leadership] it was a union that was more like an office at the service of the management. They were more employees of the business leadership than the workers” (Godoy, 2004). The Zanon factory situation characterized a corrupt and entrenched union bureaucracy alienated from its constituents (Lewis, 1990: 407-409). However, within this environment of intimidation, powerful *patrones*, and a bureaucratic and unrepresentative union, a few Zanon workers began to organize. One of the first steps was the organization of a football tournament where co-workers took advantage of time away from the administration to initiate dialogue (Godoy, 2002: 71).

The business had previously prohibited a factory level union organization in Zanon, which was instead represented in the provincial SOECN, but “the union needed to have stronger control from within the factory and decided with the support of the business to form an Internal Commission” (Godoy, 2002: 72). Similar shifts were occurring on the national level, as employment and collective bargaining reforms moved to lower-level negotiation strategies (Murillo, 1997: 80). Progressive workers began to form a list of candidates: the *Lista Marrón*. The incumbent union bureaucracy was represented by the *Lista Azul y Verde* and a more centrist *Lista Roja*. The vote of
1998 was the first ever held in the factory and the progressive *Lista Marrón* won with 187 votes. Its campaign won with a discourse of major reform including equal salaries and worker democracy (Godoy, 2002: 72). These workers proved their independence from the union bureaucracy, reflecting a general shift towards worker autonomy from traditionally hierarchical union politics, strongly attached to the Peronist party and national unions in the past (Levitsky, 2003: 108; Murillo, 1997).

The newly elected leaders remained loyal to their members, un-coerced by the *patronal*, marking a new era of labor leadership at the factory. When the administration announced the firings of 100 workers in May 2000 as a “crisis preventative procedure” (*Fasinpat*, 2004), followed by the death of a young worker on the shop floor on 16 July, Daniel Ferrás, the organized workers carried out the ‘strike of 9 days’ that began on 17 July. The strike of 9 days “cracked open the heads of workers” and made them realize that with control of the union they had power over their bosses and the *patronal* (Observation D, 2004). Local control of the union allowed the workers to make decisions at the factory level and avoid national agreements on strike bans (Cieza, 1998).

The newly active union and debt problems at Zanon eventually led the business to cut their losses and close the factory entirely, reflecting the larger industry competitiveness problems in Argentina (*Fasinpat*, 2004; Petras, 2003: 33). In October 2001 the business fired everyone without advance notice. The workers gathered outside the factory gates and an assembly was held with the 331 Zanon workers, and the majority (260) decided to set up tents and stay outside the factory until a solution was reached (Morillas, 2004).

Judge Rafael Barriero investigated the situation of the factory and decided in November 2001 that the factory should be returned to Luis Zanon with “the famous Eviction Order” (Pedrero, 2004). However, the Zanon workers remained camped outside the factory with the help of organizations such as the Unemployed Workers Movement of Neuquén (MTD-Neuquén), the student movement,
and neighbors from the surrounding communities. These groups helped the workers until March 2002 when they decided in another assembly to enter the factory, and begin to put the plant in \textit{marcha} (Observation D, 2004).

The Zanon workers currently maintain the assembly and direct democracy as the main form of decision-making in the factory. In one of the first assembly votes, the workers decided everyone would earn the same initial monthly wage (Saavedra, 2004). Currently, at least one day per month production comes to a halt and the workers take a full work-day to gather and discuss the situation of the factory. Additionally, each sector within the factory elects a coordinator, and the coordinators meet every Monday to debate “matters of production and struggle” (\textit{Nuestra Lucha}, 2004: 3). The coordinators inform the workers in each section what has been discussed in these meetings and what are the most important problems at any given time. The factory uses 11 ovens and has created 170 new jobs, employing 430 workers without \textit{patrones} (Balcazza, 2004; \textit{Nuestra Lucha}, 2004: 1).

\textit{After the “Take”: Factory and Community}

The four-month campout that occurred before the takeover illustrates what has become a theme for Zanon and a growing trend among the working class: a supportive and sympathetic community combating state policies that favors private business. Rather than turning to political parties such as the PJ or its provincial equivalent,\textsuperscript{15} the Zanon workers found support from the neighboring community. This rejection of state dependency reflects national labor shifts. Although some national union confederations opposed economic and labor law reforms while others remained loyal to the Peronist party, Murillo argues that unions that strategically responded through organizational autonomy were the most innovative at “broadening the horizon of union alternatives” (Murillo, 1997: 82-86). Major transformations in the Argentine economy and organization of labor have put pressure on workers to develop new strategies and allies (Cieza, 1998: 21).
At Zanon, a relationship with the suppliers for the factory had to be re-built after the takeover. There was initial distrust in the sustainability of the factory and some suppliers demanded “advanced payments and later would deliver the things whenever they felt like it” (Magnani, 2003: 141). The suppliers became more reliable as the workers proved their determination to continue producing. The workers started to use more ovens, forming relationships with the gas and electric companies as well. One worker explained that sometimes capitalism works in your favor, and “as long as they get paid, they don’t care where the money comes from” (Pinchlef, 2004). The workers have also formed a unique relationship with their suppliers of clay for the ceramics. Zanon had previously received subsidized primary materials from the local government, with access to the land of a local Mapuche indigenous community containing a high concentration of the necessary rocks and minerals. A group of workers visited the Mapuche after the takeover to establish a more mutually beneficial relationship through profit-sharing and ceramics donations to the community (Fasinpat, 2004; Pinchlef, 2004).16

The relationship with buyers has experienced difficulties as well, especially because the workers initially involved in sales had little experience (Saavedra, 2004). Yet as Zanon grew and continued to produce high quality ceramics at affordable prices, buyers remained on board (Balcazza, 2004). In the beginning, the workers often had to take tile samples to sell into the surrounding community in order to keep the factory producing. Now the factory has an entire sales room for individuals to come to the factory and purchase tiles for their homes and establishments (Visit to Zanon, 2004).17 Major production began with the support of the Madres de la Plaza de Mayo, who manage the facturación, or invoicing, allowing for much greater sale capacity and even the ability to export outside the country, despite their illegal status.18

The Zanon workers have used their successes to deepen their ties to the community.19 In assembly, the workers decided to give many new jobs to workers’ families, disadvantaged groups
such as the Association for Full Integration of the Handicapped (APIID), Mapuche communities, and key organizations such as the MTD-Neuquén, that had shown solidarity with the struggling workers. Eduardo Farias was one of the first new workers to be admitted at the factory, and remains a dues-paying member of both the MTD-Neuquén and the SOECN. He was also a supporter of the Zanon workers while he was unemployed, and after Zanon started to grow the workers “said in the assembly that the compañeros of the MTD were there every step of the way, the first jobs have to go to them. And now I’m working there” (Farias, 2004). These new workers are often young and politically active, contributing to the dynamic of active class solidarity and encouraging progressive thinking to the factory.

The factory has also fostered community ties through donations to various community based organizations. These include public cafeterias, hospitals in Neuquén and throughout Argentina, and schools in the area. Working with community members from the neighborhood opposite the factory, the Barrio Nueva España, a team of Zanon workers labored alongside members of the community to construct a new health center using ceramic tiles for the floors and walls straight from the Zanon shop floor (Visit to Zanon, 2004; Nuestra Lucha, 2004: 4). The workers also bring the community to them, and during visits to the factory it is not uncommon to see tours of local schoolchildren and their teachers guided by a worker from the production line showing them the shop floor and recounting the history of their struggle. The workers’ story has made a lasting impression on the children, and the press office walls are covered with children’s drawings of the malo Luis Zanon defeated by groups of buenos workers. Opposite these colorful drawings are letters from different communities and organizations requesting donations of tiles, money, or simply asking for some sign of unity with their struggling group (Visit to Zanon, 2004).
Zanon has also sought out mutually supporting relationships with other recovered companies. There is a muskateeric phrase that was repeated in many debates and meetings that the workers take very seriously: “If they touch one of us, they touch us all.” This means that if there are problems with one factory—with the owner, the government, or whatever it may be—all of the workers from other recovered factories will offer their help, regardless of what organization or political views they espouse. Solidarity between the factories is also shown through the exchange of products and services among the recovered businesses. Zanon gave a donation of ceramic tiles to the Hotel Bauen in Buenos Aires, in exchange for free lodging while the workers came to the Plaza del Congreso for the weeklong campout.

Although the Zanon factory remains autonomous from formal recovered company organizations, it is not excluded from participation. Solidarity makes sense for the strength of all the factories to continue. As one worker, Ernesto, from the Chilavert recovered printing press explained, there are only ten workers in the press, and if the government of Buenos Aires decides to evict them, they will not be able to defend themselves because they are so small (Ernesto, 2004). They need the support of all the recovered businesses. This loose national organization supports the advantages of broad-based coalitions while allowing for the benefits of lower-level autonomy in decision making. It also reflects workers distrust of hierarchical structures, especially those at Zanon, influenced by a history of corrupt unions and oppressive management.

The Zanon workers are using their community organizing and solidarity building skills to create national support for their demands, which expand upon those of other recovered businesses. Throughout their weeklong campout in the Plaza del Congreso, the Zanon workers spoke with workers fighting for wage raises, national piquetero organizations, and other groups fighting against injustice (Observation F, 2004). The workers also brought 10,000 specially made ceramic tiles with a
calendar surrounding a drawing of the factory, along with a statement of their demands (Observation A, 2004). They managed to give away all of the tiles at the campout in exchange for signatures to their petition to the national Congress (D’Atri, 2004).

**Zanon’s Autonomy: Not Recovered Companies or the Labor Movement**

The workers’ view of Zanon and the factory’s place in Argentine society largely reflects their actions. It is difficult to speak about the labor movement or even the movement of recovered factories to the workers, because many of the workers have such a strong sense of solidarity not only with their fellow Zanon workers, but a larger community fighting against injustice, corruption, or exploitation. The struggle of the Zanon workers has been a complex process of maintaining worker democracy, building community support, defeating an oppressive *patronal* and fighting an increasingly antagonistic government. Many of the Zanon workers have been politically radicalized so that many do not trust Argentine politics, politicians, or even traditional labor unions. This reflects broader worker sentiments about union bureaucracy (Lewis, 1990), and more recently about politicians, especially Menem and the Peronist party (Cieza, 1998). An incredible diversity remains within this transforming context of new working class solidarity. On the national level, the employed working class is divided among state and private, union and non-union, Peronist and non-Peronist. There are further divisions with the unemployed and underemployed, within the formal and informal market (Almeyra, 2004: 29). The 430 Zanon workers reflect some of the diversity of the working class in their knowledge and opinions about the factory, politics, and their place in the ‘movement.’

When discussing the ‘movement’ with the Zanon workers, the conversation deals with not only other recovered factories or labor, but with all those that are fighting against injustice, exploitation, and corruption. Members of the ‘movement’ include groups of the unemployed, unions fighting an administration for better wages, alternative news media, and family members of people
held hostage, injured or killed by the police or others. The workers will even give their microphone, audience, and stage to other groups before they speak themselves, as became apparent on the first night of their campout in the Plaza del Congreso (Observation A, 2004). On other days, local representatives from the Buenos Aires subway visited the Plaza to speak about their struggle for better wages. Workers from the Argentine communications monopoly Telefónica came to the campout for the same reason, advertising their fight for higher pay (Observations B, D and G, 2004). On the sixth day in the Plaza, around 200 people showed up from different piquetero organizations with their families. The leaders of these groups spoke and expressed their support for the Zanon workers (Observation D, 2004). Godoy compared the piqueteros, who had come through the rain from far outside the Federal Capital to support the Zanon workers, to the support they receive from the MTD in Neuquén. He added that this aid was responded to with job offers at the factory, received by strong applauses from the largely unemployed audience (Observation D, 2004).

Solidarity with these groups is more important than that with organizations of recovered factories such as the National Movement of Recovered Enterprises (MNER) or the National Movement of Factories Recovered by their Workers (MNFRT). This may be partly because Zanon is the only recovered factory in Neuquén, so it has had to maintain support from the community. Yet the local coalition of solidarity is now being expanded on a national scale. Godoy stressed the relationship between the factory, community and solidarity with other groups in action, without mentioning other recovered factory organizations or labor:

“We want the factory to be placed in the service of a public works plan that would generate genuine employment. We don’t want the factory for ourselves, the Zanon workers, and nothing else. We want this factory to be placed in the service of the community (applause)... There is one thing that we have very clear: to the workers, to us, to all of you, to the working class, they don’t give us anything for free. We obtain everything through struggle. We know that this law is meaningless [un papel mojado] if we aren’t fighting in the street everyday, if we don’t fight with organizations of the employed and unemployed, and we have this very clear, compañeros, and we are not going to sleep. Neither are we going to let them divide us between those that are in the factory and piqueteros that are our brothers in class with whom we have maintained the factory in production and with whom we are going to fight for a future without exploitation, compañeros, without exploiters or exploited” (Godoy in Observation D, 2004).
Zanon supports all workers “exploited by *patrones*” in their public discourse, but they distrust the leadership of the two official recovered business organizations: the MNER and the MNFRT, which they feel represent the interests of the government and business and utilize hierarchical structures to exploit workers. They see these movements as top-down institutions imposed on the workers, making them conform to the system and work within it instead of thinking of how to change it completely (Juan Luis, Farias, Saavedra, 2004). Godoy states this succinctly:

> We know that we must construct the future and that we can construct it ourselves. No one is going to come from above to do it. And as we fight against the provincial government and repression in Neuquén, we also fight at the national level against this government. We are going to extort the expropriation [from this government]… Unity and struggle (Godoy in Observation D, 2004).

This contrast between the Zanon worldview and other recovered companies appears most clearly when comparing the opinion of a worker for the Hotel Bauen, recently recovered by its workers in the city of Buenos Aires and a member of the MNER, with the opinion of a Zanon worker. As one Hotel Bauen worker stated, “Now that we have our source of work, what are we going to do? We are going to work…Bauen does not have any political stance” (Observation G, 2004). The opinion of Farias, a worker from Zanon, is easily distinguished from this perspective:

> Here [in Argentina] the 19th and 20th of December happened, there were 35 deaths and nothing changed. Imagine what it will take for the state to really change. It has to be something superior, understand? That’s what it’s about and lots of workers when we say that, they say, ‘Of course.’ Then there’s a whole new perspective. Because, for example, I want to work, but after that—what? Work and nothing else, that’s it? Here we have to change society from the roots (Eduardo, 2004).

**Zanon and the Politics of the State**

Mariano Pedrero, the workers’ lawyer, is a militant of the Socialist Workers’ Party (PTS) along with Farias, Godoy, and around 20 other Zanon workers, which are the most left-oriented group in the factory. Pedrero voices the highly radical vision that some of the workers have about the situation of Zanon and the economic system in Neuquén, Argentina, and the world. From his perspective, a Definitive Law of Expropriation, together with the recognition of Fasinpat and the
placement of the plant at the service of the community are only the first steps towards a much
broader systematic change. He defines Zanon as an example, and perhaps an exit from the corruption
that he sees as inherent in a capitalist system. He states that:

…there is no way to change [the economic system] except through controlling the banks, controlling
private property, controlling the means of production. There’s no other way… That’s why I have this
overriding goal that I have. The truth is that there is not much of an intermediate way out. Look at Lula’s
government [in Brazil]… There’s no place in the middle—because there isn’t. It’s impossible;
unfortunately, it’s impossible (Pedrero, 2004).

Another worker who was present at the election of Hugo Chávez in Venezuela compared him to
Kirchner and populist politicians that hypocritically voice working class ideals but continue adhering
to policies dictated by the IMF and IFIs (Visit to Zanon, 2004).

These same radical and militant workers recognize that the majority of the factory workers do
not always share their political views. Every worker wants to maintain their place of employment,
and for this reason they fight against state eviction from the factory and support the proposal for a
Definitive Law of Expropriation (Saavedra, 2004). However, many of the workers do not think of the
government as an enemy, not to mention the system, and “what’s more, there are some that are
supporters of Sobisch” (Pedrero, 2004). 23

Carlos Roberto Román is an example of a less radical viewpoint, a worker who recently
entered the factory as a member of APIDDD, an organization for disabled people. 24 He had only
worked in the factory for eight months at the time of interview, but he was not concerned with
politics and even stated that “nobody knows who I’m going to vote for,” with a grin (Román, 2004).
It was clear that he was not very well informed about the legal situation of the factory, but he had
gone to marches and protests to defend his job and his co-workers. He was not worried about
working illegally, except for the fact that it could mean that he might lose his job. He believed that
“it’s good to work and be able to feed the family,” but this did not make him support a particular
political party or want to change the political or economic system.
The majority of the workers lie somewhere between the politically radical leaders of the PTS and the more politically apathetic workers like Román. Many have very little confidence in traditional politics as a means of alleviating injustice, and “with all governments there has been poverty, there has been hunger” (Saavedra, 2004). However, in a conversation with Carlos Saavedra, a worker who before the recovery of the factory was a member of the upper management, he stated that many of the workers began to think more politically during the takeover and even before, when they started to get rid of the union bureaucracy (Saavedra, 2004). Another worker, Juan Luis, said that the oppressive and corrupt provincial government forced them to seek a solution at the national level, but that they continued to distrust politicians in general (Juan Luiz, 2004). Even the less militant workers have lost faith in the national and provincial governments as means of achieving basic rights. These views represent a section of the working population that feels deceived by traditionally strong party-union ties that have held the common worker at bay (Levitsky, 2003: 225), while members of the PTS reflect the radical views that have split from traditional labor federations such as the CGT to form the Argentine Congress of Labor (CTA) or the Movement of Argentine Workers (MTA) (Murillo, 1997: 83).25

The workers’ antagonistic view of the government is an extension of their experience at Zanon. In February, May and October 2002 and April 2003 the local police attempted to evict the workers after judicial orders, but all were prevented by the workers through support from the community. In the most recent attempt, on 8 April 2003, seven thousand people gathered outside the factory doors to defend the workers and their jobs (Pedrero, 2004). However, the workers are worried they will not be able to fend off eviction indefinitely, even with strong support from the community, and have started pursuing legal recognition of the factory more actively. According to Mariano Pedrero, the lawyer for the SOECN and a salaried worker for Zanon, since 2003:
The cooperative has told the judge that during this process, during this whole situation, the workers should have the ability to manage the factory. We asked that the judge recognize the cooperative, the ability to manage the factory, until a final decision arrives… This proposal was made to the judge in November 2003. He still has not answered (Pedrero, 2004).

The workers and the Zanon factory remain in a precarious situation in relation to the law since the factory takeover. The local judge Ana Lia Zapperi recently decided to demand the repossession of the machinery functioning inside the factory, and the police may attempt to seize it if there is not an intervention from the national government (Clarín, 2004c). While major tendencies towards decentralization have occurred in terms of labor organization, the unique situation of Zanon forces them to appeal to the national level in legal matters. According to one worker: “That’s why we came to Buenos Aires, because as we sometimes say: ‘God is everywhere, but he pays attention to the Federal Capital’” (Observation D, 2004).

Concluding Thoughts

The Zanon factory study highlights some of the major transformations taking place in the Argentine system of labor relations. The reorientation of the Peronist party during the Menem presidency led to major shifts in union organization. Large union confederations lost their strength and labor-business negotiations moved to the provincial or factory union level. In the case of Zanon, this allowed the workers to move beyond traditional negotiations and arrange for factory-level strikes that greatly influenced the decisions of the patronal. In many ways they have proven the presence of a hierarchical management to be unnecessary at the factory level, and the ability of the workers to control the means of production on the factory level.

Zanon has not had the opportunity to draw on other recovered factories, national unions, or the provincial or national governments for support, and instead it has been necessary to turn to the community for help. Although the workers maintain a distrust of politics in general, they are using community support to gain media attention and enter the political process. To a certain extent they
have used antagonistic judicial decisions “as a resistance and demand tool” that has helped provide their “claims with legitimacy and public recognition” (Smulovitz, 2004: 18). The workers have used their legal battle to frame the debate in an “us” versus “them” context, where “us” is any of the many marginalized groups in Argentina, and “them” represents not only business leaders but corrupt politicians and major political parties. The social and political context of Neuquén and Argentina has helped justify the workers’ framing of the debate in this way. Zanon has not had access to politicians in Neuquén, a province that harbors an entrenched and corrupt government, which has forced its workers to go the people and the streets to obtain support. Zanon has gone beyond the typical economic functions of a factory to emphasize its role as a location of permanent employment for members from the community, an important factor in a country plagued with high unemployment.

The factory and its workers exceed traditions of worker cooperatives and seem to enter the realm of the social movement. Certainly the evidence presented here places Zanon under Sidney Tarrow’s definition of a social movement that he defines as “sequences of contentious politics that are based on underlying social networks and resonant collective action frames, and which develop the capacity to maintain sustained challenges against powerful opponents” (1998: 2). The role of opportunity structures, networks, framing and identity issues relate well to the case of Zanon. Tarrow mentions worker cooperatives in association to democratic decentralization that can activate and exhilarate participants, but often encourage “a lack of coordination and continuity” (Tarrow, 1998: 130). One of the major successes of the Zanon workers is their level of coordination and solidarity among the diverse opinions of the workers and their supporters.

Zanon generates questions concerning the role of organized labor at the factory level. Worker militancy and activism is commonly associated with strong unions related to pro-labor parties, especially in Argentina. The ceramics union in Neuquén has proved effective through its autonomy
from national and even provincial political structures. This puts into question the role of the union in relation to its members. Zanon and its union have proved more effective as a community leadership organization than a political advocacy group fighting for legislative reform on behalf of the workers. Through framing Zanon as a vital part of the Neuquén community, the workers have re-concieved traditional factory, union, and government relations.

Although this study has not been comparative, the level of information and consciousness of the struggle of each Zanon worker is higher than perhaps any other factory in Argentina. Although political activists and combative workers exist in all of the recovered factories (and many traditional factories), every Zanon worker has agreed to make donations to the community of Neuquén and other provinces and to demand the *estatización* of the factory under worker control, maintaining the assembly as the primary form of decision-making. Beyond these basic demands there may be many differences among the workers, but this base is much more than other groups of hierarchically organized workers have sought.

The past achievements of Zanon do not necessarily foretell a successful future. The current situation in Argentina has gradually changed and stabilized since the workers began their struggle, although Zanon continues to function illegally. It is not clear whether the Neuquén or Argentine government will change their position if the Zanon workers compromise and change their more radical position in order to continue operating. Their legal project has the support of around 15 deputies (Observation C, 2004), but significant support to change the law remains to be seen. The patience and energy of the workers and their local and national supporters may not last forever, although until now it has remained strong.
Limitations, Implications, and Further Research

Zanon is an exceptional case for a factory study in the context of Argentina, and the benefits of qualitative investigation and the single factory study have hopefully made themselves apparent in this research. However, no matter how insightful the factory study may be, many important factors are often overlooked or brushed over in the goal of better explaining the logic of a single factory. A different case selection might have highlighted the benefits of different reforms, or reflected different aspects of Argentine labor relations and political society. Even Winn’s (1986) outstanding factory study of the Yarur cotton textile plant brushes over major factors of Allende’s road to socialism, despite its exceptionally insightful qualities. This research has tended to focus on the Zanon workers and to relate their experience with a broader context, without expounding upon more specific details of possibly confounding externalities in the primary research. Clearly the community’s view of Zanon and its workers is a factor that will be especially important if the workers are to depend on this base in the future of their struggle. As workers and businesses become increasingly related internationally, it becomes clear that examining the factory within a limited national context overlooks the role of factors beyond the nation-state, topics for further research. As one worker asked me, “Imagine a factory under worker control in the United States. What could the future hold?”

The Zanon workers defeated a corrupt union, took over the means of production, and developed a system of worker democracy among a politically diverse group of workers. They have further developed a unique relationship with suppliers, buyers, and the local community without external investment that has traditionally come from the state or international sources more recently. Zanon has remained autonomous of the national recovered factory organizations and the broader labor movement, distancing itself from traditional party-labor relations. Throughout these processes, the factory workers have maintained and nurtured a level of base solidarity among themselves and
their supporters, although there is a considerable degree of diversity in the ideologies of the workers. Conversations with the workers have put names and values to members of a group that is often interpreted through statistics or its most visible members. Their story underscores the value of qualitative research and analysis in the context of labor.

Unemployment, poverty, and inequality remain major problems in Argentina and the rest of South America. They may be chronic problems of a capitalist economic system as some of the Zanon workers would argue, or they may be the product of misguided or corrupted policies and practices. However, they are not problems that will be solved without innovative plans and creative new projects for change. Unemployed workers and inactive machines do not contribute to society and Zanon questions the logic that has placed people and capital in these situations. The case of Zanon is an example of that kind of change on a small scale that has proved its viability in the face immense historical challenges and political antagonism.
While many Argentines show understanding for the unemployed, there is an understated animosity harbored towards those unemployed who make themselves heard and seen by setting up human road blockades to cut off major lines of traffic during rush hours and staging demonstrations and protests as *piqueteros.*

Since the beginning of the 1980s, Zanon has been the largest ceramics factory in South America and has an advanced set of machinery and large production capacity. Its porcelain production line is the most modern in Latin America (*Fasinpat,* 2004).

This contrasts other recovered business that have gained political recognition and state support through a Temporary Law of Expropriation that was recently renewed and expanded for some recovered companies in the province of Buenos Aires (*Clarín*, 2004c).

Throughout Latin America in the 1980s and 1990s a “paradigm shift” began to occur towards neoliberal economic policies that some have argued “will be representative of the twenty-first century” (*Gwynne* and *Kay,* 1999: 12).

In Argentina and other countries in Latin America and the world, neoliberal policies were supported by investment and loans from governments, international financial institutions (IFIs) such as the International Monetary Fund (IMF), the World Bank, and the World Trade Organization (WTO), and private banks, based mostly in the United States and Europe. These initial social problems related to unemployment, poverty, and inequality are commonly associated with the implementation of neoliberal reforms, a necessary “shock” treatment that is justified by the promise of economic stabilization and growth. Often the early effects benefit those typically supporting and implementing the reforms and “increase substantially the wealth of the top two deciles of income earners” (*Gwynne* and *Kay,* 1999: 23-24). In Argentina, Menem’s neoliberal reforms were also supported by the IMF, the World Bank, and self-serving foreign investment interests (*Blustein,* 2003).

This was after a change in the constitution that previously only allowed for one presidential term. Menem’s “neopopulist” support helped push this and other reforms through (*Weyland,* 2002: 169).

Additionally, workers were denied “the right to sue for damages in civil court, and $55,000 was imposed for death or total disability as a result of an accident in the workplace” (*Cieza,* 1998: 23).

Some of the most combative workers were fired in preparation for the election of Internal Commission representatives. The *Lista Marrón* was followed by the *Lista Roja* with 83 votes and the incumbent *Azul y Verde* with 47.

The Neuquén Populist Movement (MPN) is the provincial party that has remained dominant in the region and has maintained policies similar to those of the Peronist party traditionally. They have even created a new series of tile named *Mapuche,* with symbolic designs of the indigenous people.

The factory continues to sell around 40,000 m² per month to the local community (*Magnani,* 2003: 143).

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Some estimates state that “51% of the economically active population has problems finding adequate employment” (*Cieza,* 1998: 23).

Zanon especially antagonizes the MNFRT mostly because it is headed by Dr. Luis Caro, a lawyer, who according to many of the workers is no better than any corrupt government official or businessman.

Through various observations, conversations and interviews, it seemed that those that only seek to defend their jobs are not very informed about the legal situation. More often these workers left legal matters to more politically active workers.
such as Pedrero or Godoy. With more interviews and research, it may be possible to establish groupings or “types” of consciousness, as Winn does at the Yarur factory (Winn, 1979:134).

24 Román may not be the most representative example because of the fact that he recently entered the factory and has not been involved in the struggle in its entirety.

25 Zanon has expressed a desire to work with groups such as the CTA as they have in the past, but others view them as “part of the government” (Nuestra Lucha, 2003: 2).
APPENDIX 1

Interviews

I conducted many brief and informal interviews, mostly with workers, which are not cited in the text and are not listed here but contributed to a broader perspective on some of the themes of investigation.


Godoy, Raúl (Zanon worker, General Secretary of the SOECN, leader of the PTS). 2004 (1 December). Interviewed by author. Fábrica Zanon, Neuquén, Argentina.


APPENDIX 2
Observations and Visits


Observation D. 2004 (24 November). “Piqueteros and students hear the workers present an information session about their history.” *Campout in the Plaza del Congreso by Zanon workers: Sixth Day (Wednesday)*. Buenos Aires, Argentina.


Visits to Zanon. 2004 (29 November—3 December). Parque Industrial, Neuquén, Argentina.

Visits to Neuquén. 2004 (28—4 December). Neuquén, Argentina.

Visits to Universidad Nacional de COMAHUE-Neuquén. 2004 (31 November—2 December). Neuquén, Argentina.
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**Newspapers and Periodicals**


*Pagina 12.* 2004b. “‘Los que se oponen a las fábricas recuperadas se oponen al trabajo.’” (20 November).