

This is an Open Access document downloaded from ORCA, Cardiff University's institutional repository:<https://orca.cardiff.ac.uk/id/eprint/126763/>

This is the author's version of a work that was submitted to / accepted for publication.

Citation for final published version:

Antonazzo, Luca 2019. Narratives of cooperation, resilience and resistance: workers' self-recovery in times of crisis. *International Journal of Sociology and Social Policy* 39 (9/10) , pp. 851-864. 10.1108/IJSSP-04-2019-0064

Publishers page: <http://dx.doi.org/10.1108/IJSSP-04-2019-0064>

Please note:

Changes made as a result of publishing processes such as copy-editing, formatting and page numbers may not be reflected in this version. For the definitive version of this publication, please refer to the published source. You are advised to consult the publisher's version if you wish to cite this paper.

This version is being made available in accordance with publisher policies. See <http://orca.cf.ac.uk/policies.html> for usage policies. Copyright and moral rights for publications made available in ORCA are retained by the copyright holders.



Narratives of Cooperation, Resilience and Resistance: Workers' Self-recovery in Times of Crisis

Premise

This paper is based on an inquiry on Italian worker-recuperated enterprises, a phenomenon that has acquired growing importance in the country since 2008, following the Great Recession that hit most of the Western economies. As reported by CICOPA (the International Organisation of Industrial and Service Cooperatives) in 2013¹, the practice of business transfers to employees has been increasing at a European level. Not only Italy, through the “Marcora law”, but also Spain, through the “Pago único” law, and France, with the Social Economy and Solidarity law adopted in 2014, put in place some special regulation in order to provide workers with more favourable conditions for the takeover of their company in front of the eventuality of closure. The logic behind these measures is that of considering the employees not as mere creditors, but rather as potential investors, providing them with the legally guaranteed opportunity of considering the purchase of the company that formerly employed them in order to preserve their jobs and their rights².

In this paper we will consider two very different types of worker-recuperated enterprises, worker buyouts (WBO), and what we refer to as “recovered social spaces” (RSS). A definition for WBO and RSS will be provided in the third paragraph of this paper.

Worker-recuperated enterprises reveal the ability of workers to run businesses deemed as unproductive by capitalists and economic technocrats (Ruggeri, 2014), in so providing an interesting example of social and economic resilience and opening up a breach into the possibility of a worker-managed economy (Barbera *et al.*, 2014). At the same time, the more contentious experiences show an explicit will to challenge some of the fundamental features of market economies, advocating for the recognition of the supremacy of work over capital, and subordinating the pursuit of private profits to greater social goals and to the collective redistribution of incomes,

¹ Cicopa Europe, “Business transfers to employees under the form of a cooperative in Europe. Opportunities and challenges”, June 2013.

² *Ibidem*.

thus demonstrating a will to rewrite the capitalist rules that look at work as a mere financial variable rather than a way for achieving self-fulfilment. In this paper we offer a reading of the phenomenon, focusing on four crucial dimensions: resilience (and resistance), relationship with the territory, relationship with the market, and workplace democracy.

Aims and methodology: narrative approaches to social action and change

The adoption of a narrative approach in this research is methodologically consistent with an ontological and epistemological position that considers society made of meaningful actions and interpretation as the principal mode of inquiry. As “knowledge by interpretation assumes that there are multiple realities that are socially constructed” (Erol Işık, 2015, p. 120), narratives provide a dense account of the reality perceived by the actor himself and how structure and agency are interrelated.

As maintained by Longo (2005), empirical social research is widely based on narratives. Sociology implies the existence of a *homo loquens* that tells about himself, his context and the events he is aware of. Furthermore, “as action takes place within a physical and social environment, narratives show the interplay between individual intentions and the environment in codetermining the results of action” (Longo, 2015, p. 12). This is a very powerful feature of narratives, if we believe that one of the main commitments of sociologists is to provide a grounded account of how structure and agency are interrelated in micro, meso and macro-levels.

In order to explain the phenomenon of worker-recuperated enterprises as a meso-level transformation, we moved from understanding what triggered the actions at the micro-level. In this perspective, it was fundamental to catch a set of subjective dimensions such as the motivations, values, frames and meanings of the workers who have put into place the recovery of the companies or the plants.

As a first step, a categorization of different types of worker-recuperated enterprises has been produced, drawing on the scientific literature on the topic. The experiences active on the territory have then been mapped, using secondary data and institutional sources³. A smaller sample, based on the theoretical relevance of the cases, has subsequently been identified. Ten

³ A useful resource was the online database implemented by Cooperazione Finanza Impresa (CFI), an organization acting as an institutional investor established to support the WBO mechanism.

enterprises have been selected, within the so-called areas of the “three Italies” (Bagnasco, 1977), divided into two clusters: worker buyouts (WBO) and recovered social spaces (RSS). The worker buyout cluster included two sub-types, the “negotiated” WBO and the “labour conflict” WBO. The sample has been designed on the basis of an “evocative” (Mason, 2018) logic, the aim of which is to generate insights or understandings that we argue to be “vivid, potent or distinctive elements in the character of the phenomena” (Ivi, p. 61).

Representatives and workers of the sampled cooperatives have been interviewed, being asked to tell the story of the new-born cooperative starting from the crisis of the former company. A special focus during the interviews has been given to reconstructing the phase of uncertainty and hardship and the process that led to the establishment of the new cooperative, trying at the same time to highlight the structural and cultural variables that have supported it.

Definitions

Italian worker-recuperated enterprises are mostly the result of worker buyouts (WBO), intending with this expression a corporate restructuring, recovery or conversion process in which the employees buy a share of the company that previously employed them (Vieta, 2016).

The WBO mechanism arose in the United States at the beginning of the Eighties, in a period of economic recession for the country, but it has been successfully tested also in Europe (especially in Italy, since the promulgation of the “Marcora law”, Spain and France in more recent times). In its most recent interpretation, a buyout also implies workers’ self-management, directly and collectively, or through the appointment of a board, depending on the dimensions of the company.

The WBO formula allows for the integration of labour policies, welfare and economic development, at the same time avoiding the activation of a culture of dependency. Worker buyouts must not only rest on a market capable of ensuring revenues, but must also take advantage of the know-how of the workers interested in taking over the business, which will take risks as collective entrepreneurs⁴.

Vieta (*Ibidem*) identifies three types of WBOs. The first one is referred to as “labour conflict” WBO, which emerges in situations with a certain degree of

⁴ Italia Lavoro, *Workers’ buyout: un fenomeno in crescita*, p. 3, retrieved from: <http://bancadati.italialavoro.it>.

conflict between workers and owners, managers or institutions. The acquisition process often begins after a period of strikes or occupations of the factory by the employees, sometimes supported by external actors. Labour conflict WBOs usually come from politicised workers and result in cooperatives that stick more to the principles of horizontality and solidarity. The second type is called “ESOP” WBO and is a type of buyout that mostly belongs to the US, Canadian and British corporate culture. It is characterized by a mechanism through which the employees of a target company buy shares of the asset that employs them through an employee stock ownership plan (ESOP). Usually, this particular WBO does not imply the direct control of workers over the company and may be considered as a partial WBO. The third one is the “negotiated” WBO, in which the process of acquisition is negotiated between the former owners and the workers, within a defined legal framework and with the mediation of institutional and technical authorities that provide support to workers, both from a legal and managerial point of view.

While WBOs are rarely contentious (labour conflict WBOs represent indeed a small share of the Italian WBOs), what we define here as Recovered Social Spaces (RSSs) are usually a more controversial phenomenon. RSSs arise in contexts in which there are at the same time labour conflicts, highly politicized actors and difficult conditions for the restoration of the original productive function of the company. They can be described as social and economic initiatives aimed at the recovery and reconversion of abandoned industrial spaces with the explicit aim of resisting the economic marginalization of labour, at the same time offering inclusive arenas for the (re)production of cultural and social capital. Recovered social spaces are commonly based on an ideological project, drawing usually on socialism, environmentalisms, economic democracy and on the assumptions of sharing and circular economy, and often involve the mobilization of a composite set of actors, besides some of the failed company’s former workers.

An important characteristic to be underlined is that RSSs, usually based on the occupation of private areas and facilities, commonly lack institutional recognition, and relate more to the domain of social movements than to that of workers’ cooperatives. At the same time, as they integrate a various set of activities, such as recycling, small manufacturing and services, besides the organization of cultural and social events, it is not easy to define them in a univocal manner.

A brief overview of Italian worker-recuperated enterprises

The WBO mechanism in Italy has its foundation in the law 49/1985, so-called “Marcora law”, amended by law 57/2001 and integrated in more recent times by the Ministerial Decree 4 December 2014 (so-called “new Marcora”).

The law 49/1985 was released with the explicit purpose to safeguard jobs, facilitating the recovery of companies in crisis through the establishment of workers’ cooperatives among redundant employees⁵. The bill had its foundations in the need to support and stimulate the cooperative business initiative, recovering to the production the unused labour force, at the same time, subtracting it from welfare dependence. It established a special fund for the protection of the employment levels intended to workers admitted to the unemployment insurance treatment (or employees of companies subject to bankruptcy proceedings, or redundancy), which accomplished in whole or partially the safeguard of the employment through the purchase, rental or management of the companies (or single branches of them) that previously employed them. Moreover, the Marcora law established the right for the pre-emption of the workers in the purchase of their companies.

Another important contribution to the worker buyout mechanism came by the law 223/1991, which established that unemployed workers could get in advance the payment of the whole allowance owed to them if this was to be allocated to undertake an autonomous activity or to join a cooperative.

The research conducted by Vieta *et al.* (2017) on behalf of the European Research Institute on Cooperative and Social Enterprise (Euricse), to date the most systematic study on the phenomenon of worker-recuperated enterprises in Italy, identified in December 2014 a total of 131 experiences active on the national territory. Specifically, 14 in the Northwest (10,68%), 45 in the North-East (34,35%), 53 in the Center (40,45%), 10 in the South (7,63%) and 9 in the Islands (6,87%). The region with the highest concentration of cases appears to be Emilia Romagna, with a total of 26 active worker-recuperated enterprises.

Monni and colleagues (2017) in another study reported a total of 258 WBOs from 1986 (after the introduction of the Marcora law) to 2016, again with a clear predominance in the Center and Northeast. The data is consistent with the overall number identified by the aforementioned Euricse report (in which

⁵ XVII Legislatura – Disegni di legge e relazioni - Documenti - DOC. CXXVII, N. 1, p. 22, link: http://www.camera.it/_dati/leg17/lavori/documentiparlamentari/indiceetesti/127/001_RS/00000002.pdf.

the total number of cases since the Eighties amounted to 257), without however pointing out the percentage of the cooperatives still active to date. Taking in to account the economic sector, Vieta *et. al* (2017) report that Italian worker-recuperated enterprises are primarily located within manufacturing, with a significant share of 68,52%. Other two relevant sectors, which though record a much lower share, are information, communication and business services (11,11%) and wholesale and retail (9,26%).

According to Istat⁶, the 5-year survival rate for a private limited company in Italy between 2010 and 2015 was about 44%. In the same time frame, WBOs showed a survival rate of about 90% (*Ibidem*), an impressive data given the context of crisis, lack of capitals and uncertainty from which WBOs are born. The unequal distribution of experiences on the Italian territory raises some questions about the contextual factors that could have influenced it. If the national unemployment trend shows some correlation with the emergence of worker-recuperated enterprises in aggregate terms (*Ibidem*), the Northeast continuously records, starting from 1992, lower unemployment rates than any other area of the country⁷. This excludes the possibility to univocally explain the emergence of Italian worker-recuperated enterprises as the outcome of economic crisis and job emergency. It is also unfounded that explanatory hypothesis that uncritically links the higher number of workers' cooperatives in some regions with a strong relationship with some political parties, as for instance in the case of the "red" cooperatives of Emilia Romagna (Menzani, 2015). Indeed, this hypothesis does not explain the presence of other politically-oriented cooperatives in the same region or why there are no similar numbers of workers' cooperatives in other regions with a strong presence of leftist parties.

A more complex factor that should be considered is the difference in terms of the social and productive background of Italian regions. This idea recalls the theory of the "three Italies" proposed by Bagnasco (1977).

The thesis that Bagnasco supports is that the traditional North-South dichotomy should be replaced by a subdivision into three areas, respectively Northwest, Center-Northeast and South and Islands. While the Northwest was historically characterized by the presence of large industrial plants autonomous from each other, the "third Italy" of the Centre and Northeast was characterized by small companies operating mainly in the manufacturing of traditional labour-intensive productions that didn't require high

⁶ Italian Institute for Statistics.

⁷ Istat data.

technological skills. These represented the exemplification of a typically Italian productive model that incorporates peculiar characteristics of flexibility and economic vitality that have sustained the economic development of the country for a long time.

Here the connections between companies and local institutional actors assume a strategic importance. The small size of the companies, the tendency to build networks and the accumulation of social capital favour the development of virtuous horizontal processes against the tendency towards verticalization and compartmentalization of the big companies of the Northwest. Under the socio-political profile, the third Italy has been described as characterized by high levels of social integration and political participation, voting fidelity, strong working ethic and solid local identity (Bordandini & Cartocci, 2014).

The third Italy is characterized by the strong presence of industrial districts (Becattini, 1989), in which the local community and the enterprises interpenetrate each other generating, within a specific economic sector, a stable network that connects companies, suppliers, customers and social partners. The social dimension of this communities is based on a rather homogeneous system of values expressed in terms of work ethics, family and reciprocity.

In a recent study, Tassinari *et al.* (2014) highlight how the area of the third Italy still constitutes a homogeneous territory of relative economic well-being, thanks to the development of the manufacturing sector, a productive structure characterized by small and medium enterprises and high standard public services.

Local development has often been explained by the concept of social capital (Trigilia, 1999), intended as that set of trust, norms, values and networks that some literature has pointed out as a crucial factor in improving the efficiency of social aggregates by facilitating the realization of coordinated actions (Putnam, 1993). If, as maintained by Trigilia (*Ibidem*), the importance of social capital in local development is indisputable, the relationship between social capital and local development is complex and changeable in time, and cannot be reduced to the positive impact of a culture that fosters cooperation. Cultural and path-dependent interpretations of social capital, such as Putnam's, have been criticized for several reasons (Laitin, 1995; Tarrow, 1996). Putnam's strong confidence in social capital as an endogenous driver excluded the exogenous influence of the State in shaping local social structures, consequently fostering or limiting the emergence of effective horizontal relationships and reciprocity (Tarrow, 1996), and the influence of local political contexts in fostering positive outcomes (Trigilia, 1999). It has

been maintained that the higher level of social capital and better institutional performances of the Northern regions may be rather explained as itself an outcome of well-established progressive political traditions (catholic and socialist) in that area (Pasquino, 1994). On this basis, it seems well-founded the opinion that successful experiences such as that of the third Italy can be ascribed to a complex combination of social capital, intended in a structural rather than cultural way, and progressive and autonomous politics (Trigilia 1999).

Worker's narratives of self-determination, resistance and resilience

In order to systematize the comparison between the different types of Italian worker-recuperated enterprises, this section focuses on four crucial analytical dimensions: resilience/resistance, relationship with the territory, relationship with the market and workplace democracy.

a) *Resilience/resistance*. One of the most well-known definitions of social resilience is that provided by Adger (2000) as a community's ability to resist shocks outside its social infrastructure. In their review, Keck and Sakdapolrak (2013) split the concept in three analytical dimensions: persistence, as the ability of actors to cope and overcome adversity; adaptation, as the ability to learn from past experiences and adapt to future challenges; and transformation, as the capacity of institutions and social networks to mold and restructure in response to crisis.

Van Breda (2018) highlights in the literature two main understandings of the concept, resilience as an outcome, and resilience as a process. Such a distinction "is valid, but creates an unnatural split between process and outcome" (Ivi, p.4). Van Breda advocates for a more thorough approach to resilience research focusing on "three connected components: adversity, outcomes and mediating factors" (*Ibidem*).

WBOs experiences (both "negotiated" or "labour conflict") appear to be highly resilient, insofar they have been able to 1) absorb the impact of an economic shock, 2) demonstrate adaptive skills and responsiveness and 3) implement a process that resulted in an internal transformation without compromising the productive function of the organization and group cohesion.

Some interviews' excerpts provide an account of the steps undertaken by the workers and the difficulties faced in the conversion process:

"some of my partners, having a family to provide for, had to think carefully about it...on the one hand there were safe money, those coming from the

mobility allowance, on the other, there was a person saying ‘let’s try, let’s put those money in here, we will succeed!’. In ten days, we managed to organize the first meeting with Confcooperative Insubria⁸ in order to understand if there were opportunities, conditions etc. They started asking us about commercial budgets, cash flows, customers, stock values, costs...and at the end of two intense days of work they told us that we could do it. The cooperative was set up right after” (A., Patrolline – Negotiated WBO)⁹.

“the most difficult thing is to enter an entrepreneurial responsibility perspective. It is a mind change. [...] you can imagine employees checking out from work and going home, having absolutely no idea of what business management can be. Today we get home with lot of concerns, you never pull the plug, not even during weekends...but keeping a job is too important” (S., Art Lining – Negotiated WBO).

“we started thinking about cooperation long time ago, but the comrades did not understand very much this thing of setting up a cooperative, they were worried things could go wrong. They were concerned about their abilities. Then, since after the first occupation we went from bad to worse, we resumed the discussion on cooperation and in 34 out of 60 we decided to give life to this cooperative project” (R., Megaride – Labour conflict WBO).

A representative of Cooperazione Finanza Impresa (CFI), the organization in charge of supporting the WBO mechanism, explains why the shift to a workers’ cooperative enhances resilience:

“there are many reasons for which the cooperative model in some companies works better than the capitalist model, and these are not ideological, but strictly economic. In some sectors, defined as mature, no entrepreneur would risk making investments in which the ROI [return on investment] is very low, while in a cooperative we can deal with a low ROI, provided that the real profit, which is to guarantee a fair and stable salary is realized. If the profit does not reward me for the invested capital, but only allows me to renew the cycle of investments, it is fine anyway...then I can also manage companies that have slightly lower margins, which no entrepreneur would do, exactly because he is an entrepreneur” (D., CFI – Institutional investor).

⁸ Regional cooperatives’ association.

⁹ English translation by the author.

As an intrinsically dynamic concept, that of social resilience involves interpreting uncertainty, change and crisis as normal dynamics, rather than exceptional conditions. The emphasis placed on the inevitability and unpredictability of change encourages an approach to socio-ecological systems focused on the ability of their members to favour change rather than controlling or avoiding it (Berkes *et al.*, 2003). This however implies a symmetrical distribution of material and immaterial resources so to allow social actors to pursue the strategies that seem more favourable to them and direct the change to the most convenient outcome.

As pointed out by Hartling (2008), resilience processes cannot be located so much within individuals, but within social networks and relationships. Our point here is that worker-recuperated enterprises provide empirical evidence of how social resilience is fundamentally influenced by institutions and social networks that allow access to resources, both material and non-material, that exponentially expand the chances of adapting to and managing change.

This worker underlines the importance of the cooperatives' associations in promoting and supporting the opportunity of buyouts:

“we were absolutely not aware of anything about worker buyouts...even if in our area cooperation is widespread, we had no idea of what this was. So the consultants and the bankruptcy trustee brought us together with Legacoop¹⁰ and with them we managed to set up a project to recover our company in a very short time” (S., Art Lining – Negotiated WBO).

Another worker underlines the importance of internal ties and group cohesion during the days of strikes and occupations that brought to the establishment of a labour conflict WBO:

“during the contention we were supported by the non-dismissed comrades who made the blocks, the demonstrations, the shifts for the guards, the leaflets...everything that was to be done, together with us. We guarded over the Autonomous Port Consortium, put up a tent at the town hall, another at the San Paolo soccer field. There was not a single moment of respite” (A., Megaride – Labour conflict WBO).

¹⁰ One of the main national associations of cooperatives.

Social capital has proven to be a fundamental component of all the experiences, along with the ability to mobilize resources at the individual level making them converge into the collective project of recovering the company.

Redundancy is considered by Norris *et al.* (2008) one of the three primary factors, together with robustness and response speed, in assessing the resilience of a community or a system. In the analysed cases one of the main elements on which redundancy can be assessed is the availability of alternative resources to re-start the activities. In the case of negotiated and labour conflict WBOs, capital is mainly obtained through the devolution of mobility allowances or severance payments and through the support of institutional investors. The possibility of accessing alternative financial resources, once private capital has failed, has been a fundamental element in supporting the resilience of these groups:

“we started creating a business plan and we realized that the capital we needed was something big. We are talking of one million two hundred thousand euros to go. We needed such an important capital because the warehouse had been completely emptied and because the company, when it could no longer meet its commitments, stopped doing maintenance to plants and machinery” (C., Italstick – Negotiated WBO).

In the case of RSSs, the solid political background of the workers led them to the decision of not applying for external funding:

“we began to think of how to regain our income without machinery, but by investing our time and our work...without investing money, without investing our severance pay, our mobility allowance, without asking for a loan, because we didn't want to be blackmailed. We have invested our time and our work to build the wealth that has produced our income and to prove that it is work that creates wealth and not capital” (L. – Rimflow - RSS).

As scholars such as Bottrell (2007; 2009) have pointed out, resilience can also imply the dimension of resistance and the two concepts can be effectively bridged. As van Breda (2018) puts it down, “in the context of structural inequality, resistance to adversity is more appropriate than resilience” (Ivi, p. 9). Bottrell (2007) considers resistance as a set of practices “which express opposition to rules and norms in specific contexts, and which contain critiques of social relations, from the lived experience of

marginalization” (Ivi, p. 599). More generally, resistance can be defined as a response to a superordinate power in order to challenge it and renegotiate it, and may result in a weakening or annihilation of the disputed power (Vinthagen & Lilja, 2007).

In labour conflict WBOs and in RSSs especially, the interviews have pointed out a clear framing made by the actors involved within which it was possible to identify a superordinate power to oppose (and actors that embodied that power), responsibility statements, an alternative vision to promote as well as a strategy of contention:

“we have won a big challenge because no one could imagine that four random workers could get to be among the first shipbuilders in the country. A construction site like ours, which has such a space and has such professionalism, clearly annoys these pseudo-entrepreneurs who are not of the trade; they are people who only got rich exploiting poor people” (R., Megaride – Labour conflict WBO).

“what we are talking about is social re-appropriation, we are taking back in our hands the means of production. It is the workers who take a piece of the means of production, the soil, and try through self-management to rebuild the income and dignity that derives from it. The occupation was the way through which we got our work back in our hands. We have freed up a space from degradation and abandonment and returned it to the territory, to produce more work on the basis of mutual aid, because whoever comes here and has no money has anyway the space and support to start his own project” (L., Rimaflow - RSS).

“the economic and the political are two legs on which we walk simultaneously. If the political dimension is lacking, or you are reabsorbed in some way by the market and then you reproduce capitalist dynamics, or you close and lose the battle. For WBOs there is a predominance of the economic aspect and therefore there is a difficulty for us in building relationships with them” (L., Rimaflow - RSS).

We share the recommendation made by Abu-Lughod (1990) of avoiding the “romanticization” of resistance, instead using it as a diagnostic of power. As the author states, “those of us who have sensed that there is something admirable about resistance have tended to look to it for hopeful confirmation of the failure [...] of systems of oppressions” (Ivi, p. 53). A more effective use of resistance as an analytical concept, may it be located in collective

mobilization and contention or in various forms of individual and everyday resistance, should allow us to make more visible specific strategies and structures of power and their transformation in time. In the case of RSSs, the lens of resistance allows to highlight the workers' challenge to an economic system that has marginalised them and deprived them of their livelihoods through the establishment of niches of alternative economics and democracy. In the case of negotiated WBOs, these elements were almost completely absent in the collected narratives. No criticism was addressed to capitalism and market economy, nor to underlying power asymmetries. An evidence of their eminently resilient trait can be found in the following statements:

"my colleagues see it as a reaction to the crisis, as a new and alternative experience. [...] Sometimes there is a bit the idea that the cooperative form hinders some aspects of our work and that maybe in the future we can move to a different model" (G., Kuni – Negotiated WBO).

"worker buyout is not a definitive solution; it is an instrument that is available right now [...] what is important is being able to keep the jobs because this is a community and therefore safeguarding the entire supply chain is also important for the territory. Employees who enter into mobility allowances are a burden for the territory. It is an emotional burden for the employee, but it is also a burden for the community. The workers buyout creates wealth...we pay taxes, we pay social providence contributions, we are a resource for the territory" (S., Art Lining – Negotiated WBO).

b) *Relationship with the territory*. The interviews have pointed out a strong interpenetration between the RSSs and the territory. Such an interpenetration is at the very base of the RSS project: the promoters consider the RSS as a "commons", which is not just a set of resources or goods that can be framed in terms of property relations, but rather a form of qualitative relationship between context, individuals and community that is grafted onto a worldview that is no longer economic, but ecological, based on sustainability, cooperation and collective responsibility (Mattei, 2011). As stated by the representatives of two RSSs:

"we consider ourselves managers of that good, that we consider a common good, because it produces work, it produces wealth for the territory [...] The idea is that of making these spaces available again for work and opening the factory to the territory. Make them not only

spaces that continue to produce wealth, but that are also crossed by the territory, by the people, so that there is also a control over this spaces by the community. When we entered here, we found polluted aquifers, asbestos on the roofs. There is a precise responsibility of those who left a factory with asbestos not caring at all" (L., Rimaflow - RSS).

"we want this space to be crossed by the neighbourhood, so we got in touch with the town hall to understand how to make a green space of this size usable by a neighbourhood that doesn't have much green spaces" (M., Officine Zero - RSS).

This interpenetration is lesser applicable to labour conflict WBOs, for which the concept of commoning doesn't adequately fit, although there is still some degree of openness to the territory, mainly on the basis of specific fixed-term social projects and initiatives.

Finally, as regards negotiated WBOs, the relations with the territory are mainly of an economic nature, largely limited to commercial exchanges and productive partnerships. Nonetheless, a social ethic and responsibility is emphasized in the interviews to the extent that these economic relations contribute to preserving the local productive fabric by preventing the dispersion of know-how and small craft enterprises.

"the company's objective is not an entrepreneurial one; it is essentially a work objective. For us jobs are important, so this is always put in the foreground. [...] It is important because we have safeguarded jobs beyond our own, even on our supply chain, because many small artisans work for us and, as can be seen today in Italy, all this corporate know-how is gradually vanishing. Companies go into crisis, they close, after which it is hard to start again and lost skills are rarely recovered" (S., Art Lining – Negotiated WBO).

"the goal of a cooperative is to create a company for the others, for someone to come. Tomorrow, when you are lucky enough to retire, the beauty is to see that this company is moving forward with young workers" (C., Italstick – Negotiated WBO).

c) *Relationship with the market.* In WBOs, higher attention to solidarity and welfare does not imply a rejection of the market. WBOs continue to operate within a market economy and to offer, in most cases, the same products or services they offered before the crisis. Solidarity and human development

within the productive dimension must meet with economic needs that guarantee the solidity of the company, its sustainability and, to a certain extent, its competitiveness on the market. Two WBO representatives speak about this necessary balancing of solidarity and economic rationale:

“it is important to pay attention also to the needs of the people...we have put in place some financial aids for our members, interest-free loans, or other small things. If we can do so without harming the cooperative, we do it. There is now this attention, in comparison to the previous company” (C., Italstick – Negotiated WBO).

“unfortunately, we did not start with all the former employees of the old company, because they did not fit in the business plan. It was not easy, we had to make choices. The choices obviously have been made on expertise, because to restart a company you need people who know how to work with machineries, people who know about administration, sales and so on. We started in 23 out of 70 people [...] We set ourselves the target to hire our colleagues who had remained unemployed as soon as there was the opportunity” (C., Italstick – Labour conflict WBO).

A representative of CFI points out the need to integrate to some extent the market rationale within the company in order to keep it alive and preserve as many jobs as possible:

“we do very strong reorganizations, because when a company fails and has a hundred employees and we start again in forty, because there is only market for forty workers, we have reduced it by 60%. But these are voluntary reductions, because the logic is better forty than none. It means that we have reorganized the company and we have redesigned ourselves on the measure of the market as it is. This allows you to recover at least that profitability rate that permits the reproduction of the company. Indeed, we have very low mortality rates” (D., CFI – Institutional investor).

The openness to the market of contemporary cooperatives has been highlighted by several studies. As Sacchetto and Semenzin (2015) maintain, since the end of World War II, there has been in Italy a gradual shift towards a business-like approach to cooperativism, even though maintaining the feature of social responsibility. The authors consider such shift directly linked with the diminishing power of the Italian labour movement. In this process, the partial abandonment of mutuality and solidarity by the cooperative movement has gone along with the address of the solidarity

discourse outside in order to increase its legitimacy. This transformation of the movement has a double face: “cooperatives not only affect the market by spreading the values of solidarity and democracy, but they can also be overwhelmed by market rules” (Sacchetto & Semenzin, 2015, p. 149). A strong critique to this trend comes from the representative of a labour conflict WBO:

“nowadays cooperatives don’t have that sense of solidarity or collaboration anymore, they are capitalist enterprises in all respects, even at the management level. The concept of cooperation has been distorted. You don’t do what you do because you believe in a transformation of the country, you do that because you think you are making a career, becoming an entrepreneur, because you believe you are going to make good money. Instead, we still stick to the contents, we come from a school that is very different, we still believe in certain values” (R., Megaride – Labour Conflict WBO).

Conversely to WBOs, RSSs are characterized by a committed refusal of the market economy and by a reconfiguration of the spaces and structures of the former company in a multifunctional way. Here the main objective of the cooperative is to provide services and a support structure for workers, while actual production of goods is limited and ancillary:

“[our aim is] to regenerate work and spaces moving from the people and the skills that are in it. This is the first step to be taken when applying the theories of collaborative and sharing economy. We need to put the different competences together in synergy, so that this synergy produces work” (M., Officine Zero - RSS).

“today the citadel is an activity that is economically in deficit [...] But for us this project is politically interesting, because it gives us a way to create relationships with artisans, and therefore it becomes a catalyst for good practices, an incubator of new ideas” (L., Rimaflo - RSS).

d) *Internal democracy*. All the considered worker-recuperated enterprises show a shift towards a higher workplace democracy, though with different degrees. Workers acquire through the collective ownership of the company the right to manage it and to define its strategies, a right from which they were previously excluded. The process of democratization within the workplace increases that sense of individual political effectiveness (Pateman, 1970) that transforms the company (or the recovered social space) into a

place enhancing capabilities (in the sense used by Sen), favouring the reconnection of the role of worker and citizen on the basis of the continuous exercise of collective decision-making power and responsibility.

The egalitarian dimension of the shareholders' assembly and the mechanisms of inclusion on the most important issues have been highlighted by many interviewees. There remains a formal subdivision into levels that are however no longer hierarchical, but merely operational. The board of directors no longer appears as a management group detached from the corporate body, but simply as an administrative body which systematically forwards to the plenary assembly the most important decisions. This goes both for negotiated WBOs and for labour conflict WBOs.

“we have 5 people in the board, an odd number just to better identify the conditions...and the opposition of these people within the board gives results and, even better, brings up many questions, because when we talk about commercial and purchases, we often talk about expenses and investments. Now the company is moving in one direction in unison” (A., Patrolline – Negotiated WBO).

“ours is a very large board, we are 9, the maximum possible...when we have a board meeting it is not very different from doing a plenary assembly. In the board we set the goals. These are presented to the assembly, which is convened every three months, in which we also present a quarterly report, so that everyone knows how we are set. The board discusses of investments and financing and hiring decisions; in the annual meeting there is the approval of the budget and the presentation of the provisional budget for the following year. In the assembly we also discuss the problems that arise in that period, which can be important orders that are taken and require a more important commitment than the usual” (C., Italstick – Negotiated WBO).

“there is a board made up of 5 people elected by the shareholders assembly. Members' meetings are held usually 2 or 3 times per year on major issues [...], while the ordinary management of the company is carried out by the president of the cooperative and the board” (R., Megaride – Labour Conflict WBO).

As for RSSs, despite the existence of a plurality of organizational levels, the greater frequency of plenary assemblies and the explicit efforts put in the conceptualization of issues such as power, participation, equality, etc., as well as the proximity to an idea of commoning, make these experiences more concretely horizontal, democratic and inclusive:

“We have built different management levels, which are structured in different assemblies, from micro to macro. Each sector has its own assembly [...] Then there is a monthly plenary assembly that encompasses all the workers [...] Furthermore, there is an assembly that we have defined as ‘active’, composed only of a small number of people who are the ones who have formally accepted to take specific responsibilities, about 6-7 people. The active assembly has the task of ensuring that everything proposed as a project within Officine Zero proceeds in the right direction and has also the task of observing and understanding management problems at all levels and involving others for the resolution of these” (M., Officine Zero - RSS).

“There is a board, we have a formal structure in compliance with the regulatory requirements, and then we have an informal structure, which is our truer expression, very democratic. We have an assembly per month, we all participate in it, we have working groups and we have a coordination that must unite the working groups. We discuss the issue of power, the centralization of power, so there is an actual elaboration of democracy and we try to improve ourselves” (L., Rimaflow - RSS).

Final remarks

We believe workers-recuperated enterprises, in their various forms, provide an interesting example of how to strengthen the opportunities for self-realization and self-employment of workers. The policy of supporting workers’ cooperatives promoted by the Marcora law supports the employment levels, and, in its amended version (law 57/2001, art. 12), it does so without impacting on public spending, since the funds provided by the financial companies must be repaid within 10 years. These policies generate a virtuous circle that can be summarized in four main components: i) support to employment, ii) savings in social safety nets, iii) tax revenues, iv) preservation of local production.

If we consider a cooperative economy as a “meritorious” economic system, capable of producing positive externalities (for instance, equitable sharing of surplus value, preservation of employment, preservation of local manufacturing, tax revenues, direct relationship between economic democracy and political democracy etc.), then it is possible to imagine two paths (Jossa, 2010) that can lead to it. The first is to provide the workers’ cooperatives with tax and credit benefits in proportion to the benefits they bring to the community. The second is precisely that of transforming capitalist companies in crisis into workers’ cooperatives.

The Italian case seem to support the opinion that workers' cooperatives can enhance the resilience of an economic system making it more adaptive and capable of absorbing economic shocks. However further research would be needed in order study the development of the phenomenon in a longer span of time and in different economic conditions.

References

- Adger, N. W. (2000), "Social and ecological resilience: are they related?", *Progress in Human Geography*, Vol. 24 No. 3, pp. 347–364.
- Abu-Lughod, L. (1990), "The romance of resistance: tracing transformations of power through Bedouin women", *American Ethnologist*, Vol. 17 No. 1, pp. 41-55.
- Bagnasco, A. (1977), *Tre Italie: La problematica territoriale dello sviluppo italiano*, Il Mulino, Bologna.
- Barbera, F., Lanzavecchia, A., Tagliavini, G., and Vigliarolo, F. (2014), "L'impresa recuperata: dall'esperienza argentina alle politiche di supporto alle imprese colpite dalla crisi finanziaria in Italia", *Insight*, - *Free thinking for global social progress* (on-line journal), pp. 1-20. [www.insightweb.it/web/files/limpresa.pdf].
- Becattini, G. (1989), "Riflessioni sul distretto industriale marshalliano come concetto socio-economico", *Stato e Mercato*, Vol. 25, pp. 111-128.
- Berkes, F., Colding, J., and Folke, C. (eds.) (2003), *Navigating social-ecological systems. Building resilience for complexity and change*, Cambridge, University Press Cambridge.
- Bordandini, P., and Cartocci, R. (2014), "Quante Italie? Il ritorno al tradizionale cleavage tra Nord e Sud del Paese", *Cambio*, Vol. 4 No. 8, pp. 47-65.
- Bottrell, D. (2007), "Resistance, resilience and social identities: reframing 'problem youth' and the problem of schooling", *Journal of Youth Studies*, Vol. 10 No. 5, pp. 597-616.
- Bottrell, D. (2009), "Understanding 'marginal' perspectives towards a social theory of resilience", *Qualitative Social Work*, Vol. 8 No. 3, pp. 321-339.
- Erol Işık, N. (2015), "The role of narrative methods in sociology: stories as powerful tool to understand individual and society", *Sosyoloji Araştırmaları Dergisi/Journal of Sociological Research*, Vol. 18 No. 1, pp. 103-125.
- Hartling, L.M. (2008), "Strengthening resilience in a risky world: it's all about relationships", *Women & Therapy*, No. 31, pp. 51-70.

- Jossa, B. (2010), "Sulla transizione dal capitalismo all'autogestione", *Moneta e Credito*, Vol. 63 No. 250, pp. 119-155.
- Keck, M., and Sakdapolrak, P. (2013), "What is Social Resilience? Lessons Learned and Ways Forward", *Erdkunde*, Vol. 67 No. 1, pp. 5-19.
- Laitin, D. (1995), "Making democracy work: civic traditions in modern Italy by Robert Putnam, *The American Political Science Review*, pp. 168-173.
- Longo, M. (2005), "Sul racconto in sociologia. Letteratura, senso comune, narrazione sociologica", *Foedus*, Vol. 12, pp. 25-46.
- Longo, M. (2015), *Fiction and social reality*, Ashgate, Farnham.
- Mason, J. (2018), *Qualitative Researching*, Sage, London.
- Mattei, U. (2011), *Beni comuni. Un manifesto*, Laterza, Bari.
- Menzani, T. (2015), *Cooperative: persone oltre che imprese. Risultati di ricerca e spunti di riflessione sul movimento cooperativo*, Rubettino, Soveria Mannelli.
- Monni, S., Novelli, G., Pera, L., and Realini, A. (2017), "Workers' Buyout: The Italian experience, 1986-2016", *Entrepreneurship and Sustainability*, Vol. 4 No. 4, pp. 526-539.
- Norris, F. H., Stevens, S. P., Pfefferbaum, B., Wyche, K. F., and Pfefferbaum, R. L. (2008), "Community resilience as a metaphor, theory, set of capacities, and strategy for disaster readiness", *American Journal of Community Psychology*, Vol. 41, pp. 127-150.
- Pasquino, G. (1994), "La politica eclissata dalla tradizione civica", *Polis*, No. 8, pp. 307-313.
- Pateman, C. (1970), *Participation and democratic theory*, Cambridge University Press, Cambridge.
- Putnam, R. D. (1993), *Making democracy work. Civic traditions in modern Italy*, Princeton University Press, Princeton.
- Ruggeri, A. (2014), *Le fabbriche recuperate. Dalla Zanon alla RiMaflow un'esperienza concreta contro la crisi*, Edizioni Alegre, Rome.
- Sacchetto, D., Semenzin, M. (2015), "Workers' cooperatives in Italy. Between solidarity and autocratic centralism", in N. Pun, B. H. Ku, H. Yan and A. Koo (eds.), *Social economy in China and the world*, Routledge, Abingdon-on-Thames, pp. 135-150.
- Tarrow, S. (1996), "Making social science work across space and time: a critical reflection on Robert Putnam's Making democracy work", *The American Political Science Review*, pp. 389-397.
- Tassinari, M., Di Tommaso, M.R., Bonnini, S., and Marozzi, M. (2014), "La Terza Italia di fronte alla Crisi e alla crescita delle nuove potenze manifatturiere. Una metodologia di supporto alle decisioni di politica

- industriale regionale”, *Economia Marche Journal of Applied Economics*, Vol. 33 No. 2, pp. 43-67.
- Trigilia, C. (1999), “Capitale sociale e sviluppo locale”, *Stato e Mercato*, n. 57, pp. 419-439.
- Van Breda, A. (2018), “A critical review of resilience theory and its relevance for social work”, *Social Work*, 54(1), pp. 1-18.
- Vieta, M. (2016), “Workers buyout”, in A. Bernardi, S. Monni (eds.), *Cooperative enterprises: key-words*, Roma Tre University Press, Rome, pp. 23-28.
- Vieta, M., Depedri, S., Carrano, A. (2017), *The Italian Road to Recuperating Enterprises and the Legge Marcora framework. Italy's worker buyouts in time of crisis*, Euricse Research Report n. 15, Trento.
- Vinithagen, S., and Lilja, M. (2007), “Resistance”, in G. L. Anderson, K. G. Herr (eds.), *Encyclopedia of Activism and Social Justice*, Sage, London.