



CREATING VIRTUOUS CIRCLES: WORKER-MANAGED FIRMS
AND LOCAL COMMUNITIES

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Abstract

The purpose of this paper is to investigate recovered factories and the relevance of the relationships they build with their local community and external stakeholders. Compared with traditional firms, recovered factories' survival depends on a series of variables such as the impossibility of resuming production and the risk of being in conflict with the owners of the firm. We will present a case study resulting from fieldwork, and we will observe how recovered factories live and act in their environments. Our finding is twofold: on the one hand, workers choose to open the factory to the local community in order to cooperate in defining their activities; on the other hand, the community itself provides vital support in ensuring the factory's survival.

1. Introduction

The occupation and self-management of factories by workers is not uncommon in history, with examples during the years following the Russian revolution in countries such as Hungary, Germany and Italy, later during the Spanish civil war, and again after 1968 in France, Cuba, Chile and other countries. Workers' self-management has been the object of numerous studies, which focus on specific types of cooperatives and labour-managed firms (Jossa, 2002, 2010; Vanek, 1971; Ward, 1958). While these works are important in the field of cooperatives, we will find that they do not apply to all worker-managed firms. This paper investigates recovered factories, a specific type of worker-managed firms that emerged in the early 2000s across several countries; these factories are recovered by workers (through an occupation process) after being closed down or abandoned by their owners. Recovered factories have only been studied from a sociological perspective, and they are often confused or associated with workers' buy-outs (Tognonato, 2016; Orlando, 2017): they are, however, a different kind of organisation, with specific managerial features.

A key issue for worker-managed firms regards external relationships, especially for what concerns the local (surrounding) community. Indeed, external stakeholders strongly influence the chances of survival of worker-managed firms (Monni et al., 2017; Vieta and Depedri, 2015), whose strategies and activities tend to be shaped by social needs. We know that this is also true for South-American recovered factories, also because of their specific social and political context. With this work, we want to investigate the situation of recovered factories in Europe, where the context is very different from South America in terms of social conditions and political traditions. We will carry out an exploratory study to answer the following research question: "How do European recovered factories shape their relationships with local communities and external stakeholders?"

The paper will be structured as follows. Section 2 will provide a brief theoretical framework regarding worker-managed firms and their peculiarities, while Section 3 will present the specific phenomenon of recovered factories. Section 4 will be dedicated to an exploratory case study analysis regarding a European recovered factory, and Section 5 will discuss findings. Finally, Section 6 concludes the paper and discusses research limitations, policy implications and possible paths for future work.

2. Worker-managed firms: a theoretical framework

Theoretical studies on workers' cooperatives, i.e. firms managed by workers, appeared at the end of the Nineteenth Century, but they did not

have much success, and led some to state that cooperatives did not have any distinctive features with respect to traditional firms, thus studying them was not fruitful (Jossa, 2010). Cooperatives regained fame in the late 1950s, when Ward (1958) declared that there is, indeed, a fundamental difference between them and capitalist firms, and it is found in their purpose: while the latter aim to maximise profits, the former's objective is to maximise the average income received by each worker. Cooperatives, as stressed by Zevi et al. (2011), put people at the centre of their business model, and are based on the idea of mutuality between workers (Monni et al., 2017; Mazzotta and Sicoli, 2013). Jossa (2010) then pointed out that the actual objective of cooperatives is closer to the maximisation of job security for each worker, taking non-monetary aspects into account; according to Dow (2003), maximising each worker's income is an excessively ambitious goal.

An important aspect of cooperatives, identified by Jossa in his extensive work (2002; 2010) and also by Foote Whyte and Blasi (1982) and Fakhfakh et al. (2012), is that workers manage the firm, but they are not in charge of taking the daily decisions. To do so, they hire managers that are responsible for actually managing the firm: the authors claim that this happens because workers would not be capable to face all choices that come with management tasks. Moreover, according to Jossa, cooperatives are hierarchical firms, since all firms are "hierarchical by nature".

Several authors have presented reasons for which worker-managed firms are preferable to capitalist firms (Dow, 2003): among them, we find that they provide greater equality in terms of income and wealth distribution (Miller, 1989; Plant, 1989); they suit the need to organise the firm democratically given its similarity to the state (Pateman, 1970; Dahl, 1985; Walzer, 1983); they have social impacts "in terms of income inequality, public health and employment protection" (Sabatini et al., 2014; Ben-Ner et al., 2011; Erdal, 2012; Pérotin, 2012).

Theorists agree that workers make decisions and govern the firm collectively through assemblies, and each of them has the same amount of power, i.e. one vote. Collective decision-making, along with its possible inefficiencies (Arrow, 1951; Hayek, 1960; Hansmann, 1996; Przeworski, 1998; Blair and Roe, 2010), therefore appears to be a key factor in the governance of cooperatives. According to Kerr and Caimano (2004), democratic practices can be successfully implemented in firms only if they provide a significant contribution to competitive advantage and performance outcomes.

For what concerns income distribution, each worker receives part of the profit, and the exact amount has to be determined before the firm initiates its activities; in some cases, pay is equal for all workers (Foote Whyte and Blasi, 1982).

Cooperatives have positive consequences in terms of interpersonal relationships, because all workers act towards a shared interest and such rela-

tionships prevail over individualism (Jossa, 2010). Sabatini et al. (2014) find that cooperatives positively influence the creation of social trust among workers which, according to the authors, has relevant societal consequences since “the creation and diffusion of trust is connected to the ability of the economy to function properly and to reproduce itself over time”.

3. Going deeper into workers’ management: recovered factories

As mentioned in the Introduction, theories on worker-managed firms mainly focus on traditional cooperatives, leaving out less definite and more recent phenomena, such as recovered factories, which are the object of this paper, and their relationships with the external environment. Consequently, we will briefly define them, retrace their origins and outline their main features.

Recovered factories emerged in Argentina as a consequence of the 2001 default and economic crisis, which marked a turning point in terms of factories involved in the process. The aforementioned label “recovered factories” did not exist before 2001, and it was adopted by workers to stress their need to regain their job, i.e. their source of livelihood (Ruggeri, 2014). A recovered factory is usually defined as a socio-economic process that requires the existence of a previous factory operated under capitalist methods (Ruggeri, 2014), whose failure leads workers to resist in order to resume production. The “process” feature implies a transformative action, which concerns both workers and their environment (Vieta, 2013). Transformations depend on the one hand on relationships between recovered factories and their surrounding community, and on the other hand on external micro and macroeconomic changes and developments (Vieta, 2012). The transformation also concerns the economic approach to the act of working, which tries to answer individuals needs more than market fluctuations (Bentham et al., 2013).

The primary objective of recovering a factory is for workers to keep their jobs. Tognonato (2015) lists three criteria that identify recovered factories: first of all, democratisation of working time, which means that salary is proportional to worked hours; secondly, the factory is managed in a “political” way, with assemblies; finally, economic changes that are generated by the activities of the factory. Usually, the recovery process comprises three stages: factory occupation by workers, resistance against previous owners and legal repression, and finally production. They require hierarchies to be dissolved and decisions to be made collectively by an assembly of workers where all have equal power. Throughout the process, support from the local community is extremely important: for example, locals can support workers in resistance activities (either morally or by providing them with

food or supplies), and they can become customers of the factory, economically supporting its production.

It is also relevant to mention that recovered factories are not the same as workers' buy-outs (WBOs), i.e. when employees choose to invest in buying their company's stock (Sattin and Pancamo, 2005; Cataudella, 2006). WBOs can be defined as "a business restructuring or reconversion where employees buy the majority share of the whole firm, a division or a subsidiary" (Monni et al., 2017).

WBOs usually concern specific branches of the company and imply an agreement between workers and owners; they can be carried out either by forming a cooperative or by allowing employees to participate in stock ownership.

The central difference between the two phenomena is the presence (or absence) of conflict between workers and owners. In the case of a WBO, the operation is planned in agreement by workers and owners of the branch (we speak of negotiated WBOs, which also have a clear legal framework as reference – Monni et al., 2017), while in the case of a recovered factory there is strong conflict between the two sides. Moreover, as stressed by Monni et al. (2017), recovered factories are different from WBOs because workers replace the owners of the firm by occupying company space.

However, it is also possible to highlight similarities between recovered factories and WBOs. First, both of them are influenced by a series of factors, such as the local economic situation, the presence of a strong cooperative movement and the possibility to receive financial and legal support by the public administration (Monni et al., 2017; Borzaga, 2015). Secondly, both benefit from the support by social movements and local communities, backing workers to ensure their success (Monni et al., 2017). In fact, as we mentioned above, external solidarity and support are key factors that have positive influence on both WBOs and recovered factories. Strong ties with the local community, as well as social relations (Vieta and Depedri, 2015), are paramount, and indicate that "workers' cooperatives [...] save not only jobs, [...], but they safeguard workers' productive capacity strengthening the economy of different territories and creating social capital" (Monni et al., 2017).

4. Case study: methodology and data

The exploratory case study concerns a recovered factory located in Italy, which will be referred to as "Cooperative X" (from now on, CX) for anonymity.

For what concerns the history of the factory, data was collected in late 2017 and early 2018 from online and offline documents released by the fac-

tory (around 40 announcements on website, social networks and leaflets) and then confirmed in two face-to-face interviews with workers (members of the coordinating board), each semi-structured (with a set of questions that opened the path for further discussion) and lasting around two hours, and in informal conversations with other workers; interviews were recorded and translated in English. Direct quoting will be used when necessary. Data was then analysed on the basis of the literature regarding cooperatives, for what concerns governance mechanisms and relationships with the local community. Sections 4.1 and 4.2 explain the history of CX and how it is currently organised: we believe that these aspects are necessary to understand the findings presented in Section 4.3 regarding the relationship with the external environment, since they define the organisational culture of CX and influence how it interacts with the outside world.

CX was chosen as the object of the case study for several reasons. First, most existing literature focuses on recovered factories in Argentina, but the phenomenon is growing in Europe as well, thus there is a gap in the literature regarding European recovered factories. Secondly, CX is one of the most relevant recovered factories in Europe, and can thus be seen as a best practice in its field. Moreover, its location in Italy made it easier to access data, visit the plant and conduct interviews with workers.

4.1. The recovery process: a brief history

The original firm was founded in the '70s and was a supplier of automotive products; ownership changed several times and in the early 2000s the firm had become multinational, operating in 23 countries and employing 320 workers. Despite its growth process, it was found unable to pay its obligations in 2009 due to debt deriving from unsound financial and managerial operations. As a consequence, the firm entered the insolvency procedure known as *Amministrazione straordinaria* which caused it to lose most of its clients' trust and orders. In 2010, the factory was bought by an entrepreneur who only hired 80 out of the 320 employed workers. The remaining 240 continued to receive redundancy pay (*cassa integrazione*) and to fight to regain orders from clients, so that the company would be able to hire them again. At the same time, they started looking into the possibility of constituting a cooperative that would be working in the field of recycling, and obtained support from employment centres and from the Regional Administration. Despite their efforts, however, the new owner was not able to resurrect the company, and closed the plant at the end of 2012.

Following the abandonment by the owner, workers decided to occupy the factory in January 2013. The grounds are owned by a branch of an Italian bank, entailing a legal dispute regarding ownership and responsibility for the area between the bank and the lessee of the physical space where

the factory is. However, public opinion was (and still is) strongly in favour of the workers' cooperative, and many citizens joined demonstrations to support them in carrying on with their activities.

During the factory occupation, 15 workers created an association with the objective of

“creating job opportunities for its members. Given the political climate at the time and the progressive removal of workers' rights from the legislation, we decided it would be better to experiment with self-management than to hop from one precarious job to the other”.

They felt that owners were not really committed to protecting their jobs, thus they decided to self-organise.

Workers received unemployment benefits from the government and financial support from the association, depending on its revenues (usually, around 200€ per worker). The association mainly operated in moving and transportation services, using trucks and warehouses belonging to the factory. A few months later, in March 2013, workers were finally able to found a cooperative (CX) to carry out recycling and repurposing activities; this cooperative is the object of our case study. They declare that this step did not require them to make any personal financial investments (such as their severance pay or personal resources), as their only commitment has been in terms of time and labour dedicated to the cause. This aspect indicates that CX is very different from a workers' buy-out, which requires workers to invest resources (usually severance pay) to buy the firm from its owners. Moreover, as pointed out by the coordinator¹, the path of CX toward self-management was traced in opposition against the factory owner: *“if we want to speak about buying the factory from the owners, we can say that the currency we used was conflict”*. Another member of the coordinating board defines it *“conflictual self-management”*, which is the opposite of a negotiated and regulated (by law) transaction such as a workers' buy-out which, as previously mentioned (Monni et al., 2017; Cataudella, 2016; Sattin and Pancamo, 2015), requires an agreement between owners and workers for the transaction to happen.

Not all members of CX had previous experiences with political activism, and they had varying political stances.

Indeed, *“workers represent a heterogeneous portion of society, and replicate social dynamics regarding gender issues, racism and hierarchy: the difference is that we put these issues into context and perspective, without denying them, in order to overcome them”*.

¹The coordinator is the president of the board of directors of CX, which is legally organised as a cooperative and thus needs to have a BoD. However, all members of the BoD, including the coordinator, do not have more decision-making power than other workers and do not describe themselves as “directors”.

Today, both the association and CX exist. CX hires worker-members with a 4-hour part-time contract; their monthly income is then supplemented by the association to help them overcome the poverty line (800€/month). The association has around 350 members, while CX now has 17 worker-members.

4.2 *The factory today: activities and organisation*

The objective of CX is the “*democratisation of factory management, as well as the creation of new work opportunities*” (in line with findings on recovered factories by Tognonato, 2015). Self-management is both a process toward democracy in decisional processes (Vieta, 2013), and the action of answering immediate needs, such as receiving a salary (i.e. mutuality, Mazzotta and Sicoli, 2013): when answering these needs, workers also try to change the system by building an effective alternative, which is built from the bottom up, not imposed by managers or owners.

The last owner of the company removed all machines from the plant, so workers were left with four empty warehouses, various offices, but nothing that could help them resume production as they knew it. Thus, they decided to use the space for other activities, that were designed together with the local community².

The most relevant are cultural events, the creation of a space where local artisans can work paying reduced rent fees, storage of goods and vehicles for migrants and local citizens. The partnership with artisans is especially important in CX’s relationship with the external environment, as many hosted artisans were previously unemployed or struggling financially, and CX allowed them to resume their business without charging them for rent and utilities, only doing so once they can afford it (usually one year after they enter the project). The objective is not to make a profit off their activity, but to create a community of workers without exploitation (again, mutuality – Mazzotta and Sicoli, 2013). This mindset allowed CX to attract many different people, and it now engages in a much broader range of activities than the original firm did.

According to the coordinator,

“membership in the cooperative is open, in fact we would like to increase its size. However, to become a member it is important to have a clear project of what to do within the cooperative. It is also important that, when a new worker wants to become a member, the cooperative has enough income to hire him. Our community is open, but even if you are only a member of the association, you can speak in the assembly as much as the cooperative members”.

²Some months after concluding the fieldwork, we learnt that workers were able to move to another location in the same area, hoping to curb legal disputes and to avoid eviction. This, however, does not influence the activities carried out by CX nor our findings.

This passage is key to understand the new approach and perspective that define CX's existence. Although there is a clear demarcation between who is in and who is not (members of the cooperative vs. non-members), the boundary is not fixed and current members are willing to welcome newcomers, with the idea that the factory belongs to all those who want to be part of it, and more in general to the local community.

For what concerns governance and organisational aspects, the legal form of CX is the cooperative, thus it is required by law to have a board of directors, although its members prefer to call it "coordinating board" to highlight that its main task is to coordinate the factory's activities and its members do not have a special status with respect to others. The organisation is not hierarchical: this indicates a key difference from theory on cooperatives (Jossa, 2010) and a closer similarity with workers' councils (Gramsci, 1921).

"Every working group tends to self-manage its activities: our task is to ensure that they all are consistent with the cooperative's objectives and principles; we also pay attention to efficiency and productivity, since we have to earn an income at the end of the month: this is a highly debated topic in assemblies".

The coordinating board has three members, who are elected and can be removed by the assembly; one of them is the general coordinator. The factory's governance is in the hands of the assembly, where all decisions are made (in line with the theoretical framework on cooperatives).

"Not having a managerial figure in the cooperative means that assemblies are very intense, and we discuss numerous topics ranging from managing our activities to reminding someone that they need to pick up their tab at lunch".

During the first stages of the occupation process, assemblies were held once a week; today, assemblies are monthly and the working groups meet to tackle specific issues. All members of the association (not only of the cooperative) can take part in the assembly: in fact, *"participation is very important for the collective as everyone's input is needed"*. Participation of the cooperative's worker-members is always very high. Monthly assemblies are in charge of discussing short to medium term contingencies, and the *"management of the daily activities and occurrences"*; long-term strategic planning is carried out in an assembly at the beginning of each year, *"where we present the balance sheet of the previous year and provide guidelines for the incoming year"*.

CX has not hired professional managers to run the factory (unlike what emerges from theory, according to which cooperatives are run by managers elected by workers – Jossa, 2010; Foote Whyte and Blasi (1982); Fakhfakh et al. (2012)). In fact, the coordinator says that a manager would have been necessary, especially in the early stages, to help organise activities (in line with literature regarding the complexity of collective decision-making - Arrow, 1951; Hayek, 1960; Przeworski, 1998); however, CX does not have enough funds to hire one.

“As far as I’m concerned, we needed a manager at the start of the experience: everyone would come to the assembly and bring their issues, and sometimes hard confrontation ensued. I suggested hiring someone that could optimise our activities and help us grow. However, no manager would ever come to work here, and we do not have funds to pay one. We all earn the same salary, and a professional manager would have asked for a higher pay, but this is against our principle that we are all equal”.

Members of the coordinating board have a role that can be associated to a manager’s, and they oversee all activities; they do not, however, impose decisions on other workers, in fact members of each working group tend to manage their activities and projects autonomously.

Workers are trying to find a discipline in self-management, regarding rules to be followed, how to enforce them and sanction misbehaviours, for example in case of theft of materials from the factory.

“These behaviours sometimes happen because it is very difficult to find work outside, so some people come to work here rather than be unemployed, but they may not really be motivated to take part in self-management”.

4.3. Relationships with the external environment

For what concerns the relationship with the local community, it is extremely important for CX, and according to workers *“the community enters inside the factory”*, providing it with moral and economic support. *“Local residents come here to buy food and furniture and to store their vehicles”.*

The vehicle storage activity was especially interesting, as it does not seem aligned with the ecological and recycling concerns of CX: it was suggested by the local community, and CX accepted. This represents a way to increase revenues and to strengthen ties with those living in the area; it also highlights workers’ description of the factory as commons, pertaining to the community as a whole. CX, on its end, offers several services to the territory, such as the maintenance of children’s playgrounds in schools and public parks: *“we recovered around 40 computers, installed Linux on them and donated them to an elementary school in the area”.*

Moreover, the external environment is seen as a source of new contacts and resources for the cooperative:

“Social relationships allowed us to carry on with our project: at first we were a handful of workers and we did not know how to do certain things. The local community helped us with that. For example, Libera³ sided with us in a battle on the legality of our activity, claiming that legality also includes social justice”.

³ Libera is an Italian association fighting against all mafias.

When directly asked how they value their relationship with the environment, workers answered: *“our approach is to cooperate with the local community, not to “create value for the territory” as a social enterprise would do”*.

“Recovering a factory is about work and participation, and relating to the community around it”. It is not the factory that gives something to the community in a paternalistic and unidirectional way: the community has to enter the factory and help shape its activities in a collaborative perspective, creating value together.

“We want to overturn the traditional relationship where the firm destines only a residual portion of its resources to environmental and social concerns. Instead of producing profits, we want to establish a democratic debate with all stakeholders at the stage of planning the activities to carry out”.

“It is important to find a balance between those who carry out a production activity and those who live in the area and thus sustain the social and environmental impact of that activity”.

CX workers' ideas are very clear, in fact this aspect is among those they stressed the most during the interviews: for them, the factory is not a closed space from which the community is excluded. On the contrary, it is an inclusive area where locals are encouraged to participate and make contributions, with the objective of cooperating with workers in creating social value.

5. Discussion and analysis

The interviews indicate a striking difference with capitalist firms in the definition of relationships with the external world. Traditionally, there has been an evolving pattern where the firm has learnt how and why to include social and environmental concerns in its strategies, but the decision regarding what to do, and how to do it, is always reserved to its management or shareholders. The communities that will be impacted by the firm's green or social strategies do not have any voice in determining them; it tends to always be the firm “doing something for” the environment or the local community. The workers at CX, on the other hand, are convinced that this relationship needs to be overturned and that the local community has to actively come into the space of the factory to contribute to determine its activities (in line with the idea of a transformative process found in Vieta, 2013).

CX is seen as an asset belonging not only to worker-members, but to the community as a whole. With the occupation, recovery and self-management processes, workers have reclaimed the factory and now manage it collectively; they are willing to introduce new activities that are required by the community, such as vehicle storage. With the recovery process, the factory is returned to the workers and to the community, and it is rebuilt by all of them together.

The consideration of the factory as a shared asset and space is very strong among both workers and locals, and it appears to result from two main variables. The first is the conflictual history that defined its last decade, with workers opposing owners with the goal of protecting their jobs and consequently occupying the plant: this, in turn, required them to organise to legitimate their position. Although this was the starting point, it would not have been sufficient alone: we believe that the political stance of several workers allowed to drive the occupation and resistance process in a direction that enhanced collective well-being and solidarity. At the same time, workers' openness toward the local community has contributed to the normalisation of the idea that CX is a space belonging to everyone, and that its existence benefits not only workers but also the local community (in line with trust and social capital creation, Sabatini et al., 2014). Workers, for example, make sure that no environmental hazard originates from the factory (as this happened often with abandoned plants in the area), they support and assist locals as much as they can, and open the factory to anyone who wants to cooperate with them, and they also organise cultural events.

We can say that this type of relationship with the local community creates an additional layer of informal governance besides the formal one (i.e. workers' assemblies), where the local community contributes to shaping the factory's activities. The fact that CX is an asset "belonging" to more people than just its members means that these people have the chance to make suggestions and requests, "coming into the factory" and informally influencing factory management and the activities that are carried out. The idea driving workers is that CX exists to create social value together with the local community, in a bidirectional way (as in Monni et al., 2017). The relationship between workers and their environment tends toward equality: all actors are important in the definition of what the factory will become and what it will do, and value is created collectively. CX is the space, both physical and ideal, where all these different instances meet. Moreover, the external environment is important in supporting CX when it is attacked by the owners of the ground where it is located: recently, the owner tried to evict CX, but locals showed up along with workers and numerous associations, and they succeeded in avoiding eviction. This finding resonates with the literature on cooperatives and workers' buy-out (Sabatini et al., 2014; Vieta, 2013; Monni et al., 2017; Vieta and Depedri, 2015): external support, however, is even more important for recovered firms, since they are born out of conflictual dynamics and thus need to be understood and accepted by the territory. The collaborative attitude of CX led it to gain legitimacy in citizens' eyes, and to create a bond with them.

6. Conclusions

This paper aimed at understanding the nature of the relationship between the cooperative and the local community. The CX collective treat the factory as a shared asset belonging to the whole community and not just to the workers. Indeed, cooperation between CX and local citizens is vital for the factory, because its survival depends on the legitimation and support, also in financial terms, that it receives from the local community. A virtuous circle is created between the factory, the local community and the territory, with each player being able to positively influence others. In fact, this explorative finding regarding virtuous circles may be the object of further research regarding recovered factories and social capital, as specified below.

Workers encourage the local community to “step inside” the factory and collaborating with them in deciding what to do and in creating social, collective value. Governance processes and the relationships with the external environment are strongly linked; the survival of the factory requires a shared and collective effort by all stakeholders.

In this case, the adoption of a collaborative perspective and the synergic management of the factory by the cooperative and the community has positive effects for both actors involved. Moreover, although local administrations have not always been favourable to CX, both local and national players in the public education system (local schools and universities across the country) have expressed interest and solidarity toward CX: the relationship with universities could prove especially beneficial in terms of knowledge transfer.

Findings on recovered factories have interesting potential in terms of policy implications: it may be possible to measure the social and economic impact of recovering a factory and of its subsequent relationship with the local community. Then, faced with the emergence of positive impacts, the public administration might take a mediation role between failing companies (and their owners) and their employees in order to encourage the transition to self-management, when possible.

For what concerns research limitations, it is difficult to generalise individual experiences such as the one at CX, especially in the case of recovered factories, as each has its own path and evolution, which also strongly depends on the relationships it is able to create with its surroundings. What can be generalised, to a certain extent, is the approach of self-management and the consideration of the factory (i.e. a traditionally private entity) as a shared asset pertaining not only to its owners but also to society as a whole. In terms of research findings, we do not believe that respondents were subject to a strong bias regarding social desirability, also because the information they provided (e.g. regarding occupying the factory) is not considered

universally “positive”, as some people would disagree with their methods and ideas. Moreover, the interview structure was open enough that respondents were able to answer freely without being led in a specific direction by us as interviewers. On the other hand, next steps in our research should take into account the perspective of the local community and institutions, so that all relevant stakeholders are active parties in the case study.

Finally, future research could investigate two main aspects. First, it could build on findings by Sabatini et al. (2014) regarding the role of cooperatives in building social trust and accumulating social capital: while the authors’ findings concern relationships among workers. It may be interesting to investigate how recovered factories contribute to creating social capital within local communities. Secondly, future research could explore how recovered factories exist in market economies. The issue was actually raised by workers in their interviews, although it is beyond the scope of this paper: their approach to efficiency and productivity is not to refute these concepts as profit-oriented, but to apply them to improving their quality of life and well-being. Thus, further analyses could focus on how productivity and economic efficiency are tackled when dealing with this type of factories, and on the sustainability of this approach. Another interesting aspect that could be studied next is the co-evolution of legal and illegal practices, and the influence that public opinion has on them. So far, workers at CX have managed to carry on with their activities, despite eviction threats and legal pressures, thanks to the support of their local community and national associations. Could this influence end up creating a *de-facto* legitimacy for them?

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