

# DIGITALES ARCHIV

ZBW – Leibniz-Informationszentrum Wirtschaft  
*ZBW – Leibniz Information Centre for Economics*

Nagao Menezes, Daniel Francisco

## Book

### Self-management report in Brazil - technical concepts and challenges

#### Provided in Cooperation with:

International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC), Liège

*Reference:* Nagao Menezes, Daniel Francisco (2019). Self-management report in Brazil - technical concepts and challenges. Liège (Belgium) : CIRIEC International, Université de Liège.

This Version is available at:

<http://hdl.handle.net/11159/3504>

#### Kontakt/Contact

ZBW – Leibniz-Informationszentrum Wirtschaft/Leibniz Information Centre for Economics  
Düsternbrooker Weg 120  
24105 Kiel (Germany)  
E-Mail: [rights\[at\]zbw.eu](mailto:rights[at]zbw.eu)  
<https://www.zbw.eu/econis-archiv/>

#### Standard-Nutzungsbedingungen:

Dieses Dokument darf zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden. Sie dürfen dieses Dokument nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen. Sofern für das Dokument eine Open-Content-Lizenz verwendet wurde, so gelten abweichend von diesen Nutzungsbedingungen die in der Lizenz gewährten Nutzungsrechte.  
<https://zbw.eu/econis-archiv/termsfuse>

#### Terms of use:

*This document may be saved and copied for your personal and scholarly purposes. You are not to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public. If the document is made available under a Creative Commons Licence you may exercise further usage rights as specified in the licence.*



# Working Paper

## **Self-Management Report in Brazil - Technical Concepts and Challenges**

Daniel Francisco NAGAO MENEZES

**CIRIEC No. 2019/19**

CIRIEC activities, publications and researches  
are realised with the support of

Les activités, publications et recherches du CIRIEC  
sont réalisées avec le soutien de



## **Self-Management Report in Brazil - Technical Concepts and Challenges\***

Daniel Francisco Nagao Menezes\*\*

Paper presented at the 7<sup>th</sup> CIRIEC International Research Conference on Social Economy "Social and Solidarity Economy: Moving Towards a New Economic System", Bucharest (Romania), 6-9 June 2019.

**Working paper CIRIEC No. 2019/19**

---

\* Article deriving from the Research Project (Re) constructing the Latin American Cooperative Law - Creating a theoretical and institutional matrix for Latin America (Process 402885 / 2018-0), supported and financed by CNPQ.

\*\* Graduated in Law from the Catholic University of Campinas, specialization in Constitutional Law and Civil Procedural Law both from PUC-Campinas, Specialization in Curriculum and Teaching Practice in Higher Education from the University Center Padre Anchieta, Master and Doctor of Political and Economic Law University Presbyterian Mackenzie. Post-Doctor in Law from the University of São Paulo. Professor of the Post-Graduate Program in Political and Economic Law, Faculty of Law, Universidade Presbiteriana Mackenzie. Member of CIRIEC-Brasil (Email: [nagao.menezes@gmail.com](mailto:nagao.menezes@gmail.com)).

## ***Abstract***

The present text seeks to inform about the current situation of productive enterprises organized on the general principles of self - management in Brazil. Data were collected on various aspects of self-management, such as the concept of self-management in Brazil, number of enterprises, technical problems such as technological lag, internal relations in self-management ventures, networking, problems arising from lack of a specific legislation for these enterprises, the technical capacity of these enterprises to produce and commercialize in an efficient way, and, in the end, a critical assessment of self-management in Brazil. The main methodology used was the bibliographic review.

**Keywords:** Self-Management; Companies Recovered by Workers; Solidarity Economy

**JEL Code:** J54

## 1. Introduction

Self-management is a concept that arises in Europe within a proposal of rationalization of society. The Utopian Socialists, or more central authors such as Thomas More, proposed the division of society into communities, rationally divided and organized economically based on the collective ownership of goods. Self-management defends the direct participation of all those involved in production, since it is based on the existence of a collective capital, belonging to the community.

Being transported to Brazil, and also to other countries of Latin America, self-management ceases to possess an utopian nature, of organization of the ideal society and it becomes a strategy, a movement, contrary to the crises of capitalism. It is an alternative of survival to the capitalist system installed in a region of strong social inequalities. This fact makes self-management not an end in itself, as defended in its European origin, but a political and economic movement of inclusion and resistance.

It is emphasized that, in practical terms, the percussionist experiences of self-management in Brazil are still emerging in the 19th century. The first is called Falansterio del Saí, installed in the north of the state (province) of Santa Catarina, in the midst of the worldwide effervescence of practices systematized by utopian socialists. The second experience occurs in the south of the state of Paraná, Colonia Cecilia, which arose after the deflagration of the Paris Commune of 1872, in the heat of discussions between anarchism and scientific socialism.

In the 1990s and the beginning of the first decade of the 21st century, there was an expressive set of ventures using the concept of self-management, to deal with the deleterious effects of one of the recurrent crises of capitalism in our country. The vast majority of these ventures took the form of production cooperatives and, in some cases, despite constituting themselves as capital companies, the notion (or logic) of self-management was preserved. Most of these experiences occurred as an attempt to recover the economic activity of enterprises that were in (pre) bankruptcy. It is also possible to count an expressive number of cases in which the enterprises were organized from a mass of working population, which was unemployed due to the occurrence of industrial migration of companies of a certain sector.

At the moment the emergence is observed, in diverse countries, mainly of Latin America, of factories, companies and other productive enterprises controlled by workers in the self-managed form. This seems to converge with the ideas of Guimarães et al. (2002) researching on self-managed productive ventures in

the State of Santa Catarina, that, in practice, they are experiences with self-managed characteristics and are part of a set of management alternatives to capitalist heterogeneity, sustained in the following anti-capitalist actions: distribution of power among all the participants; no division of labor between who operates and who executes; absence of subordination relationship; Total or partial control of the work process by the workers.

In the analysis of 19 self-management experiences, the authors show that the organization of work in these experiments undergoes significant changes, among which the disappearance of traditional hierarchies, bureaucracy and the Taylorist organization of work stand out. They emphasize, also, that the concept of self-management found in the literature is controversial and diversified, therefore they characterize it as a specific and manifest form of the class struggle, at the same time characteristic and overcoming of the social order in its existence and developing.

For the delimitation of the research universe, it is essential to construct criteria for the definition of the concepts "recovery" and "self-management". The conceptual debate was based on the specific cases that the author visited and, as far as the self-management processes are concerned, it is concluded that it would not be possible to identify criteria to verify the existence and effectiveness of collective management. However, we felt the need to establish criteria and indicators that provide us with clues about the real exercise of the power of decision of the associated workers.

We believe that the research carried out has the potential to expose the current picture of the experiences of ERTs (Companies Recovered by Workers) in Brazil, which, in our view, mean an important strategy of struggle of the working class for the control of the means of production. With this panorama, we hope to offer elements that contribute to the strengthening of the existing cases of ERTs in Brazil and in other countries, besides generating knowledge for cases that, we hope, may arise in the future.

However, in the case of a technical report on the situation of self-management in Brazil, the theoretical divergences will not be discussed, opting for the presentation of data on self-management in Brazil with the inclusion of critical comments at the end.

## **2. General data**

Based on the study of the Federal University of Rio de Janeiro, it was possible to identify the existence of 67 ERTs in Brazil, with 11,704 workers. Among the sectors, the most frequent, with practically half of the cases (45%), is the branch of metallurgy, with thirty companies; secondly, there is the textile branch, comprising eleven companies (16%). Next, there are nine companies in the food industry (13%) and seven that operate in the chemical and plastic industries (10%). Finally, the other companies are distributed in a greater diversity of activity branches, including: hotels, sugarcane, education, ceramics, paper, footwear, mining and furniture.

In each region of the country, we observe that most of the ERTs are concentrated intensively in the Southeast (55%) and the South (32%) regions, which are more industrialized. The other regions feature less cases: Northeast (10%) and North (3%). In the Midwest, there were no registered cases.

Regarding the legal situation of the physical space (50 answers), 44% rent the property for production, 36% managed to buy it (from the former owner or from third parties) and 14% occupy the space (with judicial authorization or as measure of strength). There are also cases in which there is a third party concession for the maintenance of the activity of the ERT.

Regarding the ownership of the machinery, 66.6% of the ERTs acquired the production tool, while 19.6% still rent it. There is also a plot that uses the machinery by judicial authorization (11.7%) and by third party concession (13.7%). The majority of the cases studied (46%) refer to companies that have bankruptcy recognition, while 24% of the companies face a judicial process in transit (until the moment of the interview).

In 26% of the cases, there was no request for bankruptcy, either because only part of the factory park was deactivated, either because the former owners decided to close the activities. In just two cases (4%), the companies came to enter into a concordat and, consequently, the workers prevented them from heading towards bankruptcy.

## **3. Technological lag of self-management ventures**

The technological gap is a recurrent problem in practically all the undertakings of the genre. In those arising from fallible processes, it is expected that it will be for several reasons. If the original companies are failing, it is very likely that

their production pattern is far below what would be economically and socially necessary, in the classical sense of the term, that is, that they are not managing to sustain competition in the target markets of their products.

For starters, if a company goes into a failed process due to disinterest or bad faith of the former owners, that means, very likely, that for a long time no investments were made to update the technology used. In case of no disinterest nor bad faith, if the company is failing, it can be assumed, of course, that another possible immediate reason for its poor economic / business performance is a deficiency of the production pattern in relation to prevailing practices in the market: the technological gap does not allow it to sustain competition.

The expansion of the assets of the company resulting from the negotiations with the creditors and the successive actions of seizure of goods and equipment (in general, the best and most valued), is another element that contributes to the precariousness of the technical conditions failed ventures. Obviously, all this implies, in the same way, technological deficiencies in the context of the resumption of production, generating a kind of "decelerating-downsizing" effect.

Let's escape now from the harsh vision of technology, which understands it as a strictly hard, material thing. Also in the context of what we call technologies of social organization of production (Tosp) we verify that the enterprises of workers willing to recover or operate their economic activity through the practice of self-management initially face, in a generalized manner, considerable difficulties. The bureaucratic inefficiency, previously present, aggravated by ignorance regarding the adequate administrative procedures in regard to the organization and administration of production, can also be considered as a component of the technological hiatus that such enterprises face.

This gap must be reduced, so that such ventures can at least survive in the context of a regular and unprotected participation in the market.

There is also ignorance about the procedures of the regular operation of a capitalist enterprise, both in its internal administrative sphere and in its relations with other market agents (clients, suppliers, financing institutions, tax collection system, etc.). This is because workers who join cooperatives are largely from the factory floor, and many of them with little qualification even in their profession, because when the failed company ceases its activities, many of the most qualified are not interested in joining the cooperative, because they have greater possibilities of obtaining another position in more successful

companies that are regionally close. Of course, this basic disqualification of those who remain hinders their ability to participate in professional entrepreneurship activities, and they may not even be interested in participating in the overall management or operation of the company.

It was observed that a large part of the ERTs operates between the levels of 50% to 70% of production in terms of installed capacity. The companies that claim to work with the percentage of capacity between 10% and 40% report that the operation in that strip is due to the existence of several stopped machines, with a rather high maintenance cost. A company in crisis operates below 10% and is also going through problems with production costs, in addition to being devoid of working capital and market capital.

The main issues related to low productivity are: difficulty of inserting the product into the market (21%), lack of working capital / credit (16%), lack of demand for the product (13%), lack of raw material (8%) and specialized workers (7%), among others (26%) that include seasonality, problems of product quality, sector crisis and planning.

#### **4. Internal relations**

According to the data analysis of the Universidade Federal do Rio de Janeiro (UFRJ) in the ERTs studied, 28 have between zero and fifty workers. 12 cases have between fifty and one hundred, 22 cases, between one hundred and five hundred and 4 ERTs have more than five hundred. Within the framework of the Instituto Brasileiro de Geografia e Estatística (IBGE) definition for the industrial sector (predominant among the ERTs), 60.6% of the universe consists of small companies (up to 99 workers), 33.3% of medium companies (one hundred to 499 workers) and only 6.1% of large companies (more than five hundred workers). There are 16 cases of ERT companies that have more contractors (The average salary is R\$1,000.00 for the simplest functions, up to R\$ 5,000.00 for control functions in successful projects<sup>1</sup>) than partners. In 39 cases, the number of contracted does not exceed 10. In 19 companies, all workers are partners or have the same power in the company.

The study found that 52% of respondents share the idea that the role of supervisors / coordinators refers to orientation, as well as to the coordination and organization of work and interpersonal relationships. However, 32% responded that the role should continue to be supervision and control of production (seeking to ensure the quality of the production process, planning

---

<sup>1</sup> 1 Euro equals 5 reais.

and the goal of responsible sector). It is observed that the criteria adopted by the companies to choose the supervisors/coordinators are diverse. Among the options, they highlight technical knowledge and/or experience (method cited in 22 companies), which shows the predominance of the adoption of criteria of merit in the choice of the worker to occupy the position of supervisor / coordinator.

The general meeting (AG) is the highest decision instance of the ERT. Virtually all the companies surveyed claim to carry out AGs, with only two exceptions: a company that says there is no need for assemblies, as members talk daily and decide things on a day-to-day basis; and another that is a cooperative of the second degree, in which the AG occur in their affiliated cooperatives.

All the cooperators participate in the AGs and, in some cases, also the non-cooperative workers. In our research, we dealt with AGs and those other general meetings not also registered as AGs, since our interest was to investigate the spaces for debates and extended decisions, regardless of the level of formality. With respect to these meetings, two aspects were investigated: the frequency of its realization and the decisions taken in that space.

The frequency of realization of these meetings varies a lot, without presenting a predominant tendency: 30% of the ERTs perform AGs once a month or more; 28%, less than once a month and more than once a year; 28%, annually; and only 6% did not respond. A priori, we believe that holding assemblies more frequently (at least one per month) can be an indicator that, in these companies, there are more advanced self-management processes, since the information and decisions would be shared more frequently among the collective of workers.

However, it would be necessary to carry out a deeper study to confirm this hypothesis. With few variations among the cases studied, the Board (CA) of the ERTs, in general, is composed of a president, a vice, a secretary and a treasurer. Regarding the mandate period, we observe that in 92% of the companies (47 ERTs) investigated, it is two and four years, with a higher incidence of three years (43%, 22 ERTs). There is a case in which there is no defined term period. In most of the companies surveyed (80%, 41 ERTs), the Board members hold their positions for more than one term.

We observed that, in general, there was little change in the direction of the companies recovered, which is not necessarily due to the desire of their leaders to perpetuate themselves in power, but to the resistance of other workers to assume the management positions. This was often told.

The working day in the companies surveyed is almost always (in 85% of the cases, 28 ERTs) 8 hours/day or 44 hours/week, or something very close. That is, the day stipulated by the CLT (Consolidação das Leis Trabalhistas – Labor Code) is followed. But in some companies, it was found that, sometimes, there is a need to perform overtime to meet the demands of production.

The companies that involve rural work have particularities in that point, because the rural worker has autonomy to define his schedule and, in general, receives according to the production. A company in the service sector also has a particularity, since workers receive according to the hours worked. In most companies (34 ERTs, 67%), all workers work the same number of hours per day.

As reported in the Argentine case of ERTs, investigated by Ruggeri et al. (2011), there seems to be a myth about what would be the self-exploitation of ERT workers. Even knowing that the answer to a questionnaire imposes its limits, our experience and observation of the ERTs confirm the presented data.

Even when there is an extension of the working day, it is undeniable that the pace is different, once it is defined by the workers themselves. Regarding remuneration, 49 companies (96%) reported differentiated remuneration among workers. The main justification of the interviewees for the inequality of remuneration is the differentiation by function. It is stated that, because there are different levels of responsibility, qualification levels or simply because the work is different in the different functions, the company establishes categories based on the functions for the remuneration of its workers. Only one company reported having equal remuneration for all workers - a small company that, at the time of the interview, had only seven workers producing.

It is added that the average of the difference between the minimum and the maximum wage is 4.76. Therefore, it is observed that, although there are different remuneration for the different categories of workers, this difference does not go beyond 5 to 1 in most cases (66%) and rarely represents a ratio from 10 to 1. The question of the remuneration is one of the points in which the Brazilian cases of ERTs mostly differ from the Argentine cases. Ruggeri et al. (2011), as an example of other studies (Rebón, 2007, Ruggeri, 2009), identified that more than 50% of the 205 Argentine ERTs practice equal remuneration.

On the other hand, the difficulties also refer to issues related to the search for the paths of solidarity and self-management, highlighting those elements-such as relationships of trust that can add a positive differential in the new logic of professional functioning of the entrepreneurship. The first, most general and greatest of all, is what the worker has to understand the new situation and also needs to feel like the owner of the new cooperative venture.

The common impulse of the recently cooperated worker is to wish to take the salary at the end of the work week and go to rest leaving behind the problems of his daily factory. It is known, however, that this cannot be the case; the remuneration, in that case, is not properly a salary. It is not enough to go home and be separated from what happens at work, if the enterprise is now yours too. Although the fundamental economic reference is still the market, since the social realization of the products of these enterprises continues to be made through the market, the nature of the enterprise changes, at least qualitatively.

All these elements show that, as already mentioned, the pattern of social production of the new enterprise, which tries to resume its activities under new production relations, is generally below the economically and socially necessary, that is, below the capable patterns to sustain competition, at least in relation to the market segment in which it previously operated.

In order to better understand the set of issues at stake, it may be advisable to broaden the focus of the analysis beyond the socially necessary *stricto sensu* work, or even the production activity as a whole. In this type of enterprise, as a consequence of its nature, there often is an initial shortcoming in the set of elements necessary for the entrepreneur to operate in the market. Further, other elements are needed to produce surpluses: notably those related to the sphere of distribution and circulation of products, such as credit, accounting, market knowledge and access to it, etc.

The articulated functioning of this set can be called a pattern of business performance, which depends on the management capacity of the enterprise as a whole. We argue here that those elements that constitute the management capacity are also out of step with the current practices of the economy where the self-managed undertakings, typical of our sample, operate.

In the Universidade Federal do Rio de Janeiro (UFRJ) survey, of the 21 companies that answered questions about the profile of their workers, we identified that women make up 23% and men, 77%, being 67% constituted by partners of the enterprises and the 37% by contracted workers. Regarding age, with a sample of 16 companies, we verified that 46.2% of workers are in the age range of 36 to 54 years, followed by 39% in the age group of 18 to 35 years, 12.7% from 55 to 55 64 years and 19% above 65 years. Regarding schooling, 26.1% of workers have complete secondary education; 19.5%, complete fundamental; 21.7%, fundamental incomplete; 10% have higher education (considering graduation and postgraduate studies), just under 3% did not attend basic education and two reported cases are illiteracy.

## 5. Networking

It is interesting and promising to observe that there are some initiatives in the sense of creating network economies between ventures of that nature. They are ventures that come together to form a cooperative of second order or a federation of cooperatives. Some of these initiatives are already consolidated and, it can be said, have been very successful.

Operating through network economies, revitalizing the concept of cooperation, can constitute a contemporary comparative advantage, since it allows them to be approximated to the "socially necessary" practices in contemporary economies. The main objectives of the experiences verified so far have been both to gain scale of operation and to benefit from the economies when expanding their markets, as well as to escape from the limitations imposed by the difficulties of operating in current legislation based on the precarious institutional recognition of that type of entrepreneurship.

The Social Economy Enterprises and the entities visited are related, at a regional or national level, with institutions representative of their interests, which we call networks here. In the technical visits carried out by the Solidarity Development Agency of the Single Central Workers' Union (ADS-CUT), the presence of 17 regional or national representation networks in interaction with the EES was identified. The networks of the feminist guideline Rede de Economia Solidária e Feminista<sup>2</sup> (RESF) and Guayí represent or have relationships with 26% of the EES visited. The Mental Health Network ECOSOL galvanizes 15% of the representative action. UNICAFES<sup>3</sup> appears with 13% of the representation and the Caritas network, linked to the movement of the church and Popular Education, consolidates 11% of the total political action of the network. The Morro da Cutia Institute of Agroecology - IMCA figures with a 6% share of representation and political action.

The other networks identified have an average of 2% representativeness. It is important to note, however, that the reports of the technical visits do not exhaust the information. These percentages represent the appearance of these 17 networks in the discourses and documents of the EES visited.

---

<sup>2</sup> Solidarity and Feminist Economy Network.

<sup>3</sup> União Nacional das Cooperativas de Agricultura Familiar e Economia Solidária (National Union of Family Farming and Solidarity Economy Cooperatives).

## 6. Legal Issues

By the way, it is necessary to register the great inadequacy, or even incompatibility, under certain angles, between the new philosophy of operation of the enterprise and the legal and institutional apparatus in force.

The enterprises that try to overcome their bankruptcy situation by transforming themselves through self-management have, in addition, to face the challenge and survive in environments institutionally inhospitable to them. Therefore, there are several issues.

How to create the necessary conditions for these enterprises to build their own specific development paths? How to close the production and business performance gaps in relation to what is usually practiced in the market? Or how to attain the performance targets that are desired? More than that: how can the recovery practice pave the roads that lead to future success? How to trace, with self-management practice, alternative and effective patterns, from the point of view of social production, which demarcate new frontiers of contemporary economic accumulation? How to create and cultivate a practice of democratization and constant improvement of the decision-making processes, making them agile, effective and legitimate? Would not these practices be fundamental elements for forging the much-propelled dynamic flexibility, decisive in the sense of configuring contemporary dynamic advantages? Would the limit case of self-management, in addition to political and moral considerations, have the virtue of filling sources of economic efficiency hitherto unexplored? The substantial issues, which are still open, imply differently articulated forms of ownership and management mode.

Of the institutionality or the general legal status of the SEEs visited by the ADS-CUT, 52% had the cooperative status, which is in Brazil the formal legal model of ECOSOL. In a situation of intermediate formalization, we have the association format, in which 35% of the EES or entities accessed were framed. The microenterprise (ME) is the hybrid format between cooperativism, which has a differentiated and collective character, and the capitalist patron economy, marked by SEBRAE (Serviço Brasileiro de Apoio às Micro e Pequenas Empresas<sup>4</sup>) actions and by the policy of encouraging entrepreneurship in the country; The ME, although individual, approaches cooperativism because of its differentiated character vis-à-vis the State. 10% of the EES use this legal tool in their commercial and financial operations.

---

<sup>4</sup> Brazilian Micro and Small Business Support Service.

In another study, the predominance was identified among the ERTs that adopted the legal form of cooperative (85%), followed by companies (10%), associations (3%) and one case of factory commission (2%). Some ERTs were initially formalized as cooperatives, but altered the legal form for microenterprises, considering that the cooperative does not have the same tax incentives as the companies.

Finally, among the legal forms appeared the type Social Organization, or OS, with the purpose of performing public services in place of the Government. 3% of the EES said they use this format.

## **7. Productive Capacity and Marketing**

The productive capacity - valued in Reais - of the EES visited by the ADS-CUT was measured by the reference that it considered high - above 20,000/month/average - between 10,000 and 20,000/month/low - below 10,000/month. It is necessary to consider that the contexts visited were different. When it comes to singular EES the productive capacity was normally low, with few exceptions. In the case of the CARRARO Agribusiness, for example, the EES presents a high average productive capacity. Although the EES is presented as a cooperative, in fact it is a production in the family, which brings together local productive relationships. It is, however, an atypical case.

As can be observed, the majority of the EES was classified with a low productive capacity (32%), or between medium and high (28%), or medium (24%).

The main marketing strategies identified during the technical visits were direct and institutional sales (24%), fairs (22%) and PNAE – Programa Nacional de Alimentação Escolar<sup>5</sup> (13%). In second focus are the sales made with intermediaries (10%) and the PAA - Programa de Aquisição de Alimentos<sup>6</sup> (10%), followed by the strategy of the fixed point of sale (6%).

The Cooperative Act was set up to encourage the creation of cooperatives. It is mentioned twice as a strategy for commercialization. Cooperative acts are legal transactions between the cooperative and its members, or between two or more cooperatives, in order to achieve the purposes of the cooperative set forth in its founding document. The cooperative act does not imply a legal

---

<sup>5</sup> National School Feeding Program.

<sup>6</sup> Food Acquisition Program.

market act or a purchase and sale contract of products or merchandises, and is thus immune from taxation.

For the UFRJ, the ERTs have large, medium and small companies as suppliers. The only company that claimed to have a recovered company as a supplier stated that this participation rate was very small in the total of its purchases. Of the three ERTs that answered "others", one refers to "family farmers" and the other two refer to "own customers".

In the characterization of the consumer market of the ERTs, it was identified that 76.4% sell for intermediate consumption, 35.2% for the final consumer and 15.6% provide services. Like the suppliers, the main customers are large, small and medium enterprises. Only 14.3% of ERTs sell more than 80% of their production to a single customer. Practically half (42.9%) concentrates less than 20% of its total marketing in its largest customer. In about one third of the ERTs, more than 80% of the production is directed to only three customers.

Although it is a high index, there is a reasonable diversification of customers among the ERTs, and the main problem is the sales dependence vis-à-vis large and medium companies, which have greater negotiation power than ERTs. It is added that more than half of the experiences interviewed (59.2%) claim to have marketing difficulties, and the main one is strong market competition.

## **8. Critical balance of self-management in Brazil**

Self-management has a multidimensional nature (social, economic, political and technical) and refers to a form of organization of collective action. Self-management has a social dimension, because it must be perceived as the result of a process capable of generating actions and results acceptable to all the individuals and groups that depend on it.

Its economic character is due to the social relations of production, which give more value to the labor factor than to capital. Its political aspect is based on systems of representation with values, principles and favorable practices and creators of conditions so that the decision-making is the result of a collective construction that passes through the shared power (of opinion and decision), to guarantee the balance of forces and respect for the different actors and social roles of each one within the organization. As for the technical aspect, it allows us to think of another form of organization and division of labor.

In this sense, we seek to understand the workers' perception of the changes undertaken and their main achievements with the recovery process. The main

change signalled by the workers was that which occurred in labor relations. The improvement in labor relations was present in most of the analyzes, especially in regard to greater respect for the opinions of the workers and greater awareness and responsibility of the partners in regard to work.

A smaller number of ventures point to issues associated with financial success, indicating as the main change the greater solidity in the business in regard to the period of the old company, pointing improvement in the processes, in the products or in the positioning of the company in the market. There are still indications, among the main changes, of greater financial gains and increased purchasing power of workers.

There are indications in the collected data and information that position those experiences in a place that is beyond mere economic survival, bringing the prospects of a decent work, of a production committed to principles and values of solidarity and the expectation that this construction will be perennial, bearing fruit not only for the current body of ERT partners, but also for the community and future generations.

The Solidarity Economy is a project in formation. In this sense, the visits demonstrate weaknesses and challenges both for the actors / producers of the Solidarity Economy (ES), and for the governments in regard to the legal framework, the management and the consolidation of the ES principles. The very understanding and the reproduction of these principles in the EES and for the new associates already constitute a great challenge for the actors. ES is a complex state of affairs, which demands reflection and reactive power from those who intend to practice it.

Among the challenges evidenced in the collection of data and information from technical visits are informality, when a considerable part of the singular EES and even the representation and marketing networks do not yet function in a completely formal way. The associativism can be seen as a hybrid method of moving between informality and the desire for formalization, in which the State recognizes association as a legitimate form, but not strictly formal.

A second fragility envisioned is the weak domination of legislation and tax and fiscal issues. We continue with the superficiality of the management, in what refers to the four management principles (planning, control, organization and political leadership). Control is the most fragile and has direct interference both in pricing, and in the perception of production cost of EES; and finally the deficiency of strategic vision (immediatism).

The sustainability of the networks is closely linked to the processes of recruitment together with the State or public power. The capital of the networks is, to a large extent, the very history of militancy and struggles, of mobilization, of awareness and of the valorization of the territory of action, it also includes the level of organization, the capacity for mobilization and the professionalization of the associates.

Another point found is the resistance and prejudice of the unions in relation to self-managed enterprises, either through the understanding that self-management is precarization of formal work or simply fear of diminishing their political influence over self-managed workers. Faced with the current challenges, trade unionism must change, above all, it must ally itself with forces of civil society, and in the face of the ongoing process of "globalization" build new bonds of solidarity.

It can be a new terrain for syndicalism, implying a true "cultural revolution", implying abandoning a certain conception of representation and contracting determinants when its main objective was to conquer the monopoly of contracting in companies.

How to build a collective contract that also assumes the interests of sectors of the population and of excluded workers, in various fields: housing, social security, minimum income, education, minors, etc.? This cultural revolution also involves the forms of organization of syndicalism. Thus, a union structured in branch vertical organizations can hardly represent organically or politically the world of those in the informal sector, in unemployment, dispersed throughout the territory. This requires a huge leap in quality considering its territorial organization, as citizenship and organic culture need to be articulated within the union's organization.

## **Bibliographic references**

- GUIMARAES, V. N., KOROSUE, A., Empreendimentos Autogeridos: um estudo exploratório – descritivo nos setores secundários e terciários de Santa Catarina. Relatório de Pesquisa, Pibic/CNPQ. Florianópolis, agosto de 2002.
- HENRIQUES, F. C. et. ali., As empresas recuperadas por trabalhadores no Brasil - Lições de um mapeamento nacional. In ARDOR, Felipe, Extensão e políticas públicas: o agir integrado para o desenvolvimento social. Rio de Janeiro, Editora UFRJ, 2015, págs. 141-164.
- REBÓN, J., La empresa de la autonomía: trabajadores recuperando la producción. Buenos Aires, Colectivo Ediciones/Picasso, 2007.
- RUGGERI, A. (org.), Las empresas recuperadas: autogestión obrera em Argentina y América Latina. Buenos Aires, Editorial de La Facultad de Filosofia y Letras/ Universidad de Buenos Aires, 2009.
- RUGGERI, A. et al.(orgs), Las empresas recuperadas en La Argentina: informe del tercer relevamiento de empresas recuperadas por sus trabajadores. Buenos Aires, Ediciones de la Cooperativa Chilavert, 2011.
- VIEITEZ, C., DAL RI, N., Trabalho associado. Rio de Janeiro, DP&A, 2001.

This yearly series of working papers (WP) aims to publish works resulting from the scientific network of CIRIEC. The WPs are subject to a review process and are published under the responsibility of the President of the International Scientific Council, the president of the scientific Commissions or the working groups coordinators and of the editor of CIRIEC's international scientific journal, the *Annals of Public and Cooperative Economics*.

These contributions may be published afterwards in a scientific journal or book.

The contents of the working papers do not involve CIRIEC's responsibility but solely the author(s') one.

The submissions are to be sent to CIRIEC ([ciriec@uliege.be](mailto:ciriec@uliege.be)).

Cette collection annuelle de Working Papers (WP) est destinée à accueillir des travaux issus du réseau scientifique du CIRIEC. Les WP font l'objet d'une procédure d'évaluation et sont publiés sous la responsabilité du président du Conseil scientifique international, des présidents des Commissions scientifiques ou des coordinateurs des groupes de travail et du rédacteur de la revue scientifique internationale du CIRIEC, les *Annales de l'économie publique, sociale et coopérative*.

Ces contributions peuvent faire l'objet d'une publication scientifique ultérieure.

Le contenu des WP n'engage en rien la responsabilité du CIRIEC mais uniquement celle du ou des auteurs.

Les soumissions sont à envoyer au CIRIEC ([ciriec@uliege.be](mailto:ciriec@uliege.be)).

**This working paper is indexed and available in RePEc**  
**Ce working paper est indexé et disponible dans RePEc**

ISSN 2070-8289  
ISBN 978-2-931051-18-4  
EAN 9782931051184  
<http://doi.org/10.25518/ciriec.wp201919>  
D/2019/1406/19-d

## WP Collection 2019

- 2019/01 Évolutions récentes de l'économie sociale dans l'Union européenne  
Rafael CHAVES & José Luis MONZÓN
- 2019/02 Recent Evolutions of the Social Economy in the European Union  
Rafael CHAVES & José Luis MONZÓN
- 2019/03 Evolución reciente de la economía social en la Unión Europea  
Rafael CHAVES & José Luis MONZÓN
- 2019/04 Die jüngsten Entwicklungen der Sozialwirtschaft in der Europäischen Union  
Rafael CHAVES & José Luis MONZÓN
- 2019/05 Recente ontwikkelingen in de sociale economie in de Europese Unie  
Rafael CHAVES & José Luis MONZÓN
- 2019/06 Italian cooperatives: an analysis of their economic performances, employment characteristics and innovation processes based on combined use of official data  
Carlo BORZAGA, Manlio CALZARONI, Chiara CARINI, Massimo LORI
- 2019/07 Rôle de l'Innovation Sociale dans le Développement Socioéconomique au Maroc : Premières Constatations à partir de la Littérature, et Etude de Cas de 4 Associations Socialement Innovantes  
Abdellatif BOUAZZA & Youssef NAFIL
- 2019/08 De l'intérêt de créer un nouveau concept : la lucrativité limitée  
Laetitia DRIGUEZ
- 2019/09 International City Network and Public-Private Cooperation for Urban Water-Environment Management: A Study of Japanese Public Water Services' Overseas Expansion  
Naoki FUJIWARA
- 2019/10 Partnering with Civil Society Organizations. The role of volunteers and not for profit organizations in the provision of welfare services  
Federica VIGANÒ & Andrea SALUSTRI
- 2019/11 ICT and Ethical Finance: Fostering Social Innovation and Financial Inclusion  
Gian-Luca GASPARINI & Aurora PROSPERO
- 2019/12 New Trends in the Social and Solidarity Economy Regarding Agriculture and Food: A Comparison between France and India  
Antoine PERRIN
- 2019/13 Workers BuyOut: why employee-owned enterprises are more resilient than corporate business in time of economic and financial crisis?  
The case of Emilia-Romagna Region  
Andrea BASSI & Alessandro FABBRÌ
- 2019/14 How Social Enterprises Contribute to Alternative Food Systems  
Anastasia COSTANTINI, Gianluca PASTORELLI & Alessia SEBILLO

- 2019/15 Measuring the Impact of a Social Enterprise – Case Study CONCORDIA Bakery, Romania  
Irina-Sinziana OPINCARU & Doina CRÂNGAȘU
- 2019/16 Vers un nouveau paradigme ancré dans les pratiques d'économie solidaire : le délibéralisme  
Éric DACHEUX & Daniel GOUJON
- 2019/17 Social enterprises role in Romanian welfare system  
Mihaela LAMBRU & Claudia PETRESCU
- 2019/18 Community financing in the German organic food sector: a key for sustainable food systems?  
Gerlinde BEHRENDT, Sarah PETER, Simone STERLY & Anna Maria HÄRING
- 2019/19 Self-Management Report in Brazil - Technical Concepts and Challenges  
Daniel Francisco NAGAO MENEZES



© CIRIEC  
No part of this publication may be reproduced.  
Toute reproduction même partielle  
de cette publication est strictement interdite.

**CIRIEC (International Centre of Research and Information on the Public, Social and Cooperative Economy) is a non-governmental international scientific organization.**

Its objectives are to undertake and promote the collection of information, scientific research, and the publication of works on economic sectors and activities oriented towards the service of the general and collective interest: action by the State and the local and regional public authorities in economic fields (economic policy, regulation); public utilities; public and mixed enterprises at the national, regional and municipal levels; the so-called "social economy" (not-for-profit economy, cooperatives, mutuals, and non-profit organizations; etc.).

In these fields CIRIEC seeks to offer information and opportunities for mutual enrichment to practitioners and academics and for promoting international action. It develops activities of interest for both managers and researchers.

**Le CIRIEC (Centre International de Recherches et d'Information sur l'Economie Publique, Sociale et Coopérative) est une organisation scientifique internationale non gouvernementale.**

Ses objectifs sont d'assurer et de promouvoir la collecte d'informations, la recherche scientifique et la publication de travaux concernant les secteurs économiques et les activités orientés vers le service de l'intérêt général et collectif : l'action de l'Etat et des pouvoirs publics régionaux et locaux dans les domaines économiques (politique économique, régulation) ; les services publics ; les entreprises publiques et mixtes aux niveaux national, régional et local ; « l'économie sociale » : coopératives, mutuelles et associations sans but lucratif ; etc.

Le CIRIEC a pour but de mettre à la disposition des praticiens et des scientifiques des informations concernant ces différents domaines, de leur fournir des occasions d'enrichissement mutuel et de promouvoir une action et une réflexion internationales. Il développe des activités qui intéressent tant les gestionnaires que les chercheurs scientifiques.



INTERNATIONAL CENTRE OF RESEARCH AND INFORMATION  
ON THE PUBLIC, SOCIAL AND COOPERATIVE ECONOMY - AISBL

CENTRE INTERNATIONAL DE RECHERCHES ET D'INFORMATION  
SUR L'ÉCONOMIE PUBLIQUE, SOCIALE ET COOPÉRATIVE - AISBL

Université de Liège | Quartier Agora | Place des Orateurs 1 | Bâtiment B33 -  
boîte 6 | BE-4000 Liège (Belgium) | T +32 (0)4 366 27 46 | F +32 (0)4 366 29 58  
ciriec@ulg.ac.be | www.ciriec.ulg.ac.be