Workers’ Mobilization and Industrial Transformation
The case of the Cooperative Viome

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# List of Acronyms

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<tr>
<td>ISS</td>
<td>Institute of Social Studies</td>
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<td>GVC</td>
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<td>CEO</td>
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<td>SE</td>
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Abstract

This research is aiming to establish a causality between the questionable governance of the Philkeram cluster and the radical mobilization of the workers of Viome. In this case, the occupation of Viome’s factory and the establishment of a cooperative, as the administration of it, followed the bankruptcy of the cluster. Main purpose of the research is to identify the reasons of Viome workers’ mobilization, to root them in the structural characteristics of firms that operate under concentrated ownership, and to compare them with the mobilization theory that was principally established by John Kelly.

Keywords

Industrial Transformation, Solidarity Economy, Cooperatives, Ownership’s Structure, Workers’ Mobilization, Worker-Driven Enterprises, Viome
Chapter 1: Introduction

This research paper wishes to explore the causality between types of industrial organization and workers’ mobilization. Is it possible an industrial transformation to change basic tasks carried out in the workplace, and thus, lead to workers’ mobilization? Could the causality be the other way around? Meaning, can a workers’ mobilization appear as a response to structural problems of industrial formation? The mobilization in the workplace is expressed in various ways. In the case that is researched in the present work, the workers of the firm ‘Viome’ mobilized, occupied the factory and turned it into a cooperative after the cluster that it belonged was firstly downgraded, afterwards went bankrupt and eventually abandoned by the mother company. It is interesting though to explore the triggers of the workers’ mobilization and examine the causation of these triggers regarding the governance type of the cluster and Viome as one of the affiliated firms.

In this paper I perceive the workers’ mobilization and narratives as the main actor of the researched problem. Regardless, I consider the general discussion over the researched problem as non-linear. This means that the triggers of mobilization were routed in the way the leader of the cluster was governing the production process, but despite this, there were external causes that affected and accelerated the expression of the mobilization. Those characteristics will also be taken into account during the debate as the general context under which, the cluster was dissolved and thus led to the workers’ mobilization. The fact that are considered as the context and not as the particular researched causes of the mobilization stands on the fact that this research aims to examine what it was mentioned above; the causality between the structural problems of the organizational type and the mobilization of the workers.

In the case of ‘Viome’, there are three organizational types of production that appear and are examined in the present paper. The organization of production in the level of a firm, the clustered organization of four firms or alternatively, the inter-firm cooperation between the firm (Viome S.A) and the absolute leader of the cluster (Philkeram S.A), and the ‘Cooperative Viome’ that was established by the workers after the bankruptcy and the occupation of the factory.

In the first and second section of the literature review, this research aims to engage constructively within the thin borders of neoclassical theories of the firm and clustering theories that help us understand how structural characteristics of those can interpret the work dissatisfaction, and thus, the workers’ mobilization. Main characteristic of both types of production organization is the entity of efficiency. This ‘efficiency’ constitutes the main ‘leader’ of decision-making, input factors distribution and profit making, while it also appears as one of the main filters of evaluating an enterprise. In the clustered type of production form, this efficiency becomes collective, describing in this way the advantages of interfirm cooperation.

In the third section, the aforementioned characteristics of production’s organization at the level of firm or cluster will come along with the cooperative type of production, otherwise the worker-driven organizations. Though, not all of the cooperatives embody the same characteristics. Thus, in this section I
explore some main structural characteristics that stand different in comparison with the firms and clusters. In this regard, one of the main structural problems that got uncovered during the fieldwork research, is that Viome S.A did not have its own freedom of decision-making and efficiency seeking while cooperating with the leader of the cluster (mother company). In fact, the decision-making over Viome S.A was the decision-making of Philkeram S.A and thus Viome S.A never had an active role in the cluster. In this manner, the third section is occupied by a presentation of the ‘concentrated ownership’ concept, contextualized by the firm type of organization. Concentrated ownership many times appears in family-owned enterprises, biasing both the decision-making and the power distribution. Thus in our case, Viome was just following the decisions of the mother company, serving its efficiency, and its profit making, since the whole cluster belonged to the mother company. Therefore, both power distribution and decision-making were affecting workers’ satisfaction or dissatisfaction in the workplace.

Having developed the theoretical debate around the structural differences between firms, clusters and cooperatives, in the fourth section I approach collective action and mainly mobilization theory in two ways. Firstly, by the insight of Kelly’s (1998) principal theory and then, by challenging it with Atzeni’s (2009; et al 2010) contribution. The aim of this section is to provide the theoretical views of the theory around the reasons that trigger workers to mobilize. Assistive to this aim, stands the analysis of Silver (2003) around the sources of workers’ bargaining powers.

In the case of Viome S.A and the following Cooperative Viome, it is observed that the established cooperative, has to balance between the changes that the mobilization wanted to achieve and the pressure of building up a new structure of production and decision-making. The present cooperative has to carry out the production within a system of strict ethical and radical principles but more interestingly it cannot take itself absolutely out of the market. Thus, the dynamics of workers’ mobilization will be stress-tested in the fifth section that the findings are aligned with the framework of the principal research question; if the structural ‘injustices’ that were created under the previous type of organization led to mobilization, but moreover, if this mobilization led to a fairer and more inclusive structure.

Overall, this research paper makes use of three different but interrelated theoretical frameworks and concepts.

The first one, regards the general governance of a firm. Here, by governance, I mean the direction and the decision making that a manager of a firm has to incorporate. Thus, the chapter 3.1.1 the decision-making over production can be led by the price mechanism. Another way, is to be led by the subjective criteria of the manager. This is what I call human-activity driver of the firm. Afterwards, there is a discussion of the way that the power is distributed within the firm, regarding the aforementioned ways of decision-making. Finally, both of the aforementioned are explored within the concept of the 3.3 chapter, about administration in large shareholders or family-owned firms. This subchapter assists the understanding of the case under research, in terms of ‘how much of a firm Viome S.A was?’ and how this could be additional to the subject of the 3.2 subchapter that constructs a framework for analysing the cluster type of Philkeram group, that Viome S.A was participating. The subchapter 3.3 refers to the cooperative type of production organization, to con-
tradict the characteristics and the concepts that are developed in the previous
two theoretical subchapters, in a struggle to understand why for the workers of
Viome, the overtake of the plant and the establishment of the cooperative was
considered as fairer structure. From all the aforementioned theoretical con-
cepts, I am attempting to extract the reasoning of mobilization by the workers
of Viome, in the 3.4 subchapter that takes into account mobilization concepts
and workers' sources of power.

\section*{1.1 Research Questions and Hypothesis}

As it derives from this introduction chapter, my research had the following
objectives:

- Firstly, to understand the functioning of the specific structures of
  organization, like the firm and the cluster in the case of Viome S.A
  and Philkeram group.
- Secondly, to track how those structures created space for the mo-
  bilization of Viome workers
- Thirdly, to understand the mobilization of the workers, as a not
  spontaneous one, but as a process that leads to a new organization
  of production, which is the cooperative.

Thus, the specific question is:

- Did the previous organization of production trigger the mobiliza-
  tion of the workers, the consequent establishment of the coopera-
  tive, and the occupation of the plant?

As a sub-question we could consider the following:

- Is the new cooperative organization of production viable?

The main hypothesis of the present work, is that the failure of the previous
organization itself, as well as, the reasons for this failure, made the workers
think that they can manage the production in a better way.
Chapter 2: Methodology

This research paper is based on fieldwork that conducted in the city of Thessaloniki, Greece, in 2015-2016 on Viome’s factory occupation that took part in 2013. The particular factory was part of a cluster under the ownership of the mother company Philkeram which was the absolute leader of the cluster, owned by one family. The occupation of the plant followed the bankruptcy of the mother company and hence, the abandonment of the whole cluster. The topics investigated, were not so clear since the beginning of the fieldwork research. My initial intention was to understand the dynamics and the satisfaction/dissatisfaction of the workers in the plant, before and after the occupation. Thus, for my research, the fieldwork shed a light not only over the initial researched problem, but more on the questioning of what is the problem there. In other words, during the fieldwork and while interacting with the workers, I understood better the context of such a case, and more thoughts came across my mind. Moreover, I came to realize and structure better the involved parts or 'actors'.

The actual observation of the workplace; the attitudes of different workers, and the degree of connection of the workers and the workplace, handed over the baton to me to research on what triggered them to introduce such a change in the workplace. In other words, which was the reason to occupy, to resist and to produce, as themselves and many other workers in similar mobilizations around the world are stating. My research question jumped out of one question with the representative of the current cooperative. The question was generally about the skills of the workers that mobilized and occupied the plant. This led the asked worker to respond “we are taking care of everything, as we were always doing. The employers were always absent from Viome; they were staying in their offices that are placed in the factory of the mother company.” This, together with other expressions of the workers that were criticizing the management and monitoring type of the cluster, led this research to its main research question; What triggers a radical mobilization of workers? While hypothesizing that, the particular type of the firm’s and cluster’s organization led to workers’ mobilization.

During the interviews, there was restricted time that the workers could dedicate. Since the beginning, they informed me that the political and legal issues that had to take care of, were restricting the time for the actual production which respectively was restricting the time of the interviewing. Thus, I decided to carry out the interviews in the following way.

One main formal and semi-structured interview that contained 56 questions with the representative of the established cooperative. The questions concerned chronically, the period before the bankruptcy when the first changes were introduced by the employers in the workplace, and which affected both the performance of the firm, the cluster’s, and the working conditions. Then, the period when the initial mobilizations took part, and as last period, the of the plant’s occupation and the self-management by the workers. Main concern during the interviews, was to extract -not directly- but through general questions what triggered the workers; what made them believe in their power of carrying out the management better than the former employers.
This main interview allowed me to track the main points of the worker’s narrative, to be able to make short informal discussions on those, with an amount of 15 the workers during their work in their posts. Thus, the questions concerned the structural problems of the production until the time that Viome S.A was still belonging to the Philkeram group and was participating in the cluster. Moreover, those questions were followed by which was the reaction of the workers at this point, how they dealt with the changes that the management was implementing and they were affecting the value of Viome as a separate firm, but also, how were the workers themselves affected, in terms of individual earnings, working conditions, and the uncertainty they were experiencing after those changes. Lastly, part of the questions was dedicated on the cooperative’s organization and how this structure meant a difference for the workers.

A limitation during the fieldwork research and respectively for this research paper, is that the workers that did not follow the occupation of the factory were not questioned. This, limits the understanding of the mobilization reasons and how this mobilization came to fulfil the industrial transformation; from a firm that was part of a cluster to a cooperative that re-established norms and values of production under a different context.

The time distance between the first dissatisfactions, the mobilization, and the occupation advantaged the data collection because the workers had already reconsider their theses and opinions about the low performance of the firm in the recent years before the bankruptcy, and thus, their perceptions were not led by contemporary anger and disappointment against the employers.

Concluding, during the research I took in consideration documentary data like previous announcements and descriptions of the cooperative Viome, to validate and strengthen the collected primary data.

2.1 Relevance to Development Studies

This work attempts to understand injustices and failures that might appear in two dominant organizational types of production. Those are the firm and the cluster. Moreover, this research paper, considers the workers as an active actor that in many cases is able to transform the workplace, during a struggle to oppose oppression and exploitation. If this attempt of the workers is eventually successful, remains always under investigation. Thus, regarding the aforementioned, two are the inaugural ways that this paper is relevant to development studies. Firstly, by wishing to offer another case, of workers’ mobilization in the direction of emancipation, and secondly, of identifying problems that could change and thus, lead to more decent working conditions for the workers.
Chapter 3: Theoretical Framework of the Analysis

In the following subchapters that concern the production under the firm type of organization, I will attempt to gather those structural characteristics that a firm must fulfil, but in the case of Viome stood problematic or even failure conditions. Accordingly, Viome S.A was a firm, meaning that it should correspond to a specific and stable structure of administration. Despite this, Viome S.A was operating under the decision-making of the mother company\(^1\) which led to insufficient production. When the workers complained about the loss of Viome’s market share, the administration of the mother company responded “this is the market. The market goes down and that is the reason that Viome is losing its share” Thus, this debate leads us to review how the price mechanism or the human activity affect the efficiency of a firm. After this, the role of the ‘monitor’ of a firm will be tracked in the neoclassical theory of the firm, but also, in the subchapter 3.1.2 I will explore, how this ‘monitoring’ and decision-making gets transformed when the ownership of the firm is concentrated in a significantly small amount of people, like a family. Viome and the whole cluster that was belonging, were owned by one family, and thus, attention needs to be paid on this structure of ownership.\(^2\)

3.1 The Price Mechanism and the Human-Activity Driver of the Firm

The purpose of this chapter is to explore aspects of the neoclassical theory of the firm, regarding the basic structural characteristics that a firm should fulfil. As it was mentioned earlier, Viome S.A was an SME enterprise operating in the sector of producing building materials such as glues, tile’s installation, industrial cleaning liquids etc. More or less, Viome S.A was producing a variety of around 100 codes. It is interesting though that during the mobilization of the workers and after it; during the occupation of the factory, the narrative of the workers was slightly different than the dominant ones, meaning the one of Philkeram S.A. The mother company Philkeram S.A which was the unquestionable leader of the cluster, while trying to explain the downgrade of Viome S.A, was pointing to external causes. As it was developed in the sec-

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\(^1\) Accordingly, during an informal discussion with the workers, it came up that when important decisions had to be taken about Viome’s production plan, the board of the mother company was making the business plan. For example, the workers stated that the inputs were decided always by the mother company, making sometimes inefficient the production of Viome, as they were promoting more expensive inputs just because they were produced by the rest of the cluster, at the time that in the market similar inputs were cheaper.

\(^2\) This information was gathered during the main interview with the representative of the cooperative Viome and was validated in the official enterprises’ record of the Greek State. For more information, see Appendix 1.
tion of the research problem’s background, the significant causes were the financial crisis in Greece and the collapse of the construction sector in Greece because of the crisis. The workers on the other hand are pointing more to the micro-economic and managerial mistakes and inabilities of the administrators of Viome S.A. Thus, this chapter is aiming to unveil the microeconomic practices that should take place under an organization such the one of the firm. Are the workers discourse valid?

According to the microeconomic theory, few times the human-factor and similarly the decision-making is perceived as significant for this “achieved efficiency”. Moreover, even fewer times scholars are researching the interrelation among efficiency and power in the workplace, or efficiency and work satisfaction.

The management of a firm is not entrenched and is not always following the theoretical principles of price theory and microeconomics. On the other side, in microeconomic theory, workers’ participation is understood as a factor of production, most of the times measured in units. Thus, against the approach mentioned above, the human-factor in the decision-making and management stands a significant explanatory variable and as follows it will be juxtaposed with the theory of the firm and the power of the workers’ mobilization, in the present work.

So, a question that arises when we look beyond price theory and general microeconomics, is how are the dynamics structured within a firm? What is this that makes a firm an organization?

Coase (1937) in his earliest work on the characteristics of the firm, recognizes the lack of firm’s explanation out of the price theory. (1937: 387) Moreover, the author describes that economic theory (even microeconomic) should treat and analyse separately the economic system than the ‘real’ individuals, meaning the firm, the organization, etc. Thus, according to Coase, the analysis of the production within a firm is driven by choices that their ‘nature’ differs from that of the economic system (Coase 1937: 388); producers have to make choices out of the price mechanism. For the author, explicitly, “firm is the supersession of the price mechanism” (Coase 1937: 389), moreover, his argument is based on the fact that no organization would needed if the market could allocate the factors perfectly regarding the price mechanism.

### 3.1.1 Power Distribution within the Firm

At this point, is important to refer, and review another element of the firm organization of production. Alchian and Demsetz (1972) are looking at the establishment of the firm from two aspects. Firstly, as a matching process of inputs’ suppliers or owners, and the power of regulating the firm.

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3 Even if this is the collection of individuals. Meaning that, the aggregation of individuals might represent the economic system, but each individual firm and the decision-making, the price choice etc., should be analysed under diversified terms.
“It is common to see the firm characterized by the power to settle issues by fiat, by authority or by disciplinary action superior to that available in the conventional market. This is delusion. The firm does not own all its inputs.” (Alchian and Demsetz 1972: 777)

Is this the case though? The authors are considering the organization of the firm in its ‘laboratory’ sense. Nevertheless, it seems that the combination of property ownership and the vertical decision-making in the firms, creates a significantly different power distribution. Especially, when the firms are SMEs that the ownership and the direction are many times overlying on each other. In these cases, the firm is not just what Alchian and Demsetz are describing as “team production” or “cooperative productive activity” (1972: 779). Moreover, the tasks of the firm are decided by the direction of it, and are always corresponding to the aimed efficiency, and profitability of the firm and the owners or stakeholders. This means that the exercised power of decision-making but also of direction relies on the higher positions of the hierarchy and yes, some of the factors of production or the ‘inputs’ owners’ like the workers, are experiencing the power exercised by the direction, even sometimes in the sense of absolute authority or as disciplinary actions.

In the same path, Alchian and Demsetz are introducing the concept of monitoring. Precisely, because of their perception of the firm -as a place of more efficient cooperation between factors of production than the market, as the transaction costs are reduced. Then, a monitoring is demanded to control and direct the use of the factors. But, despite the fact that the authors are relying their argumentation on the thesis that a firm is not a place that disciplinary power is used, they come to ask rhetorically “But who will monitor the monitor?” (1972: 872). In other words, the “centralized contractual agent in a team productive process -not some superior authoritarian directive or disciplinary power” (1972: 778) has a power that cannot be challenged or evaluated by any other ‘physical means’. So, an important question that arises wisely is what is this nature of power or even what is the nature of the monitor that despite the fact that is physically placed as the head of the firm; operating just as another mean during the production process, nobody can challenge its power? The question placed by Alchian and Demsetz really points to a structural problematic of the firm. Their response to this, is that if monitors are given incentives on the net earnings of the production then they will not shirk and the monitoring will successfully control the use of production factors in the favourable efficient way. This argument is weak. It is weak in the sense that is not predicting what happens when monitor of the firm is the actual owner of the firm. Theoretically, the firm “(…) does not own all its inputs” (Alchian and Demsetz 1972: 777) and that is true. But does the firm own all the inputs that belong to the same workplace except the inputs that are bought/contracted out of it? Most of the times yes. Because the firm organization has reached such an integration that is not just what Alchian and Demsetz describing as contractual cooperation of input owners. It is a well-integrated organization that anymore owns the factors or at least makes them feel that owns them.

Who is not owning those, is the monitor of the process, and till this point, the argumentation of Alchian and Demsetz is important. But, beyond this point
there is no prediction or analysis of the fact that the monitor can be the owner at the same time. When this happens, the independency of the monitor vanishes. It gets trapped between achieving profitability in its absolute form and on the other hand, to continue -as a monitor should- coordinate the production in favour of each factor. This creates the biggest of the contradictions in the workplace. The power exercised by the monitor has to follow to different paths of behaviour. The one of disciplining the factors, optimize their use, and the other of being an independent observer and advisor of the process that respects the ‘input owners’ contracts’.

3.1.2 Administration in Large Shareholders or Family-Owned Firms

Responding to the above mentioned weakness of monitor’s nature is the issue of ‘concentrated ownership’. Regarding this concept, the performance of a firm is significantly dependent on the ownership structure and the following governance characteristics that may appear. Specifically, Ben-Amar and Andre (2006) while referring to Shleifer and Vishny (1997) start their argumentation over the ownership characteristics with the following thesis, “It is generally viewed that in widely held firms, the presence of a large shareholder should have a positive effect on firm performance.” The argumentation in respect to that is the reduced agency costs that non-family owned and directed firms are facing. On the other hand, direction by family-owners can embed lack of administration skills that potentially could be a reason of lacking efficiency. Accordingly, Ben-Amar and Andre are stating that “the choice of a family member as CEO can have a significant negative impact if the individual does not have the talent, expertise or competency to run the business and may lack the incentives that professional managers have to ensure their reputation in the executive labour market” (2006: 520). Still, it is hard to conceptualize how administrative behaviour is distinguished regarding the structure of ownership, as in both cases of concentrated and not concentrated ownership the ‘monitor’ can potentially fail to manage the operation of the firm. Nevertheless, the present work will consider three different periods of a firm’s operation and performance.

The one is the period that the general market economy fails to reproduce capital, making it in that way scarce, but a firm is performing well. The second is when the market economy is not facing a crisis but the firm is going through a micro-economic crisis, in this case despite the micro-crisis the firm can have access to capital and finance its operations to go out of the crisis. During the third one, both the economy is shrinking and the firm cannot finance its operations. Thus, insight of this work is that, in the first two periods the direction of the firm under terms of ‘concentrated ownership’ is manifesting what is described in literature as negative outcomes of the ‘family ownership’ but not the conceptualized ones.

Extending this insight, means that, in the first period that both the economy is expanding, finance capital is leveraging and the direction of the firm does not have the incentives to make use of the decision-making power that derives from the ‘concentrated ownership power’. In the second one, the economy faces a depression, the finance capital becomes scarce, but the delev-
eraging of it does not affect the actual decision-making of the firm. In these
two cases, it is likely the family-owned firm direction to reveal directive charac-
teristics like Zhang (1998) cited in Ben-Amar and Andre (2006) states as “…(…) sub-optimal investment decisions because of lack of diversification since they
hold a great portion of their wealth in one company” (2006: 520), or the lack
of administrative skills that was presented above in the present work.

But, the most important one is the final case, regarding the conceptual-
ized outcomes of ‘family concentrated ownership’. During the third period, the
firm is facing problems of financing its operation while the capital in economy
is deleveraging. In this case, the family-owned firm is making decisions that
have to do with the sustainability or the bankruptcy of it, and in this case we
find the conceptualized negative effects of family-owned firms. This case of
family-direction is distinguished from the rest two, because in my opinion it
contains the riskiest and most crucial decision-making of the firm’s administra-
tion. The most representative problem of this period is the tunnelling. Regarding
this concept, Ben-Amar and Andre (2006) while referring to Johnson et al.
(2000) note that large shareholders like family-owned firms make use of “pyr-
amid structures” to transfer assets and profits to other affiliated firms
(2006:520). Moreover, the authors are listing the various ways that ‘tunnelling’
takes part between affiliated firms, such as “excessive compensation for posi-
tions held in the firm, advantageous transfer prices, loans at non-market rates,
loan guarantees for other affiliated entities or by merger transactions that can
enhance the value of other firms in the group.” (2006: 520)

There is a clarification that has to be made at this point. The phenom-
enon of tunnelling is significantly different from the rest of the family-direction
problems. That is the reason that in the previous paragraph it was argued that
it may appear in periods of both financial crisis and firm’s declining perfor-
mance. The reason behind this, is that ‘tunnelling’ seems to be more a ‘finan-
cial tool’ for the concentrated ownership to claim a better funding, than just a
‘lack of administrative skills’ that appears in the other cases. The rest that ap-
ppear in the first two cases, have to do with everyday tasks of the firm. By fact,
for example, if the member of the family and at the same time CEO of the
firm does not carry administrative skills does not have the same gravity with
the conscious choice of a ‘monitoring’ person to operate ‘tunnelling’. The first
might rely on the human-characteristics of the ownership structure, but the
second is an action that takes part consciously and while aiming to change
structural characteristics of the firm like the financial status of the organization.
Alike, some scholars are referring to this operation as part of the administrative
behaviourism, under the concept of ‘opportunism’. Mainly, opportunism is
defined as the seeking for individual or concentrated benefits. For instance,
Fama and Jensen are ending up to the concept of opportunism as a conse-
quence of concentrating on the same agent, the management, the control, and
the residual risk bearing of the decision-making. They explain that, this phe-
nomenon appears more in “closed corporations that are generally smaller and
have residual claims that are largely restricted to internal decision agents”
(Fama and Jensen 1983: 303). Regarding the observation of the authors, when
the above elements of decision-making are not separated there is a risk of op-
portunism by the decision agents. (Fama and Jensen 1983: 306)

Considering the above, if we take into account the tendency of firms to
reduce costs (even if they are transaction or direction or inputs) it is likely a
firm with a concentrated ownership to reduce even agency costs as this leads to the maximization of owners’-manager’s profits. In this regard, the administrative process becomes inefficient in a matter of opportunism by the side of the owner-monitor. Moreover, and lastly, this ownership structure pushes us to consider a potential appearance of interests’ conflicts between workers and the monitor, as the latter is always dependent to the maximizing of his/her own profits and this might stand distractive for the well performance of the whole firm and thus, to an inefficient production process.

In the same way, going back in the way that this ownership structure discloses power, when the ‘monitor’-absolute owner faces this identity problem, and exercises its power in favour of its own interests, then, there is no negotiating power by the rest of the factors around the prices they are supplying their inputs while they operate under the so-called ‘team production’. Monitor’s power, potentially, beyond the analysis of Alchian and Demsetz, can become authoritarian, disciplinary and its role distractive for the potential efficient production. The firm when comes in touch with this aspects of reality, turns into a “black box” (Coase 1992: 714).

But in what sense a ‘black box’? Coase meant it as a negative use of input factors. The factors of production could be free to negotiate and be negotiated in the market, (meaning independent) or they can be included in a firm organization under a contractual relationship. What Robbins stated about economic theory of organization was that, “At the same time it tends to leave out completely the governing factor of all productive organisation -the relationship of prices and costs” (1932: 70) meant exactly the aforementioned problem of analysis. That, analysing the production process, does not mean to consider the firm as just the matching of input owners under contracts, that is why Coase additionally argues that is mainly ignored what happens in the firm, between inputting factors for production and the sale of their outputs. (Coase 1992: 714) and thus, that -as it was mentioned earlier in this work- the inputs are dependent not on the market but on the administrative decisions (1992: 714). Consequently, Coase makes one of the most important arguments on the institutionalized structure of production. He argues, that, especially in the modern type of corporation/firm, the efficiency relies on the governance processes within the firm, on how the internal affairs, such as directing the factors, are carried out (Coase 1992: 714) and more specifically he triggers the question of which are those exchanges between the ‘input owners’ that take place in a firm and make it efficient or not. Explicitly, he turns the attention on the internal governance of the factors, in comparison with Alchian and Demsetz that consider it just as monitoring without any authoritarian or discipline power.

3.2 Clusters, Interfirm Cooperation, and Collective Efficiency

As it was mentioned earlier in this work, Viome S.A beyond an individual firm was also belonging in a group that was operating as a cluster. The failure of the cluster that occurred after the bankruptcy of the mother company and thus, of the whole group, calls us, firstly to identify the type of the Philkiram
group cluster, but moreover, the interfirm type of cooperation that existed, and how this cooperation might affect the workers in the cluster.

Overall, is important to carry the ongoing debate from the firm to the cluster, as clustering can be considered a more integrated form of industrial organization, that goes beyond the firm.

If the firm organization of production is considered an integrated relationship of input owners, then the clustering exists as an even more integrated cooperation. That is because firms are considered as cooperation between input owners, but clusters are mainly considered as an alliance between firms or interfirm cooperation. If the main goal under a firm organization of production is efficiency, in the cluster organization it appears as collective efficiency, furthermore reduction of transaction costs and knowledge sharing, that provides the chance of faster integrating and growth of the firms that participate in the cluster. Thus, challenging the norms, the ownership structure and the economic organization in the previous section, calls us to think of how these concepts are described in a clustered organization of production.

Despite that clusters are widely considered as an integrated form of firm’s organization, and thus, a way for enterprises to develop collectively, it is still under exploration which particular interfirm cooperation describes a cluster. In this manner, Feser (1998) while referring to Kaufman (1994) notes that, “Even Porter’s (1990) seminal contribution is more a theory of firm competitiveness than cluster’s”. It seems that there is a need for the present work to approach structurally the clusters’ theories rather than the whole variety that might define what a cluster is. Thus, in this section there will be an attempt to approach clusters’ theory from the perspective of governance, power over decision-making, collective efficiency and upgrade/downgrade theoretical insights. Accordingly, what allows a cluster to upgrade? Technology, capital inputs or decent work and training of employees? When is a cluster successful? Does it need to upgrade or just to be efficient?

3.2.1 Economic and Geographic Clustering of Firms

Feser is contributing with his work on how to understand and define clusters regarding their identical characteristics, as he titles it “identified clusters”, otherwise “cluster-specific strategies” (1998: 4). Despite this, Feser is aiming to understand eventually, how policies around clusters can be the most efficient but less which are the structural characteristics that activate collective efficiency or collective failure. Nevertheless, the use of Feser’s typology assists the identification of a cluster, as one of his main distinctions among clusters is the economic or geographical clustered enterprises (1998: 9) This insight of Feser, describes what widely can be observed in the literature about clusters. The variety of definitions, regarding different types of clustered organization of firms is in fact the description of different appearances of interfirm relations. Thus, scholars that note a geographical relation which gets expressed into a cooperation between the firms, define the clusters in a different way than scholars who are attracted more by the actual production cooperation of them.

Gereffi and Lee (2016) in their recent work about economic and social upgrading in GVC’s and clusters are noting that clustering of firms is mainly
beneficial for two reasons. Firstly, the concentrated productive activities are leading to “economies of scale and scope external to individual firms but internal to the cluster”, and secondly, because they bring together those firms with similarly operating institutions and thus, the identification and solution of shared problems becomes easier. (2016: 27) On the other hand, the authors contradict two different natures of the clustered firms. The one that often calls them to compete and the second, of tackling collectively common problems and thus, achieve collective efficiency. On this aspect, Schmitz argues that trust and reciprocity is an important element of the clustered firms’ cooperation. As he notes this relationship of cooperation and competition between the firms has to be explained by a concept that can stand common, and help us look and test individual firms participating in a cluster from a collective perspective.

Gereffi and Lee (2016) are giving a definition quite similar with the rest of the scholars, but while contributing a small but significant characteristic. Thus, they are referring to the importance of firms’ operation “within well-defined spatial boundaries” (2016: 26) while they are clustered to facilitate “similar sectorial activities” (2016: 27). This is important because they highlight the need of independency of firms that are clustered. In this way, the characteristic of clusters like the one of being horizontally cooperating is guarded. It provides a prevention against dominative vertical governance of the cluster that may occur because of concentrated ownership within the cluster. When the aforementioned are taking part, the authors are stating that the advantages of clustering can vary; from geographic proximity and thus, reduced transaction costs, to informal networks of knowledge and skills (Gereffi and Lee 2016:27).

Having provided some of the basic characteristics of the clusters, a question that appears to be crucial, is in what extend the above mentioned can conceptualize the structure of benefits in a cluster? Looking closer, someone can realize that the whole debate that took part in the previous section around the theory of the firm and the different distribution of power or privileges, encompass the context of ‘input owners’ competition within the firm, where most of the times the direction or the so-called ‘monitor’ holds significant power over the decision-making and the outcomes of it. But, when the debate gets integrated, and comes to cluster analysis, then the actors are not anymore the input owners rather than the individual firms. So, how can someone in this context of examining the power and privileges distribution in a cluster can overcome the main analysis of the actor-firm and reach a more specified analysis of ‘input owners’ as for example the workers in it?

3.2.2 Social Upgrading within Clusters

Gereffi and Lee are contributing to the answer of the last question, in a manner of providing the main types of upgrading and dedicating part of the analysis for the social upgrading. With this tool on hand, the analysis of a cluster can reach the questioning of how workers are affected by the performance of the cluster. Accordingly, the authors are referring to product, process, functional and chain upgrading. The first, refers to the product transformation into a more complex or sophisticated one, the second has to do with the production process and technology used to make the process more efficient, and the
last two are used to describe a move into new functions of the firm or to new but related industries. As it was mentioned earlier, the only one that refers to the labour conditions within a cluster is the social upgrading. According to this concept, the social upgrading of a firm relates significantly on the economic upgrading of the cluster. Thus, when the cluster makes use of economic upgrading while reducing labour costs and rights, social upgrading is perceived as at least segmented. (Gereffi and Lee 2016: 30)

3.2.3 Ownership Structure within a Cluster

A limitation of the studies around clusters is that the ownership structure within the cluster is rarely examined. For example, firms that are part of a business group that its ownership is highly concentrated, placed geographically near and having developed an interfirm cooperation like other clusters are clearly not subjected to the same cooperation type, governance and efficiency characteristics. Moreover, in those cases there is a high probability of the cluster to be operating vertically with leader firms of the cluster becoming absolute drivers of it, financially, but also regarding the decision-making. In this manner, the point that Gereffi and Lee are considering as important, regarding the efficient cooperation of cluster firms, is that cluster governance should be “(...) operating horizontally between cluster firms and institutions in local contexts”. Moreover, in a need of the firm to be profitable, is likely the concepts of firm’s efficiency and cluster’s collective efficiency to get the meaning of cost competition, and flexibilization of the working conditions. In this case, the meaning of efficiency and economic upgrading that firm and cluster theories are adopting as main structural advantages have to carefully be examined regarding working conditions.

3.3 Organization Beyond Firms and Clusters: The Cooperatives

In the previous sections, there was an attempt to understand which are those structural characteristics of the firm type organization, that are expedient for understanding concepts like efficient production, power distribution, working conditions, and more generally the ‘nature’ of the individual and clustered firms. In this regard, the debate evolves into which are those characteristics that appear alternatively in the cooperative organization of production. In this sense, what makes a cooperative organization of production different? If a cluster differentiates mainly in the sense of collective efficiency, then what makes a cooperative of workers; a worker-managed enterprise, different regarding the structure?
3.3.1 Do the Cooperatives introduce a Radical Model of Production?

Stryjan (1989) recognizes a basic distinction among worker driven organizations. He notes that in regard with material collection for these organizations, it helps to consider them firstly as worker-owned enterprises, secondly as worker cooperatives, and lastly, as the specific paradigm of Kibbutzim in Israel. (1989: 4-5) Regarding this distinction, the author suggests that, affiliation is an important concept which call us to recognize if a worker-driven organization belongs to one of the aforementioned. In the previous sections, there was a debate between different types of ownership that explain the existence of different organization structures, thus, Stryjan chooses the same way to filter the organization structure. He introduces the concept of affiliation which he states that is the main shaper of the organization structure. Therefore, enterprises that their affiliation type is the membership are constituting the worker-driven organizations.

On the other hand, those that appear to be organized by ownership, are corresponding to traditional firm type organizations. (1989: 39) Nevertheless, Stryjan’s analysis on what he calls impossible organizations is lacking of specific distinction between worker-driven organizations. On this regard, there are cooperatives that are organized with a minimum of hierarchy, and usually in those types the members-workers have to elect managers or in other words co-ordinators. Another characteristic of those more ‘traditional’ cooperatives, is that employees-workers in different positions are earning different wages. Accordingly, Vieta (2010) while referring to Fajn and Rebon (2005) is noting that because of several challenges, many cooperatives had turned into a firm management type; adopting “privileging of technical and marketing skill above other skills, increased job intensification, pressures to work overtime without adequate compensation (…)” (2010: 306) Thus, we could question, what are those structural characteristics that contribute to the reproduction of the workers, in a sense of, what is this structure that makes workers believe that their workplace autonomy would be more efficient or more satisfactory for themselves? In this regard, this section will refer mostly to the worker-driven organizations that operate with the most possible equality, and horizontal structure of power. Those, definitely are not the traditional cooperatives but cooperative schemes that are influenced by the recent rising of bankrupt takeover of firms in Argentina.

In this sense, cooperatives that derive from a factory’s takeover demand a significantly different analysis than cooperatives that start up as an initiative of people that want to establish self-managed enterprises. The difference is that in the first case, workers are expressing a mobilization, an uprising in their workplaces, a dissatisfaction with the organization of their work. Accordingly, Atzeni (2010) introduces this context while referring to the managerial control. He notes that “the exercise of the managerial control, depending as it does on profitability rather than on humanity, might in itself be perceived as authoritarian and coercive, and thus be a potential source of conflict.” (2010: 4) This insight brings us back to the debate around firm’s and cluster’s direction or ‘monitoring’, and governance respectively. Regardless, does that mean that a factory’s takeover -and the organization of it as a cooperative run by workers- is a product of such conflict? If it is, to which point does it respond to this authoritarian ‘concentrated management’?
3.3.2 Productivity of Cooperatives

For example, Ben-Ner while attempting an evaluation of worker cooperatives, argues that it is very likely the members of a cooperative to be less productive than wage labour. (1984: 251) Part of his justification relies on arguments like the lack of discipline and motivation because of the monitor’s absence and of excessive egalitarianism between the workers. (1984: 248) But, if the workers are really perceiving the monitoring as “authoritarian and coercive”, as Atzeni notes, because of a capitalist firm’s obsession to reproduce capital as fast as possible or in other words to achieve high profitability, then what is expected in a workers’ alternative organization structure is exactly this. To tackle profitability and to introduce a type of de-growth. Which means that what if workers driving an enterprise are choosing consciously to be less productive? In this case, the argument-critic is failing, because it assumes that workers should act and behave as their own bosses, expecting from their own selves, high profitability and discipline.

In this regard, Vieta (2010) opens a third road of considering this problem. He situates the problem as a matter of underproduction, which he argues that is one of the challenges for self-managed-recuperated enterprises. Accordingly, he notes that the underproduction or suboptimum production is explained if we look closer to three main problems. The lack of financing, the time that the workers need to carry out activities that does not have to do with the production like political effort for “lobbying local legislatures to renegotiate their status as expropriated firms” (2010: 304) and time for learning new administrative skills. The two authors are pointing to almost the same thing in different ways of expression. Vieta is naming it underproduction that has to do with the structural vulnerabilities of a cooperative, in the same time that Ben-Ner argues that is all about the nature of the worker. Interpreting his words, he argues that being a worker under wage contract means that you are more productive than a worker-member of the cooperative. And why? Not because of structural characteristics as Vieta mentions but because he thinks that workers are less disciplined and excessively equal. In a nutshell, Ben-Ner misplaces the reasoning of underproduction. He carries it from the structural-level to the personal-level. For him, cooperatives are failing in productivity, because workers are more free.

Are, though, the cooperatives able to provide a different model of organization? If the structural characteristics of the firms are reproducing “injustices” that might lead to the searching for a better structure like the one of a cooperative by the workers, then what about the cooperatives themselves? Are there “injustices”?

In this regard, Ben-Ner is making two interesting points around cooperatives’ evolution over time. Firstly, that “the better the business of the producer cooperative the more numerous becomes the group of wage hired laborers” (1984: 249) and that, “over the long run, the proportion of members decreases and the organizations is transformed gradually into a capitalist firm” (1984: 248). Similarly, Vieta states that many cooperatives in Argentina being concerned that if the number of new members are more than the foundation ones this might change the tasks of the organization and turn it into a capitalist
firm, they started hiring labour rather than introducing new members. Thus, Vieta is concluding “ironically, these institutions tend to reproduce the very exploitative and alienating capitalist practices that led to the labor instability ERT protagonists were contesting in the first place” (2010: 305)

3.3.3 Trade through Solidarity Networks

Looking closer to the aforementioned vulnerabilities of a cooperative, and taking into account that in the literature is widely observed that cooperatives are facing various market pressures we have to admit that cooperatives are challenged by similar external problems as the firms do. Thus, it would not be fair and logical, to contradict structural “injustices” that the firm type incorporates because of market pressures, while not doing the same for the “injustices” that the cooperatives incorporate, during those pressures by the market economy. This creates the questioning; then, what alternative the cooperative type stands for?

The market competition affects the cooperative structure and its responses to those challenges. If an argument against the concentrated ownership in a firm is that there is a role confusion for owners/managers, then the cooperative organization shows similar characteristics. The workers are owning the enterprise and also are the ones that have to take decisions that serve their main purpose. This main financial purpose, is wisely tackled by Ben-Ner; the “objective of the cooperative is to maximize net income per member” (1984: 250) The firm, either operating under a type of “concentrated ownership” or not, aims to maximize its total profits through efficiency. Thus, the answer of the question that is placed in the beginning of this paragraph, is precisely given in the previous two sentences. Despite the fact, that cooperatives are facing similar pressures by the competitive market which are actually exposing them to similar injustices, the critical difference is that the surpluses as well as the losses are most of the times distributed equally among the members. In the case of a firm, and even more in a firm with concentrated ownership, the workers have to face wage reductions, precariousness, and losses of jobs, to serve the efficiency and the maximization of the total profits. In the case of a cooperative, the workers distribute those costs while having the sense that this is the fair way, being aware of the solidarity that they have already developed.

Beyond the different internal cooperation that makes workers to perceive differently the structural injustices, the cooperatives in many cases are developing another ‘security net’. The solidarity trade networks. Accordingly, Vieta sees the involvement in solidarity economies as the most promising aspect of cooperative enterprises. (2010: 308) Through his point is important to understand what solidarity economy means and what forms it takes. For cooperatives that want to avoid the competitiveness and sometimes the non-affordable costs of inputs in the market, the solidarity economy networks provided an inter-cooperative mutual assistance. Vieta describes this assistance by listing down, “similar or related sectors sharing orders and customers and even collaborating with or bartering technical expertise, the use of machinery, labor processes, raw materials, marketing and administrative tasks, legal assistance, inventory, or other production inputs” (2010: 308) In this way -the author- is mentioning that cooperatives tackled challenges of the market by participating
collectively. Collective efficiency does not stand only for clusters, the cooperatives are achieving in some cases to develop an alternative intra-firm cooperation, and in the same time an inter-firm collaboration.

3.4 Mobilization Theory

Atzeni’s (2009) contribution to mobilization theory seems very crucial for the analysis of radical ways of workers’ mobilizations. On the other side, Kelly’s principal theory provides a complete model that despite the corrections and contributions of other scholars, attempted to explain the industrial relations by the workers’ insight; by their mobilization. The industrial relations, are characterized by a sequence of matters that highlight the importance to research on them. As Blyton and Turnbull (1994) were noting, “the creation of an economic surplus, the co-existence of conflict and cooperation, the indeterminate nature of the exchange relationship, and the asymmetry of power” are some of those matters. Many of the aforementioned are appearing in the theories of the previous sections, making the main hypothesis of this research paper sound reasonable. There must be something in the industrial organization that after a particular moment, triggers a worker’s mobilization. Either traditional like strikes, or radical as occupation and takeover of plants. The question that remains for the upcoming section of analysis; is not exactly that important what triggers, but what leads the workers to adopt radical mobilization actions.

3.4.1 Dissatisfaction, Injustice, and Collective Action

Kelly (1998) while being influenced by Tilly’s (1978) first attempt to conceptualize collective action, considers it as an ensemble of individual experiences and concerns. This might explain some cases, but still lacks in terms of analysing the power of groups. Not all the groups of individuals that are experiencing ‘injustices’, react in the same way. Even less are responding by mobilizing. Another interesting point of Kelly’s is that, employers are mainly concerned about profitability, while workers do not have a main mechanism to fight in favour of their interests, and make them count same importantly as profitability. (1998: 4)

Kelly refers to the preconditions that Tilly’s theory of collective action relies on; like “definition of interests, the degree of organization, and the costs and benefits of taking action” (1998: 33) while he reconsiders it by taking into account the individual calculations that a worker does once the collective action becomes a possibility. In an elaborated form, Tilly’s theory co-calculates the balance between “interests, organization, mobilization, opportunity and the different forms of action.” (Kelly 1998: 25) with the concept of interests being its core. Accordingly, the interests come to be defined by the workers, individually and collectively. The organization reflects the minimum structure that a group of workers might have regarding its capacity for mobilization. As mobilization is defined the “process by which a group acquires collective control over the resources needed for action” (Tilly 1978:7). The concept of opportunity contains three aspects, “the balance of power between the parties, the
costs of repression by the ruling group, and the opportunities available for subordinate groups to pursue their claims” (Kelly 1998: 25).

Kelly (1998) while making use of Tilly’s theory of collective action attempts to understand the dynamics of workers’ mobilization. He follows an evidential process of three stages. Firstly, he explores the process from dissatisfaction to injustice, then, from injustice to collective interest. According to the author, dissatisfaction cannot necessarily explain collective action. What he argues that is the important element to take the form of collective action is the sense of injustice; and this is illustrated when an action is perceived as “wrong or illegitimate” (1998: 27) Moreover, the author states that three concepts are transforming this injustice to collective action; attribution, social identification, and leadership. Hence, he mainly argues that during the experience of injustice in the workplace, “individuals with a strong sense of social identity, ‘switched on’ during a mobilization campaign, may think in terms of group interests and group gains and losses” (italics used by the author) (1998: 34), considering in this sense the ‘leadership’ as catalytic factor of the mobilization’s triggering.

It should be clarified that the concept of mobilization potentially contains everything that has to do with an ‘uprising’ of workers. Moreover, different expresses of mobilization, also embody different preconditions. Thus, not all the ways of mobilization can be explained by one main theoretical concept. A radical mobilization as the one that is discussed in the present research paper, can be explained partly by the existing theory, but it offers interesting aspects on the triggering process of workers’ mobilization. Atzeni is referring to the concept of mobilization as a characteristic of workers that more or less it gets developed deterministically in the workplace. Firstly, he argues on that while referring to the solidarity concept.

3.4.2 Compañerismo and Solidarity

“As long as the employer wants production, the workers have some degree of power”

(Balstone and Gourlay 1986: 18)

This quote is highly significant for the analysis of workers’ mobilization. It describes the notion of distinguishing the mobilization during times that the traditional firms are performing well and times that they are facing a crisis. Moreover, we should recognize that mobilization lasts longer than just its expression in the workplace. It starts earlier than the actual expression; it demands a ‘preparation’ period and it is triggered under conditions like the ones mentioned earlier in this paper. Each of those two periods contains different aspects. Thus, the concept of injustice that Kelly (1998) developed his theory on, can be tracked in both periods. On the other hand, Atzeni is making a distinction between the two periods, through the concepts of compañerismo and solidarity (Atzeni, 2009: 9). What is important to understand regarding the inaugural quote of the present section is that, there are times that the employer does not want production. Times that enterprises are bankrupt and plants are abandoned. In this sense, Atzeni’s contribution to the mobilization theory stands crucial, as he attempts to re-consider and re-examine the theory in cases that workers are carrying out radical mobilization by occupying plants and self-
organizing the production. In this manner, he introduces new concepts as the aforementioned of solidarity to explain the objective basis of mobilization, when actually workers appear to have no bargaining power over their work. Summarizing, Atzeni rejects the accountability of injustice in the mobilization process as he thinks that ‘injustice’ cannot be considered as one coherent and concrete entity. Injustice for Atzeni, is a highly subjective concept that falls short of collective action explanation, and its individualized experience is not directly leading to a collective feeling. (2009: 7) Concluding, Atzeni analyses the ‘birth of mobilization’ earlier than the experience of the various ‘injustices’ that derive from the contradictions of the capitalist/labour relationship. He tracks the compañerismo in the nature of the collective work of workers, in their out-of-work activities like dinners and gatherings. Afterwards, he admits that when the ‘injustices’ appear, this compañerismo transforms into active solidarity that triggers the mobilization.

3.5 Workers’ Bargaining Power

As it was mentioned several times in this paper, the workers are perceived as the core actor of this research problem. Thus, having gone through theories of firm organization, concentrated ownership, clusters’ organization benefits and mobilization of the workers, it is time to explore shortly the power that workers are possibly carrying. Firm’s and cluster’s power is more or less deriving from the main characteristic of those organizations; the individual property and ownership. Which is the power of the workers that can respond to those power? Could that power explain a radical mobilization?

Silver (2003) is distinguishing the specific power that workers make use to advantage themselves. Associational power and structural power is the very first distinction. According to this, ‘associational’ is understood “the various forms of power that result from the formation of collective organization of workers” (2003: 13). ‘Structural’, in contrast, derives from the position of workers in the economic system, and according to the author, contains the ‘marketplace bargaining power’ and the ‘workplace bargaining power’. The first one, corresponds to the workers’ power in the labour market translated as scarce skills, low unemployment and “the ability of workers to pull out of the labor market entirely and survive on non-wage sources of income”. The second relies on the power that workers’ carry regarding special skills or positions that they hold in the workplace. (2003: 13) In general, ‘workplace power’ potentially describes any power that derives from the production process and workers can make use of to achieve their goals.

As it was mentioned earlier in this work, when the Philkeram group went bankrupt and announced a pause of payments in 2011\(^4\) part of the workers\(^5\)

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4 Work stoppages are also perceived as ‘workplace power’ by the author. (Silver 2003: 13)

5 Between 2009-2011 the Philkeram group had stopped the operation of the whole cluster, but in 2011 announced the final bankrupt and the cessation of payments. (see Appendix 2)
decided the occupation of the plant and the establishment of a cooperative. The establishment of the cooperative was decided as the only way that they could legally produce and also being able to demand by the State to recognize them (For more information and source see Appendix 3). Hence, the organization of the factory finally transformed from a firm operating in a cluster, to a cooperative that had decided to make decisions completely horizontally, equally, and with environmental-concerns about the production. Thus, in the next fourth chapter, I will attempt an analysis, with the following structure. Firstly, the problems that occurred under the previous organization of the firm and the cluster. Afterwards, how those problems were addressed and triggered the workers’ mobilization, and finally, the investigation of the advantages and disadvantages of the new cooperative organization. In accordance with that, is the new structure addressing problems that the workers believed that they could address better and fairer?

\[6\] 22 workers out of 60
Chapter 4: The Case of the Cooperative ‘Viome’

“If they are not able to do it, then we are”

Quote used by the workers of the Cooperative Viome

This quote illustrates in the best way the discussion of this analysis’ chapter. The whole contribution of this paper aims to be an explanation of structural failures and injustices, that the previous organization of Viome’s production performed. Three are the introductory characteristics, the firm’s organization under the concentrated ownership of one family, the concentrated ownership of the whole cluster by the same family as well, and lastly, the decision-making’s and performance’s dependency of Viome, on the mother company of the cluster. Within these three aforementioned characteristics fall the most of the ‘injustices’ and failures that the workers considered as inability of the employers to manage/govern the factory of Viome and the rest of the cluster.

Hence, in the next subchapters I go through the most important structural problems, starting from the 2006-07 questionable upgrade of the cluster, which consequently led to a downgrade of Viome. Moreover, I will analyze the first ‘authoritarian and fiat’ actions of the mother company to discipline the workers of Viome, as a response to their very first spontaneous mobilizations.

In the second subchapter, there is an analysis of the radical mobilization of the workers; occupation, and operation of the plant by themselves. This will take into consideration Kelly’s theory (1996), Atzeni’s (2009; 2010) contributions of compañerismo and solidarity, and finally, workers’ sources of power by Silver (2003).

In the third subchapter, the final outcome of the workers’ mobilization; the establishment of the cooperative will be discussed, so to finally extract in the fourth chapter, the main concerns and perceptions of the workers that led them to mobilize in such a radical way. Were there injustices and dissatisfaction produced by the structure of the previous production? In respond to those failures, did some of them contributed as empowerment for the workers to undertake the plant?
4.1 Philkeram Cluster: Questionable Upgrade and the Following Downgrade of Viome

4.1.1 Process Upgrading, Labour Reduction, and Closed-System of Production

In the case of Philkeram Johnson cluster, I identified a closed-system of production. Especially, after 2006-07 that the mother company inserted the new production lines and thus had to make cuts, both in the expenses for inputs and the cost of labor. This year was a significant one for the cluster, as the mother company introduced new technology and knowledge to the cluster. Regarding the theory of clustering, the mother company attempted a process upgrading. The first new production line was introduced in the production process of the mother company Philkeram Johnson S.A and the second one in the Hippocampos S.A which was part of the cluster. This shed two lights for the cluster. The positive one was the attempt of the mother company which was on the top of the governance hierarchy to achieve a technological upgrade in the cluster. But on the other hand, this upgrade came in line with costs that the cluster had to balance through cuts and flexibilization of the labor conditions. This, according to the workers, led to the first spontaneous mobilizations and conflicts with the employees. The workers started work stoppages and to not trust the administration of the cluster.

The third one can be considered as a negative side-effect as well, as the mother company decided to make use of more inputs coming from the firm that was specialized in the production of raw materials and which was part of the cluster. Specifically, the workers stated that in one day the managers of the mother company gave them commands that they have to work with a different input to produce the tiles’ adhesive.

As a consequence, the performance and the actual production of the cluster became significantly dependent on the inputs and outputs of the affiliated companies transforming in that way the cluster into a closed-system of inputs and outputs. Viome was affected by this, according to the workers, as the quality of the products that the input raw materials were changed dropped and the price increased. Accordingly, during the interviews, the workers had a concrete opinion -also based on the complaints that they were receiving by the clients- that the change of the products’ ingredients, led Viome in a big loss of the share that was occupying in the market. More specifically, the workers claimed that the sales of the tiles’ adhesive products, in which the raw material changed, dropped by 20%. At this point, it is interesting that the workers of Viome decided to formally complain to the mother company for the change of the raw materials referring to the customers’ complaints about the quality. Since that moment, the workers of Viome attempted to have an active participation

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7 For the question and response of the interviewee see Appendix 4.
8 For the corresponding answer of the worker see Appendix 5.
which was materialized in constructing opinion about the decision-making over the production.\footnote{See also Appendix 5}

But why did that happen? Why did the workers care about the quality of the products, and moreover, why did they express the need to negotiate about this with the administration of the mother company?

The concepts that were mentioned before as failure of the mother company's and thus, downgrade of cluster's performance, had a complex combination. The absence of monitoring in Viome, which occurred because of the concentrated ownership and power, placed the workers -informally- as the only ‘administrators’ of Viome’ operation\footnote{This was a significantly interesting response, in which the workers during an informal discussion stated “We were the only ones to defend Viome S.A, the bosses were sitting on their chairs in the factory of the mother company”}. Or at least, this was the perception of the workers. Thus, the workers had developed already an administrative relation with the production, which was the reason that led to a strong conflict with the administration of the mother company, during the transformations in the production process that were mentioned earlier in this text.

The workers’ narrative brings up the abovementioned transformation of the products, partly as the reason of Viome’s downgrade, and at the end, failure. Despite the significance of this change, the failure and dissolution of the cluster cannot rely on just one reason. Nonetheless, it emphasizes on questions that can be raised around the outcomes that a cluster’s upgrade may have and more specifically, on the reverse effect that the governance hierarchy of the cluster might cause. The technological changes, the hierarchical structure of the decision-making, and at the end even the clustering, might not always lead to the development of small or medium enterprises as big part of the literature suggests.

\textbf{4.1.2 Concentrated Ownership and Decision-Making in the Cluster}

Considering the above, we have to take into account the fact that the whole cluster, containing the Philkeram group and the company of the raw materials production, was owned and directed by one family. The case of this cluster, falls in the concept of ‘large shareholders’ administration or the family-owned firms’. Regarding the literature review this could have either a positive outcome because of the reduced agency costs in the cluster; as the family-owner was also the administration authority of it, or could end up in lack of efficiency because of lack of administration skills. The workers perceived as unjust the fact that the ‘weights’ of the upgrading investment were affecting their working conditions and livelihoods, but this was not the most important trigger for their mobilization. On the other hand, those entrepreneurial actions of the firms made the workers to start constructing an idea of inability by the mother company’s CEOs to administrate the whole cluster and thus Viome as well.
In general, the whole mobilization process was escalating over time, allowing in this sense the workers to understand what was going right and wrong regarding the administration by the employers.

Another problem that the workers expressed was the absence of the employers in the factory of Viome. Accordingly, this absence combined with the concentrated decision-making of the leader of the cluster (mother company) was expressed by the mother company as an opportunism in the sense that Fama and Jensen (1983: 303) are stating. Regarding this aspect, when the mother company faced problems of financial instability, made two important decisions. Both of them, were in the direction of ‘tunneling’. Firstly, the mother company, as absolute owner of the cluster and consequently of Viome, forced Viome to increase the using of input materials that were produced by the rest of the affiliated firms and the extractive company, while those inputs were provided to Viome by the mother company. Secondly, the family-owner decided to provide loans to the mother company by Viome. Both of those, are showing that when the crisis started, the employers acted opportunistically, creating ‘pyramid structures’ through which they attempted similar actions as the ones described in the literature like “excessive compensation for positions held in the firm, advantageous transfer prices, loans at non-market rates, loan guarantees for other affiliated entities or by merger transactions that can enhance the value of other firms in the group” (Ben-Amor and Andre 2006: 520).

Discussing the governance type, the Philkeram cluster had this characteristic that makes the specific clustering an interesting paradigm. The concentrated ownership, made the governance of the cluster not only hierarchical but strictly hierarchical, as if it was one enterprise. The decisions of the mother company were not discussed with any other managers of the affiliated companies as the managers of the other firms were all members of the same family; but they were implemented directly to all of the firms. This was a reason that Viome was operating without any supervision until 2006-07 that the conflict between the management and the workers started.

Concluding this subchapter, the aforementioned vulnerabilities and failures, as well as, the development of administration skills by the workers of Viome, explains partly their dissatisfaction and disappointment with the structure of the production. More importantly, it explains the ex-ante empowerment of the workers when they shouted “if they are not able to do it, then we are”. This finding of the fieldwork, appeared to be the main root for their radical mobilization, occupation, and worker-administration of the plant. This finding will be presented more extendedly in the next subchapter of this section that regards the mobilization of Viome workers.

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11 This information got gathered during an informal discussion and got validated in the recent official documentary (Next Stop: Utopia 2015).
4.2 Viome’s Workers Mobilization

We have to consider workers’ mobilization as a tough negotiation game. Thus, when work is demanded by the employer then the mobilization tool of workers is the work stoppage. That is what the workers of Viome incorporated during the first disappointment with the governance of the cluster and subsequently with the absence of negotiation power that Viome S.A as an individual firm performed during the interfirm cooperation because of the concentrated ownership and decision-making that the structure of the whole group implied. But, what happens when the employer for various reasons chooses to stop the operation? What is the bargaining power of workers in this case? If we suppose that during those first mobilizations while the cluster was still operating the workers exercised their ‘workplace bargaining power’ through work stoppages, then what kind of power do they exercised when the employers stopped the operation of the cluster and abandoned all the affiliated firms? The case of Viome and a plenty of other studies (Palomino 2003; Vieta and Ruggeri 2009; Vieta 2012) show that the workers while still being in a workplace conflict, adopt another tool of struggle, and that is to work the plants. But how to work the plants? For sure, not in a way that continues the profitability of the employer. But, by occupying plants, establishing cooperatives, and proving that the workers have alternative ‘weaponry’ when the capital decides to rest; those cases prove are a significant unrest of the workers. But then, the most important question of this paper derives. What is this content that triggers this mobilization of workers; to undertake the plants?

4.2.1 Leadership and Collectivization of the Experienced ‘Injustice’

The mobilization theory as it was established by Kelly (1998), concentrates on ‘injustice’ that is experienced individually by the workers and thus, under circumstances that a leader appears, it becomes a collective feeling, it gets politicized, and hence, leads to mobilization. But for this case, that the workers are losing most of their sources of power (see the theoretical framework about Silver’s ‘sources of power’) the concept of injustice can explain the mobilization up to a limited level. This means that it explains a precondition but not the mobilizations in these cases. It explains the precondition of the workers getting conscious of the inequitable situation.

Thus, Kelly’s concept of leadership, for example, was validated in the case of Viome but it was valid up to the point that explains a precondition of mobilization -this of getting conscious about the different injustices- but not the mobilization itself. Hence, to a specific point, leadership appeared and collectivized the experienced injustice that had started with the first transformations of the cluster and of Viome S.A. Specifically, after the first mobilizations, the mother company transformed the exercised disciplinary power, and governance of the internal issues of the cluster. The described situation finds the representative of the cooperative which at the time was just a worker of Viome, being offered by the employers a higher position than the one he was occupying. When he refused, and while the employers were recognizing that he was
the one that was collectivizing the rest of the workers\textsuperscript{12}, they ‘downgraded’ his position, placing him at a post that (geographically) he could not interact with any other worker, but also did not have the skills to work there.

This disciplinary power, reminds of what Foucault (1978) was describing with the concept of ‘panopticism’. In a nutshell, Foucault is stating the following about the disciplinary power of distribution and individualization of persons. “First a strict spatial partitioning (…)” then, “(…) is placed under the authority of a syndic, who keeps it under surveillance.” (1978: 195). In combination with the ‘new type of supervision’ that the mother company introduced\textsuperscript{13}, this leadership that appeared, and the attempt to discipline the leader made more explicit to the rest of the workers the ‘structural injustice’. Accordingly, during an informal discussion some of the workers stated that “Viome became similar to an army”. Concluding, what in this fact made a shock to the workers was the changing of a ‘task’, meaning that the mother company contradicts its previous governance type\textsuperscript{14}, by choosing to discipline the workers and eliminate any struggle that the last started, and this was changing a task that the workers were used to. To work in a more autonomous way, with no active supervision. Conceptualizing the abovementioned task, it could be stated that the supervision’s change by the mother company, crashed with the knowledge-power that the workers had already developed by working autonomously.\textsuperscript{15} It was coming to take away from them, the freedom in the workplace. This conflicting combination escalated the mobilization of the workers.

Nevertheless, despite the appearance of the ‘leader’ as Kelly (1996) is considering, and moreover, despite the reflection of the ‘injustices’ on his face -as it was mentioned in the beginning of this subchapter- this conflict just pushed the workers to realize the inequitable situation. Hence, Atzeni’s contribution on mobilization theory, assists to explore deeper the mobilization that occurs not as a bargain that it was mentioned earlier, but as an attempt of the workers to be autonomous.

4.2.2 Solidarity Deriving from Compañerismo and Solidarity Deriving from Knowledge Empowerment

Atzeni (2009) argues that there are several kinds of injustice that the workers may experience, and thus, injustice cannot be defined as a unique entity. Moreover, he contributes that the mobilization of the workers should be

\textsuperscript{12} The representative of the cooperative stated: “They had realized that I was active and that I couldn’t compromise, that’s why they sent me up there” (meaning on the distant post).

\textsuperscript{13} At this time, the change of the governance and the exercise of disciplinary power took place in another way as well. The mother company, assigned as monitors employees of Philkeram. The questioned worker stated: “they (meaning the monitors) had never mixed any of those materials. Their skills were not such. Thus, I responded him to go away, and that he didn’t have the skills to command me. He went away after this argument while saying do (meaning the workers of Viome) whatever you want”

\textsuperscript{14} That the supervision of Viome S.A was absent.

\textsuperscript{15} The workers when they asked during a discussion, they noted with pride that they were repairing the machinery by themselves, doing the quality control on the products etc. see also later in this work)
analyzed more detailed “rooting collectivism in the workplace solidarity created by the capitalist labour process” (Atzeni 2009: 6). In the case of Viome, there are interesting characteristics explaining a different trigger for workers’ mobilization. Thus, it is true that both the theory of mobilization as it was first published by Kelly and the contribution of Atzeni, offered an explanation on the workers’ mobilization in Viome.

Accordingly, while reviewing Atzeni’s concept of solidarity, I found it fitting with my researched case. Of course, this is partly explained by the fact that the paradigm of Viome, the workers and their whole mobilization was influenced, encouraged but also inspired by the ‘Argentinian current of occupied factories’ (see appendix 6). Thus, solidarity between the workers really turns to a mobilization force for the workers, as Atzeni argued. On the other hand, in the case of Viome S.A it did not appear just as what Atzeni (2009) is arguing about a compañerismo that pre-exists. In the case of Viome S.A there was not a significant pre-collectivism rather a solidarity that got developed on the theme that was presented in the previous subchapter. Specifically, it appeared as a mixture of the identification of the injustices because of the whole context of transformations, but also, because of the reflections of some of those injustices on the face of the leader when he was pointed by the employers. Moreover, and finally, it got concrete under the ex-ante ‘knowledge’ empowerment that they had already developed because of the supervision absence.

This was the basis of the workers to mobilize radically and create the motto “if they are not able to do it, then we are”.

This is what collectivized a part of Viome’s workers, and motivated them to undertake the plant.

This is the reason in combination with what Atzeni (2009) is recognizing in the FIAT factory; that the workers are relating themselves and build a special identity significantly based on the characteristics of the production output.

That the workers are identifying themselves as organic part of the enterprises and feel proud about their position.

Finally, this is what makes them to undertake the plants. The empowerment of the know-how, combined with a respect and pride for their work, that leads them to defend their workplace as if it was theirs.

Concluding this subchapter, during the interviews, according to what was mentioned in the previous paragraph, the workers mentioned: “even before, we were doing everything by ourselves”. The workers had developed those skills that they were feeling able to direct the whole production of the plant. This power of them, would be enough to bargain in the sense of work stoppages as Silver is describing; to “cause disruptions on a much wider scale than the stoppage itself”. But this was not the case after the abandonment of the plant by the employers. The workers used this type of ‘workplace power’ during the conflict with the mother company, but after the abandonment they used it, to achieve autonomy. Moreover, the workers still believe that continuing the occupation of the plant and making the cooperative successful and sustainable is a way to continue the mobilization. How? As they said, exercising this power of occupying and working the factories of the individual owners, in long term will prove to the employers that the workers are able to do it. And
thus, -as they said- “the employers will be skeptical to abandon the plants easily in the future”.

4.3 Trade and Solidarity Economy

In the case of the cooperative Viome, it is observed an alternative relation with the market economy, significantly different in comparison with traditional firms or even traditional cooperatives that participate in the market economy as if they were firms. This seems to be the main reason that Viome is increasing its annual production every year since 2013 that the workers occupied it, took the control over the production and applied radical changes; from the organizational type of the production to the modification of the product. On the other hand, despite those attempts of the workers to operate in a different environment than the traditional market economy, the production process is still dependent on it. For the sustainable operation of the cooperative the workers took two principal decisions. Firstly, to modify the product, and secondly, to make use of a solidarity network for promoting their products.

The first restriction that the cooperative Viome faced was the legal use and production of the previous building materials. On this contributed partly the fact that the workers occupied the factory and established the cooperative, but still they did not own neither the property rights of the product, nor the stocks that had remained as inputs. This, combined with the scarce of capital, led the cooperative to start the production of natural soaps and detergents.

Thus, the cooperative Viome is any more engaging in a network of solidarity economy, but only when it refers to outputs’ trading. All the products are promoted directly to the customers without the use of intermediaries. The particular type of the solidarity economy contains a network that promotes the products of Viome to workers’ unions in Greece and the rest of Europe\(^\text{16}\), to political organizations and individuals through the e-shop of the cooperative\(^\text{17}\). The workers, making use of the solidarity network give another notion to the meaning of trade. They define the trade as an exchange of needs, as an exchange that helps both parts to survive and exchange in different terms, rather than the traditional profit-seeking exchange. The sales do not depend on the specialization and capacity of “specialists” to advertise and promote it. Moreover, is a common and fundamental decision of the workers’ assembly not to place the products in massive-selling marketplaces, establishing in this way a different relation between their product and the society. Those as mentioned above, correspond to their perception that the production of a good, is not just a process. It is deeply and significantly placed in the core of social activity and responsibility; it is related to the way we perceive all the political debates around environmental, feminist, worker and equality issues. This the reason that they decided to produce goods that are natural and environmentally

\(^{16}\) Data gathered during a personal interview with a worker.
\(^{17}\) See [http://www.viomecoop.com/](http://www.viomecoop.com/)
friendly. In the same way of thinking, recycling is part of their production process; any material that is not used anymore is recycled.

On the other side, the inputs that the cooperative Viome makes use are highly dependent on the market economy. Specifically, the response of the representative of the cooperative, when he was asked who is providing the cooperative with inputs, he responded “we buy whatever is cheaper but of good quality, we even import raw materials because they are cheaper”, consequently, when I asked him if those inputs are coming from other cooperatives, he said “Not exactly, for now, we are depending on cheap materials, but no, we are buying the inputs from anyone”. This proved, the dependency of the production on the traditional market that can provide cheap materials, in contrast with cooperatives that provide inputs, because of their insignificant position in the economy, their lack of capital accumulation, their slow capital reproduction, and moreover, their lack of communication and networking, cannot establish a network that could provide raw materials and intermediary products to other cooperatives. This stands contradictory, with the response of a group informal discussion with other workers, that expressed that they do not want to promote their products in the traditional market economy, as they are already using it for inputs.

Despite the above, when they were asked why the do not use the traditional market economy for selling their products, they responded that ideationally they think of the goods’ trade as a mutual-dependent relation. They think that people who are choosing to buy their products should do so, not for the reason that their products are fancy, or well promoted. But, because they contain the “hidden” characteristics of a workers’ fulfilling and independent work, solidarity, environmental responsibility and an ideology that its core is the work without oppression and exploitation. In that way they think that their responsibility is always to follow those principles that the customers choose their products for. Concluding, we can consider the above mentioned as a potential goal of the cooperative, but still the restrictions do not seem to allow flexibility in their way of planning the production. In other words, even if they want to establish new, ethical principles of trading and production, still the market economy restricts them, and leads them to compromises, that do not exactly fit with their particular discourse.

4.4 Organizational Type of Production and Sustainable Development of the Cooperative

The aforementioned are constructing a context with strict principles\(^{18}\), that at the moment restricts the chances of Viome to upgrade or expand, in a way that a capitalist type of an organization would manage to do. In this way, the cooperative Viome may sacrifice the profits that the joining of the market economy would provide but provides an example of the sustainable development of an organization. It moreover, provides a model that the entrepreneuri-

\(^{18}\) For more information on their agreement of principles, see [http://biom-metal.blogspot.nl/2013/01/1.html](http://biom-metal.blogspot.nl/2013/01/1.html)
al social responsibility does not derive from a marketing strategic plan but from ethical principles that in their core, it carries the social control over the production.

The sustainable development that those paradigms can provide for reconsidering, relies on the fact that this relation between the workers, capital, technology proves that all the production factors can be used under ethical criteria that the human being decides the way. In the capitalist production form of firms, the engagement of the human beings can reach one point that after that the capital rules and decides. That was, for example, one of the reasons that the cluster failed. The participation of the human being cannot sometimes overcome the contradictory power of the capital. The mother company reached a point that the capital could not reflect the actual production, the debts had to be serviced, and there happened the crash that many capitalist firms face during crises. The needs of the capital seem to have priority compared with the needs of the workers. Thus, the capital runs away, and the workers face precarious conditions of living.

4.5 Internal and External Challenges and Debates

On the other hand, Viome is facing challenges that vary. There were times that the workers had a disagreement on issues that had to do with the improvisation of the production and with the insertion of more specialized products. In this direction, one of the workers described a time that they decided to discuss a new product, which demanded the chemical engineers to dedicate some of their working hours in R&D to decide if they had the capacity to move forward in the production of it. As with all of the proposals, the problem should be discussed, and the decision should be made by the weekly general assembly. During the discussion, the chemical engineers argued that Viome had the capacity to introduce the new product but in this case, they would face the risk of the final quality and of more working time to add it in the production line. The assembly in this case, decided not to take the risks as many of the workers were concerned about the possible failure of this upgrade. The representative of their new union and cooperative stated that this is what self-management and solidarity are about, and that there are times that part of the workers has to slow down their expectations and the other part has to take the time to grow them faster. He supported that there are times that some of them attempt to move forward faster, to upgrade the production and develop Viome, but at the same time, some others are not so confident. That is when solidarity has to take place, and that's why they postponed this plan for the future so that the “pace” of all of them will be in line.

The aforementioned shows that one of the challenges that Viome faces, is the limited capability of the production line. The reasons for this restriction varies from time to time. Technology, capital or even the number of the workers might affect both the actual production capabilities or even the workers’ perception of it. In the last case, a significant part of the workers claimed that they were capable of introducing the new product, even though the perception of the rest was different. This is a characteristic that differs when the decision-
making was under the control of the managers and now that the workers are in charge of it. The decisions might be less risky and thus, profitable but on the other hand makes the development of the cooperative more sustainable and secure, as every “new step” for Viome is filtered by all the workers, regarding the different knowledge and opinion they have over the production capabilities and the following risk.

At this point, it was important for me to realize that the different organizational type of a firm (cooperative versus hierarchically structured decision-making) regards not only the who or how the decision is taken. The most important is that this alternative organizational type reflects its components on the actual production. Thus, the cooperatives that make use of this model of horizontal and inclusive decision-making lead to an alternative production model. Embedding in this way, characteristics of what the product is, how is it produced, what risks are affordable to be taken, who is promoting the product, what is the price of it, what is the impact on the environment and several more. All of the aforementioned, are embedded in the product even if the person that buys it, is not noticing it. All those characteristics of the production under worker-driven enterprises, highlight that the performance of the last should not be evaluated in the same way that capitalist enterprises are examined. An evaluation should take in account the job satisfaction, the empowerment, the social interactions that the workers develop and not only the annual income of the enterprise or the invested capital. Moreover, the relation that they develop with the capital is different as well. The capital is necessary for the production process, but the workers are making use of it to make their business plans work and not the other way around. Concluding, Viome as a worker-driven enterprise promotes a different “value system” away from obsessive profitability-seeking and absolute efficiency.

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19 For a notion on the decision-making see Appendix 8
Chapter 5: Conclusions

This research paper attempted to answer the question of relationship between the type of industrial production and the industrial transformation that the workers of Viome implemented while occupying the plant and establishing the cooperative. This industrial transformation was assumed in this research paper, an expression of workers' radical mobilization. Hence, the main question can be also framed as, what triggers such a radical mobilization of workers?

To structure a response to this questioning, I hypothesized that the previous organizational structure embedded characteristics that forced this radical mobilization. Thus, to understand the transformation and the workers’ unrest, I consulted mainly the theory of mobilization as it was developed by John Kelly, as well as, Maurizio Arzeni’s contributions, that actually were more similar to the case that I researched. Nevertheless, both of them offered a limited explanation of different elements during Viome workers’ mobilization. Their combination though, made the case much clearer in terms of preconditions of mobilization, as the ‘injustices’ experienced in the workplace, and the solidarity that may empower them to unrest.

This was the reason, that I tried to explore in the literature review, theories of firm and clustering organization; to extract concepts and characteristics, that in the researched case were appearing differently. After developing the abovementioned theoretical framework and was applied to my case, it got distinguished, the insufficient or even unjust governance of the cluster, and moreover, of the inter-cooperation of Viome firm with the leader of the cluster which is the mother company. Directly affected, were the workers of Viome, as they had to both defend their working conditions and the firm, in a way of defending their workplace. Concepts such as the ‘concentrated ownership’, the ‘tunneling’, the absence of supervision in Viome’s factory, and other, helped to understand that the workers were experiencing an ex-ante autonomy in the workplace, which consequently had pushed them to undertake tasks that demanded managerial skills. Some of them are, the repairmen of the machinery, the quality control of the product, etc. Thus, when this attempted to be changed by the mother company in 2006-07; partly because of financial necessity and partly because of the attempt of the mother company to discipline the workers, this know-how, or knowledge power that the workers were withholding was expressed in radicalization. Moreover, when the workers lost any bargaining power because of the bankruptcy of the plants by the mother company and the no-existence of the actual workplace, the workers exercised this power to take over the plant and prove their initial motto “if they are not able, then we are”. But where they able at the end? Could we claim the established cooperative viable?

It was shown that despite the potentials that the cooperative has, the dominance of the traditional market economy, in a way, pushes them to use only the network of solidarity economy. Regardless, that the workers stated that they prefer the solidarity network. Why? Because for them, the solidarity network offers a specific and easily accessible group of clients that are buying their products, while using an ideological association with the workers. The
solidarity network offers them a safety net. On which they might rely on the future, without searching for new ways to develop and promote their products.

Thus, the alternative model of the cooperative, seems to be highly dependent on the context of the economy. As long as those paradigms are small and few, they cannot challenge the production under the traditional organization. In this sense, may this research paper shed a light on their mobilization triggers, as well as, the positionality of those alternative paradigms in the society. Using the words of the workers, those paradigms have potentials despite the limitations, but their importance right now, relies on the words “the employers will be skeptical to abandon the plants easily in the future”.

It is sure, that the workers who are mobilizing in this radical way, prove that the working class is able to emancipate itself and that can still fight despite the disorganization the neoliberal policies and dogma has caused.

In this sense, future researches have to consider more about the context of the economies that these cooperatives participate in, rather than the organization itself. The cooperative organization will never stand a significant alternative to the mainstream ways of production, if the context of the economy does not allow it. Hence, future research and such workers’ mobilizations might lead us to a structuration process that will transform basic unjust and oppressive elements of the industrial production.
Appendix 1: Administration Board of Philkerm Group

This document was gathered by the Greek government’s record of businesses.20

Appendix 2: Announcement of Cessation of Payments

Source: Greek government's record of businesses (see: Greek State's Database of Enterprises' Balance Sheets)
Appendix 3

This question was directed to the worker that is the representative of the cooperative. The question was formulated as follows:

Q: What’s the specific organizational framework of the cooperative?

A: “At first we started without having any organization. Then we started realizing that our attempt couldn’t achieve anything without a legal structure. We were also pushed by the negotiations with the government, as we were asking the government to recognize us, to recognize that we were not paid since 2009, and make it legal for us to operate the factory. Then they told us that we should at least have an organization form so that they could start the process.”
That how we decided to establish the cooperative. At this point we called all
the workers (meaning also the ones that hadn’t followed the occupation) of
Viome to come back in the factory and become members of the cooperative.
Not everyone agreed but we gathered the number of members that we needed
to establish a cooperative.”

Appendix 4

Q: Which was the year that the problems started?

A: “In 2006-07 the bosses took a loan to buy and introduce two new produc-
tion lines. The one for Philkeram and the other for Hippocampus S.A. You
know, they (meaning the production line22) were really technologically modern.
Very good machinery. Then, they decided to start firing workers and reducing
our wages. They started firing the newest ones, not us, we were here too many
years to fire us. Officially, we are not fired even at the moment. And do you
know what happened at the end with this new machinery? The banks took every-
thing back; they didn’t even manage to use them for long (meaning the ma-
chinery23).”

Appendix 5

Q: In one of the short-documentary videos that were published about Viome,
it is mentioned that Viome S.A got trapped by the administration, and that if
some of the inputs were bought in the market Viome S.A would not had been
downgraded. What did you mean with that?

A: “Yes, we meant that at some point they changed even the inputs of very
popular and good quality products that Viome S.A was trading. The tiles’ adhe-
sive was one of the best in the Greek market. And it’s not us that are saying
this. The clients were coming to us and they were complaining that the product
was not anymore as stable and strong as it was. Thus, we decided to arrange a
meeting with the board to complain officially. Their response was that this is
how the market performs and they blamed the crisis. We told them, which cri-
sis, the rest of the products don’t have that significant drop of their sales. After
this first time, we decided to do this for every change that they were deciding;
as more as they didn’t want us involved, as more involved we were getting”

22 The note in the parenthesis is mine.
23 Parenthesis is mine.
Appendix 6

The original question to the representative of the cooperative at this point was:

Q: Did the presence of famous academics and activists like Naomi Klein helped your attempt?

A: “Of course, it’s not the same when nobody knows your experiment on self-organization. The presence of those people here, in the factory, made it harder for the people that were counter-mobilizing to hit the cooperative Viome. Those people changed the cooperative’s popularity. But, even though, we already had support by workers in Argentina that we contacted to help us since the beginning. And they helped us with many challenging issues, with technical advices, with issues of trust between us etc.”

Appendix 7

The interviewed workers of Viome S.A noted that they were well paid until 2006-07, that the mother company started firing workers and reducing the wages. Moreover, they stated that the cluster was upgrading, and that worthily, it was occupying a big share of the Greek market and had significant exports.

Until the changes of 2006-07, the workers seem to respect Viome as an entity. Their contribution to the production and their own specific work was recognized through its reflection on the products’ quality and its distinguished position in the market. In short, they were, and still are, considering Viome as a company that should not be shut down.

Appendix 8

This answer came from the following question:

Q: What if you had an urgent situation that someone has to take a fast decision about sells that have to happen immediately. Who would decide? The workers that are in the plant at this moment?

A: “No, we are never rushing. Even if it is urgent we tell them to wait till the next morning, that we are having a short assembly, every morning we have an assembly for those reasons. If they can’t wait, then let it be. Everything is decided in assemblies and no one is violating this principle. That’s why we don’t have any hired employers but only members. Because we aim to be all equal. When we need a person more to work with us, we are accepting them as members of the cooperative and not as employers, despite the legal framework that allows cooperatives to hire employers.”
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