

**Short Paper\*: Is there still no alternative? *Self-management under a degrowth perspective: a comparative approach between two case studies in France (Fralib) and Greece (VioMe).***

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**Summary**

The recent Occupy and Indignants movements apart from denouncing the growing inequalities from the accumulation of global wealth in the hands of the 1%, actively explore alternatives to the current system. Various initiatives of solidarity and cooperative economy, self-management and self-sufficiency, transition networks and commons management have come up as a result of the uprisings all over the western world during 2011. These initiatives explore new ways of social organization: participatory leadership, collective intelligence and shared decision making processes constitute the basic elements of an emerging local-scale community-based world, according to the slogan “another world is possible”. The degrowth paradigm with its “back to basics” approach is directly related with the emergence of this world, where the priority of human beings and nature over profit making is uncontestable.

This short paper examines two case studies of self-management in Europe under a degrowth perspective: *Fralib* in France and *VioMe* in Greece. Can such initiatives be sustainable? What are the obstacles and challenges they face? What is their relation with the degrowth paradigm? Do they -and to what extent- challenge the current models of socioeconomic organisation?

Keywords: *self-management, degrowth, solidarity economy, transition, citizen initiatives, alternatives, capitalism.*

**Introduction**

The famous thatcherite mantra "There is no alternative" is still echoing worldwide in support of neoliberal austerity policies during the current economic crisis. But, finally, is there literally no alternative? The recent chain of uprisings all over the world, from the Arab Spring and the uprisings in Latin America and Middle East to the Occupy and the Indignants movements or the great manifestations in the Balkans and Turkey, give some hints of the limits of capitalist growth.

In their effort to overcome their state of “shock”, as very well described by Naomi Klein<sup>1</sup>, civil societies seem to start realizing that the best way to deal with the severe socioeconomic crisis combined with extreme state repression, is to focus on "positive" initiatives rather than the "against" narrative. As a significantly increasing number of people start realizing that capitalism is no more bearable, acceptable and viable, priority to human and environmental values over financial ones constitutes the fundamental aspect of alternative initiatives. More and more people start getting engaged in initiatives of social and solidarity economy, self-management, working collectives and cooperatives, exchange networks, alternative currencies, time banks, direct producer-to-consumer networks, social clinics, as well as in initiatives of natural building, organic agriculture, eco-communities and transition networks, permaculture and traditional seed preservation, collective management of the commons, self-reliance in food, energy and health. Questioning strongly the foundations of capitalist growth which are based on production,

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<sup>1</sup> Klein N., 2007, “The Shock Doctrine: The Rise of Disaster Capitalism”, Knopf Canada

consumption and debt creation, the first steps towards degrowth are experimented in an attempt to de-financialise life and re-politicise the economy.

Under this perspective, two case studies of self-management tentatives are examined, analyzed and compared: Can such initiatives be sustainable? What are the obstacles and the challenges they face? What is their relation with the degrowth paradigm? Do they -and to what extent- challenge the current models of socioeconomic organisation?

### **Methodology**

The methodology followed is based both on desk (online) and on site research. All information about the history of the struggles and the events that took place has been derived online from press and the archives of *Fralib* and *VioMe*. Data on the way self-management is perceived, achieved and put in action were derived by interviews and personal discussions with the workers during visits to both sites. As this is a work in progress based on the continuous evolution of the two projects, the data provided concern the time of writing this paper (March 2014).

### **The case of *Fralib***

*Fralib*, founded in 1977, is an ex-Unilever subsidiary outside Marseille (Gémenos), France, originally destined to produce the *Lipton* and the *Thé Eléphant* brands of teas and infusions. Following a business process reengineering in the late 90's, Unilever moves its production from Le Havre plant –originally producing the *Lipton* brand- to Gémenos in order to shrink down production costs. Gradually, Unilever abandons the production procedures that constitute the unique selling proposition of its products, by replacing the cutting line of the harvested herbs and the workshop of natural flavoring with chemical aromas and low-cost herb provisioning from Eastern European subcontractors. Profit margin maximization requires the move of production once again and finally, in 2010, the multinational announces the closure of the factory with the intention to move production to Poland, with the argument that *Fralib* is not competitive any more. The strategy of repetitive cost reductions since 2000 through quality degradation and the following centralization of all commercial and logistics activities to Unilever Supply Chain Company (USCC) in 2007, confined *Fralib* to a “façonnage” activity, thus affecting negatively its performance and efficiency till 2010, when its closure was announced.

Workers resisted to the intentions of the multinational and after three years of arduous social and legal struggles, they succeeded in claiming back the factory and setting the foundations for the advancement of their project. The key points of their project are summarized below:

- Creation of a cooperative
- Return to the natural aromatisation process
- Herb provision from local organic producers through direct sales networks
- State financial support
- Political engagement for the implementation of a solid legal framework that will allow workers to overtake production of closed or abandoned factories
- Transfer of the historic marseillaise brand of *Thé Elephant* tea to the workers' property, strongly and permanently denied by Unilever
- Subcontraction of the commercialisation process to Unilever for 5 years
- Financial participation of Unilever to the project (revitalization and training)

From the 182 initial workers of the factory, 76 finally are still in their working posts, as the rest of them have accepted to sign contracts of social plans or extra-compensation proposals by Unilever. These ones have led long-term legal struggles with positive results: Unilever after three years of refusal eventually ceded the factory and the machines to the local authorities, which in turn transferred it to the workers. Furthermore it was obliged by courts to pay allowances to the workers as the proposed social plan was declared insufficient. Very recently, their struggle has compensated their efforts, as a six-month negotiation with politicians and representatives of Unilever ended with the creation of a cooperative: the workers managed to get funded by Unilever with 19,2 million euros.

### **The case of *VioMe***

*Viomichaniki Metalleftiki (VioMe)*, founded in 1982, is situated outside Thessaloniki, Greece. It was a subsidiary of *Philkeram-Johnson*, a producer of ceramic tiles and once one of the biggest companies of Northern Greece as well as one of the biggest tile producers in Europe, which went bankrupt in 2010, following the severe financial crisis that affected the Greek construction market. In 2000, *VioMe* was a financially healthy and flourishing company, specialised in the production and commercialisation of complementary products of high quality (adhesives, mortars, coatings) certified with the ISO 9001 norm.

The mother company started facing financial problems of high debt in 2009 –following huge investments at the beginning of the economic crisis in 2008- and finally went bankrupt. After having indebted *VioMe*, the owners abandoned the factory, production ceased at the end of 2010 and salary payments stopped some months later, in 2011. Workers responded with consecutive strikes and employment retention. After a year of unemployment, the 80 workers of *VioMe*, decided almost unanimously (by 97%) to claim back the factory under self-management and develop their own project. The key points of their project are:

- Preparation of a legislative framework that will allow the appropriation of abandoned factories by workers
- Cancellation of the financial obligations of *VioMe* to the state
- Ownership of *VioMe* shares without the assumption of its debt, as *VioMe* itself has not declared bankruptcy
- Funding for the re-operation of the plant through the National Employment Agency (OAED) and the National Strategic Reference Framework (ESPA)
- Restitution of the amount lent to the mother company
- Elaboration of a solid business plan accruing 66 working posts
- Creation of a cooperative of workers for the operation and management of the plant

After unfruitful meetings with the Minister of Labour and several struggles to claim back the property of the machines, the almost 40 workers (out of 80) who remained in their posts, put their project into action and decided to shift from the production of high cost adhesives to the production of low cost ecological cleaning products, supported broadly and permanently by social movements and solidarity economy initiatives in Greece and abroad. Today they have proceeded in this kind of production and they sell their products mainly through solidarity and direct sales networks. Their next step is the creation of a cooperative under the current legal framework. But the legalisation of workers' control over production remains always an objective in the long run.

### **Comparative analysis: self-management under a degrowth perspective**

The examination and the comparison of the two case studies of self-management under a degrowth perspective is interesting enough as both struggles have a common starting point: the shortcomings of uncontrollable neoliberal capitalist growth: *Fralib* workers struggle against the impacts of globalisation while *VioMe* workers against the impacts of market deregulation. Both situations are the outcomes of the structural composition of growth within the capitalist context. According to the capitalist narrative, there is no alternative to these situations. In the best-case scenario, unemployment is confronted with well paid social plans. But workers in both countries have another vision and another plan: they want to take full control over production and run their factory through self-management. They want to decide on their own what and how to produce and undertake the social role of their project: production of products of social utility in direct contact with local communities, respect to the environment and to public health, reinforcement of local economies, profit reinvestment. Profit maximization is not their target. They are satisfied to have an income of dignity to feed their families. Furthermore, localization of production, investment in local economy, production of products of social utility and strong interaction with local communities, are all aspects directly related to the degrowth paradigm and can be an interesting example of how degrowth can work in practice in large-scale production. Another common point of great interest relies on the firm determination of the workers in both cases to lead their struggle till the final resolution of their demands. No matter which path of fight they follow, no matter what decision they take, they remain loyal to them, they take action accordingly and they move on.

Apart from this common basis, the similarities of both projects can be summarized in the following basic aspects:

- **Solidarity:** Both projects were widely supported by solidarity initiatives and social movements, not only socially –boycottage (in France against Unilever), organisation of various events in the factories, calls of action through social media and social networks- but also financially -through crowdfunding campaigns and donations- and politically -through political support by left-wing politicians, demonstrations, organization of public debates all over the two countries, organization of meetings with local authorities and politicians. The investment in the creation of bonds with local communities has been the base of success in wide and permanent solidarity support of both projects.
- **Self-management:** In both projects the principles of self-management are applied through democratic and participative management, social utility of the project, non individual profit status, shared decision making according the principle of “one person, one voice”.
- **Production:** Both projects have already put the machines into operation in an attempt to move a step forward on their project. It is important to note that workers in both cases during their assemblies and decision making processes take into account the social aspect of production: in the *Fralib* case, workers decided to move on a trial production of organically cultivated herbs bought directly from local producers while in the *VioMe* case, workers decided to produce a line of biological cleaning products after taking into account the opinions expressed during local citizen assemblies.
- **Commercialisation:** Diffusion of products has been made through solidarity networks. The workers’ intention in both cases was not focused on earning money but on informing people of

their self-managed initiative through their products. The pride they feel when producing and diffusing the result of their work is a high-level motivator of the whole project.

- **Legal framework:** In both cases there is a lack of legal framework, though in France, after the voting of the recent Law on Social and Solidarity Economy, overtaking production by workers seems less complex than in Greece.

Despite the similarities of the two cases, some essential differences can be traced, especially in the way the two struggles were conducted: the Fralib struggle is focused mainly on a legal / political solution, while the VioMe one is focused mainly on a socially based solution. This main difference is related to the political and socioeconomic situation of each country. In France, Justice has declared the firing process pursued by Unilever illegal and the proposed social plans as inadequate and inconsistent with the French labour laws. This legitimisation of the workers' struggle by the French courts resulted in ceding the factory and the machines to them, thus setting the legal foundations of the realisation of their project. In Greece, the attempt of self-management has not attained institutional interest yet, although the ex-Minister of Labour has declared that "the conditions are already mature enough for such initiatives". Furthermore, the lack of a legal framework that allows workers to take control over abandoned or bankrupt factories renders their struggle more complex. The "legitimisation" though of the project was attained through social mobilization, social solidarity and social support. The workers' struggle gained public sympathy which led to active support, not only ethical but also practical, commercial and financial.

The success of *VioMe* case resides completely on positive public opinion and solidarity networks that mobilised national and international support. The impact of the struggle is so wide that it has attracted the interest and support of personalities such as Naomi Klein, David Graeber, John Hallaway, Giorgio Agamben, among others. Solidarity actions were organized and supportive messages arrived from all over the globe, from Latin America to China and from Canada to Eastern Europe. Working World, a NGO which manages a solidarity fund especially designed to support financially projects of self-management, has declared ready to cooperate with the workers in order to develop a solid business plan. This worldwide impact is the result of hard work of activists of the solidarity committees to VioMe in Thessaloniki and Athens. Building strong bonds with social movements remains the basic axis of the VioMe struggle.

The way workers choose to fight depends on the socioeconomic, legal, political environment of each country. Legal action was effective in France whereas not in Greece. Furthermore, the economic situation of the workers in France allowed such a long-term and costly struggle, as workers were paid during their fight. In Greece the situation was critical and urgent, as workers remained unpaid for more than a year before the machines were put into operation again.

### **Conclusion: Challenges of self-management within a capitalist context**

The question that arises is how feasible are the initiatives of self-management within the capitalist context. How much of "alternatives" is capitalism eager to accept? And from the other hand, how adaptive are these alternatives to a capitalist world? Although in different political, legal, economic and social contexts, workers in both cases face the limits of the "willingness" of the capitalist system to "give birth" to such initiatives. Capitalist growth is surrealistic enough to fight against unemployment and at the same time restrain every initiative of employment is out of its logic.

But the main challenge for alternative initiatives remains on questioning the foundations of capitalism. Will they gain the dynamics for a real alternative to the existing system or will they just mitigate the damages of capitalism? Is their potential and dynamics enough to lead to a systemic change? Could they constitute the seeds of a new socioeconomic system based on the principles of degrowth?

Societies have to invent their own systems in which they want to live, grow and prosper if they really want to escape the destructive neoliberal capitalist growth. The examples of *Fralib* and *VioMe*, with all their potential weaknesses, demonstrate an undeniable fact: the determination of the workers to get engaged in a constant, decisive, creative and innovative resistance. Whether these local initiatives will be able to evolve to a global alternative socio-economic system or they will remain an oasis in the neoliberal desert still remains a question to be answered beyond the scope of this short paper. Nevertheless, it may serve as a first step towards this problematic for an in-depth research project.

*\*This short-paper is based on my research for my thesis on Social and Solidarity Economy (April 2014, MSc in Public Administration (Institut des Sciences Politiques –Université d’Aix-Provence)and was presented on 5-9-2014, during the [Degrowth Conference in Leipzig](#).*