Institutional Change & Organizational Diversity: The Effects of Collective Action on Worker-Recovered Businesses

DISSERTATION

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Abstract

How do new organizational forms emerge and proliferate? This is a central question in organizational theory and economic sociology, as well as in our understanding of societal change more broadly. New organizational forms provide templates of practices and structures that embody social identities and cultural values in different ways from prior forms. The development of new organizational forms can therefore enhance a society’s repertoire of organizational solutions to social problems and serve as vehicles for cultural change. However, sociological depictions of organizational populations typically highlight the cognitive, normative, and regulative factors that constrain deviations from pre-existing organizational forms. There is a growing consensus in organizational research that we need more attention to the development of new organizational forms, focusing particularly on the role of social movements in shaping organizational development. I draw on and advance this agenda through analyses of the unique case of the worker-recovered businesses movement in Argentina. Worker-recovered businesses refer to a population of firms that went bankrupt or were abandoned by their owners, but were taken over by their former employees and managed as cooperative enterprises. I construct a rich dataset from numerous sources on worker-recovered businesses and their social environments between 1989 and 2007 for all Argentinian provinces, including data on social movement activity, political contexts, and economic conditions. I use these data
to study the historical and structural contexts that influenced the founding rates of these novel economic organizations.

I undertake three empirical analyses of the influence of prior social movement and community activity on later worker-recovered businesses. First, I investigate whether a social movement targeting the state produces “spillover” effects on the worker-recovered businesses movement. I argue that an unemployed-workers movement provided cognitive cues and cultural information for worker-recovered businesses protagonists that facilitated organization-building collective action. Second, I consider how legacies of collective action influence the emergence of alternative organizations. I find that prior movement struggles provide cultural lessons that later challengers adapt to solve new problems. Finally, I explore the influence of community organizations on the founding rate of worker-recovered businesses. I find that pre-existing infrastructures of community organizations provided the institutional logics and social capital that underpin the transformation of failed businesses into a cooperative enterprise.

This dissertation contributes to the burgeoning literature integrating social movement theory, economic sociology, and organizational analysis. The findings provide insights into how protest cycles and social structures influence the emergence and growth of new organizational forms. More generally, this dissertation suggests that the cultural and relational residue of collective action in other domains enhances a population’s capacity to build alternative forms of economic organization. The results therefore contribute to an understanding of the historical, cultural, and structural dimensions of social change.
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Chapter 1: Introduction

Since organizations are the key vehicles by which individuals and groups “get things done” (Coleman 1990; Parsons 1956:225; Perrow 1991), the diversity of organizational forms within a society is consequential for a host of individual- and population-level issues. Organizational forms are categorical identities that differentiate one organizational population from another (Fiol and Romanelli 2012; Hsu and Hannan 2005; Pólos, Hannan, and Carroll 2002). Since these identities guide audiences’ expectations for an organization’s goals, practices, and other core features, diversity in organizational forms offering employment amplifies the stock of available career options for workers. If an industry or a labor market offers a limited range of employment relations, work characteristics, and so forth, employers will value a limited range of attributes and many workers will fail to find positions matching their unique skills and tastes (Fujiwara-Greve and Greve 2000). Consequently, the dispersion of wages will be greater than in contexts with greater career opportunities (Sorensen and Sorenson 2007). Conversely, settings with heterogeneous organizational forms can provide avenues of economic achievement that would otherwise be unavailable to certain individuals. For example, Wilson and Portes’ (1980) research on the immigrant-enclave economy in Miami suggests that enclave businesses allow immigrant workers to realize greater returns on human capital investments. By contributing to the diversity of organizational forms, immigrant enclaves
appear to allow many immigrants to circumvent barriers to labor-market integration and economic mobility (Hannan and Freeman 2009; Portes and Manning 1986).

More broadly, organizational diversity affects society’s capacity to solve collective action problems. Consider the changes of the organizational landscape in the United States since the mid-20th Century. For much of the 20th Century, the large corporation was the dominant organizational form, providing internal career ladders and attractive retirement incentives for workers who stayed in the organization. By the 1980s, the increasing emphasis on shareholder value displaced corporations’ prior interests in fostering long-term commitments among their employees, leading to declining job and retirement security. Moreover, the significance of the corporate form as a source of employment declined. Whereas the size of the workforce was often synonymous with productivity and viability in the post-war economy, the new shareholder-value regime focused on “lean” processes, offshoring, and downsizing (Budros 1997; Fligstein and Shin 2007). In sum, the shift in focus to maximizing shareholder value has contributed to the rise in income inequality and economic precarity in the United States (Davis 2013). Corporations are appropriate for creating shareholder value but are insufficient for solving the current labor market problems. The creation and expansion of new forms will therefore amplify society’s capacity to address these problems.

Unfortunately, the sociological literature on organizations largely emphasizes organizational homogeneity. Contemporary organizational and economic sociology is largely skeptical of the functionalist view that organizations rationally adapt to efficiency problems. Instead, scholars draw on the view that organizational action is enabled and
constrained by institutional arrangements. Institutions include the norms, beliefs, and rules that define reality and prescribe appropriate actions for an organization (DiMaggio and Powell 1983; Hoffman 1999). Organizations that deviate from the prevailing norms and expectations suffer from legitimacy problems, including indifference or even hostility from resource providers (Aldrich and Fiol 1994). Institutionalized arrangements and practices therefore shape organizational actors’ perceptions and choices in ways that inhibit the development of new organizational forms (Fligstein 1985; Thornton 2002). Known as neo-institutionalism, this theoretical perspective contends that existing organizations within a given field will resemble each other over time, while new organizations will mimic existing forms (even problematic forms) rather than offer alternatives to the status quo (DiMaggio and Powell 1983).

In response to calls to incorporate themes of agency and change into neo-institutional theory, scholars have developed the concept of “institutional entrepreneurship.” Institutional entrepreneurship refers to actors’ efforts to realize their interests through the creation or modification of institutions (DiMaggio 1988; Garud, Hardy, and Maguire 2007). The literature on institutional entrepreneurship attempts to elucidate how individuals subject to homogenizing institutional pressures can nevertheless envision and promote new logics and practices (Battilana, Leca, and Boxenbaum 2009; Fligstein 2001; Maguire, Hardy, and Lawrence 2004; Seo and Creed 2002). Institutional entrepreneurship is particularly pertinent to understanding the emergence of new organizational forms within existing economic sectors (Greenwood and Suddaby 2006). Neo-institutionalists portray organizational forms as templates of
organizing practices and structures that reflect a set of values and understandings (Greenwood and Hinings 1996). Thus, institutional entrepreneurs can advance new organizational forms to the extent that they can credibly align alternative practices and structures with prevailing values and beliefs (Greenwood and Suddaby 2006; Haveman and Rao 1997; Schneiberg 2013).

Although the institutional entrepreneur concept infuses neo-institutional theory with interest-based action leading to the development of new organizational forms, many scholars are critical of attributing institutional change to the actions of powerful individuals (Fligstein 2013; Garud et al. 2007; Lounsbury and Crumley 2007; Powell and Colyvas 2008). Levy and Scully (2007:16) warn that the term “entrepreneur” conjures masculine images of heroic individuals amassing wealth rather than collective action toward more democratic, egalitarian goals.” One shortcoming emanating from an empirical focus on individuals with unique capacities to disengage from institutional constraints is the neglect of instances in which less-powerful individuals seeking to modify institutional arrangements through collective action. Additionally, research focusing on individuals diminishes the significance of organizational diversity for generating broader social and economic benefits for society. If non-hierarchical or cooperative organizing constitutes an effective solution to economic and social problems (Davis 2013; Wright 2010), we need to develop a deeper understanding of contexts that favor organization-building collective behavior.

Social movement theory provides a helpful basis for understanding the structural dimensions of institutional entrepreneurship and alternative organizational forms. Like
state-oriented social movements, market actors engage in collective action and seek institutional change in accordance with their interests. Social movement theory therefore provides the theoretical and empirical tools for understanding how market actors mobilize efforts to challenge the status quo (Campbell 2005). Specifically, market actors develop identities and cultural frames that motivate insurgent action, mobilize resources, and exploit structural opportunities to build new organizations and legitimize new institutional logics (Davis and McAdam 2000; Rao, Monin, and Durand 2003; Weber, Heinze, and DeSoucey 2008). For example, opportunities for specialists to occupy an industry niche promoted the emergence of the craft brewery movement, which involved constructing identities and frames opposing the consumerism and inauthenticity of mass-market brewers (Carroll and Swaminathan 2000). The literature has also seen a growing interest in the impact that large-scale social movement organizations have on promoting new organizational forms (Lounsbury, Ventresca, and Hirsch 2003; Schneiberg, King, and Smith 2008). For instance, the Sierra Club’s efforts to persuade its members and external audiences of the problems with industrial pollution and the merits of renewable energy had positive effects on wind-power entrepreneurship (Sine and Lee 2009).

I seek to contribute to this research agenda by investigating the influence of state- and community-related collective action on the founding rate of an alternative organizational form. Unlike studies that attribute alternative logics to exogenous shocks or industry conditions (Carroll and Swaminathan 2000; Rao et al. 2003), or to influential organizations advocating for market change (Schneiberg et al. 2008; Sine and Lee 2009), I argue that protest events and community organizing imbues institutional environments
with the cultural resources that facilitate the development of alternative organizational forms. I examine these issues in three studies on the founding rates of an alternative organizational form in Argentina. In the second chapter, I explore the spillover effects of a state-related social movement. The third chapter investigates the influence of prior levels of collective action. The fourth chapter explores the influence of a pre-existing infrastructure of community organizations. In what follows, I discuss the details of the empirical setting and briefly outline the objectives of each chapter.

**Economic Crisis and Worker-Recovered Businesses in Argentina**

Argentina experienced a profound recession in the final years of the 20th century, culminating in economic and political collapse by the end of 2001. Between 1991 and 2002, urban unemployment rose from 5 percent to 22 percent while poverty levels increased from 25 to 58 percent. Faced with poor prospects for re-employment, a new market-related social movement emerged in which displaced workers took control of bankrupt or abandoned enterprises and began managing them as cooperatives. Known as “worker-recovered businesses,” this organizational form challenged the dominant liberal market institutions of the 1990s. But which conditions influenced the emergence and expansion of this form? Which institutional environments facilitated collective action? In the first chapter, I explore the spillover effects of an ideologically-proximate social movement.
The Spillover Effects of the Roadblock Movement

Movement scholars generally attribute the temporal and ideological clustering of social movements to their interdependence (Koopmans 2004; McAdam, Tarrow, and Tilly 2001; Tarrow 1994; Tilly 1993). That is, the emergence of one social movement creates opportunities for another social movement to emerge. For instance, many writers contend that the U.S. Civil Rights Movement initiated a protest cycle in the 1960s that spread to other aggrieved populations. The Civil Rights Movement provided examples of successful mobilizations and frames legitimizing demands the expansion of rights and legal protections, thereby facilitating mobilization by other discriminated groups. The Civil Rights Movement therefore created “spillover effects” for the feminist and gay rights movements (McAdam 1994; Whittier 2004).

Much quantitative research examining social movement effects on new organizational forms focuses on how influential social movement organizations incorporate market change as a component of their overall mission (Schneiberg 2007; Sine and Lee 2009). Although recent scholarship has proposed that social movements may have indirect effects on organizational populations (Haveman, Rao, and Paruchuri 2007; Hiatt, Sine, and Tolbert 2009), researchers have not considered the ways in which activism in one domain spills over into ideologically-related institutional entrepreneurship.

The case of the worker-recovered businesses in Argentina provides a unique opportunity to examine social movement spillover on institutional entrepreneurship. The worker-recovered businesses movement constituted a component of a broader protest
cycle that could have been influenced by activism in other domains. The roadblock movement emerged as the most prominent component of the wave of contention during Argentina’s economic crisis. The roadblock movement refers to protest campaigns by unemployed workers involving the occupation of major roadways in order to protest economic policy and demand government assistance. The roadblock movement advocated democratic decision-making, legitimized direct action among displaced workers, and framed the lack of dignified work as a salient social problem. Roadblock activism may therefore have produced positive spillover effects on the worker-recovered businesses movement. I examine the relationship between the roadblock activism and foundings of worker-recovered businesses in Chapter 2. But contemporaneous social movement spillover may not be the only way that collective action influences institutional entrepreneurship. The cultural inspiration for institutional entrepreneurship may also come from the struggles of prior challengers. In Chapter 3, I investigate whether legacies of collective action influenced the worker-recovered businesses movement.

**Worker-Recovered Businesses as a Spinoff Movement**

Recent research contends that institutional environments are littered with multiple, competing logics (Marquis and Lounsbury 2007; Schneiberg 2002). Several studies suggest that prior social movements influence subsequent collective action among market actors (Haveman et al. 2007; Hiatt et al. 2009; Lounsbury et al. 2003; Weber et al. 2008). Social movements can function as important sources of new institutional logics, providing “legacies, bits and pieces of alternatives, and partial accomplishments” that
promote the expansion of alternative forms (Schneiberg 2002:67). For example, Rao, Monin, and Durand (2003) contend that the anti-authoritarian protests of May 1968 prompted the French nouvelle cuisine movement two years later. The nouvelle cuisine movement therefore constitutes “spinoff” movement, whereby nouvelle cuisine chefs adapted the cultural lessons of the May 1968 uprising to challenge the status quo (see McAdam 1995).

Unfortunately, researchers have not used quantitative techniques to analyze the pathways by which prior activism influences institutional entrepreneurship. Existing research using organizational proxies for movement legacies (Haveman et al. 2007; Schneiberg 2007) or use historical evidence suggesting that the identities and frames of present institutional activists are derivative of prior movements (Rao et al. 2003; Weber et al. 2008). We therefore lack an understanding of how collective action imbues institutional environments with the cultural lessons that influence subsequent challengers to build alternative organizations. I address this gap in Chapter 3 through a study on the relationship between prior levels of labor activism and subsequentfoundings of worker-recovered businesses.

On the surface, the worker-recovered businesses movement appears to arise out of the decline of the Argentine labor movement during the 1990s and unions’ general reticence to advocate for the interests of the unemployed. However, prior labor activism may have provided the cultural and behavioral models that facilitated worker-recovered businesses. Perhaps the identities and sentiments developed during prior episodes of collective action provided the cultural lessons that helped subsequent challengers
rationalize taking over a business. In Chapter 3, I examine how prior social movement tactics produce institutional legacies of collective action that facilitate subsequent rates of institutional entrepreneurship. I argue that collective action involves the construction of cultural forms—e.g., justifications, identities, organizing templates, etc.—that subsequent challengers can appropriate to build alternative organizational forms. Specifically, I examine the effect labor activism during the 1989-1991 hyperinflation crisis and the rate of worker-recovered businesses during the subsequent economic collapse. I focus particularly on the effect of protest events involving workers’ occupation of workplaces. I argue that workplace takeovers during the hyperinflation crisis produced institutional legacies that allowed subsequent challengers to legitimize collective action involving taking control of a failed business. In a series of models, I investigate how certain tactics create environments in which subsequent challengers can legitimize collective action through new organizational forms. In Chapters 2 and 3, I focus on the ways in which claims-making collective action provides opportunities for collective action among worker-recovered businesses protagonists. In Chapter 4 I explore the influence of community organizations for providing an infrastructure in which the worker-recovered businesses movement can flourish.

**Community Infrastructure and Worker-Recovered Businesses**

Institutional theory proposes that organizations acquire legitimacy—and therefore, access to valuable resources—to the extent that their practices and structures correspond with the prevailing norms and beliefs (DiMaggio and Powell 1983; Meyer and Rowan 1977).
Hence, organizational forms wax and wane in accordance with the institutional logics that structure cognition and organizational decision-making (Haveman and Rao 1997; Thornton and Ocasio 1999). Although extant research has largely conceived of institutional logics in terms of the dominant beliefs and rules that promote homogeneity, recent scholarship proposing the co-existence of multiple logics suggests that organizational actors face pressures to conform to competing models (Marquis and Lounsbury 2007; Thornton, Ocasio, and Lounsbury 2012). The presence of multiple logics constitutes resources for new organizational forms through the hybridization of disparate models and the transposition of logics to new domains (Battilana and Dorado 2010; Rao et al. 2003; Schneiberg 2005).

Extant research on hybrid organizations that pursue market and community logics use cases studies that offer little in terms of understanding how environmental contexts influence the application of community logics to market pursuits (Dorado and Ventresca 2013; Mair and Marti 2009; Pache and Santos 2010). By examining the relationship between densities of community organizations and founding rates of worker-recovered businesses, Chapter 4 elucidates the structural conditions fostering social entrepreneurship and hybrid forms.

In Chapter 4, I argue that community organizations act as carriers of institutional logics within a region, such that high densities of community organizations buttress the expansion of hybrid organizations. In pursuing non-market solutions to collective action problems, community organizations generate a form of social capital that supports the community logics as a rational element of organization-building. The proposition that
community organizations enhance a population’s capacity to mobilize resources and challenge institutions is supported by over four decades of social movement scholarship (McCarthy 1996; Jenkins 1983; Wilson and Orum; Tilly 1978; McAdam 2003). Community organizations generate collective identities, change-oriented cultural frames, and social ties that are critical resources for mobilization. But social movement scholars emphasize that movement expansion involves the appropriation of community infrastructures for movement purposes. In this chapter, I argue that pre-existing populations of community organizations influence institutional entrepreneurship by creating a form of social capital that enhances a group’s capacity build organizations merging community and market institutional logics.

Worker-recovered businesses involve the hybridization of diverging logics with regard to internal organizational orders, property relations, and organization-society interactions. Worker-recovered businesses primarily strive to compete in the marketplace, but they often merge their material objectives with a commitment to social values. In addition to registering as non-profit organizations, many worker-recovered businesses favor democratic and egalitarian organizational structures, invest in local cultural and welfare projects, and support other social movement campaigns (Rebón 2005; Ruggeri 2009). Moreover, worker-recovered businesses justify their existence to external audiences by framing workplace recoveries as a legitimate solution to collective social problems.

This dissertation responds to calls to for empirical research on non-corporate organizational forms (Davis 2010) and organizational phenomena in non-U.S. contexts
(Scott 2005). The case of Argentina’s worker-recovered businesses is especially meaningful for understanding the relationship between organizational forms and social change. Although sociologists have recently considered the role that cooperative organizations play in solving economic problems and facilitating social change (Davis 2013; Wright 2010), we still know very little about the contexts that foster cooperative organizing. This dissertation therefore seeks to elucidate the historical, cultural, and structural factors influencing the growth of a new cooperative organizational form.
Chapter 2: Social Movement Spillover Effects on Organizational Forms: The Influence of the Roadblock Movement on Worker-Recovered Businesses in Argentina

Recent scholarship merging social movement and organizational studies provide compelling evidence that social movements affect institutional change by promoting new organizational forms. Some scholars have examined how market actors engage in movement-like collective action in order to legitimize unfamiliar industries and organizational forms (Aldrich and Fiol 1994; Carroll and Swaminathan 2000; Fligstein 1996). Others have examined the ways in which broad-based social movements shape cultural meaning systems in ways that promote new forms of organization (Lounsbury et al. 2003; Schneiberg et al. 2008; Sine and Lee 2009). Although much of the work exploring broad-based movements effects focuses on the influence of formal movement organizations that explicitly challenge market institutions, researchers also suggest that movements can have indirect effects on the emergences of new organizational practices and structures (Haveman et al. 2007; Hiatt et al. 2009; Weber et al. 2008). For instance, Haveman et al. (2007) contend that the Progressive movement’s efforts to infuse political institutions impartial bureaucracy had the unintended consequence of influencing the shift from mutual to bureaucratic organizational forms within the thrift industry in California during the early 20th Century. Newspaper organizations and business-like city-manager governments promulgated Progressive ideals, leading entrepreneurs and
members within the thrift industry to approve the logic of bureaucracy as an appropriate organizing principle.

This chapter contributes to an understanding of the indirect effects of social movements on organizational forms in two ways. First, I examine the influence of state-related movement activism on market-related “institutional entrepreneurship."

Institutional entrepreneurship refers to the individuals and activities that create new institutions or modifying existing institutional arrangements (DiMaggio 1988). Although scholars suggest that institutional entrepreneurship involves movement-like mobilization, researchers largely ignore the influence of external movements. For example, Rao’s (1998) analysis of the emergence of consumer watchdog organizations focuses on the initial processes of institutional entrepreneurship, bracketing out the ways in which the ideological effects that the broader protest cycle of the 1960s in the United States (e.g., the Civil Rights and antiwar movements) influenced the evolution of the consumer-watchdog field over time. A more comprehensive application of movement theory to understanding institutional entrepreneurship focuses on the structural aspects of the emergence and growth of new organizational forms, treating foundings of alternative organizations as collective-action events that constitute one component of a general protest cycle. Drawing on and elaborating the notion that the ideologies and tactics of one social movement campaign spill over into other domains (Meyer and Whittier 1994; Minkoff 1997; Tarrow 1994), I examine how levels of state-related activism influences foundings of ideologically-related alternative organizational forms.
Second, I explore how political contexts mediate the social-movement spillover effects onto economic action. Research on movement emergence suggests that favorable political climates promote mobilization because challengers believe that their efforts will be efficacious (Jenkins and Perrow 1977; Tarrow 1994). Research on movement consequences adds that favorable political contexts also influence the movement’s potential for success. Scholars have developed “political mediation” models of social movement consequences to assess how political contexts make collective action more (or less) influential (Amenta, Carruthers, and Zylan 1992). In brief, this perspective contends that the combination of social movement mobilization and sympathetic state actors are necessary for challengers to realize their state-related claims. Although few studies apply the political mediation model to understanding social movement effects on organizational forms, prior research on the development of new sectors suggests that contexts in which state actors are amenable to challengers’ interests encourages institutional entrepreneurship (e.g., Dobbin and Dowd 1997; Sine and Lee 2009). The political mediation model therefore predicts that social movement spillover effects on organization-building will be stronger in contexts characterized by open political access (see Rao 2004).

However, the value of the political mediation model for explaining social movement spillover effects on alternative organization forms is complicated by evidence that political constraints encourage institutional entrepreneurship (Rao, Morrill, and Zald 2000). In other words, individuals will be more likely to challenge institutional arrangements by building organizations with alternative practices and structures if they
are blocked from political influence. Political opportunity structures may therefore produce contradictory influences on state-related and market-related activism. On one hand, favorable political contexts may dissuade organization-building, as challengers perceive that they can address their interests through political channels. However, political contexts favorable to state-related claims-making may generate positive spillover effects on organization-building collective action, mitigating the negative influence of political opportunities on institutional entrepreneurship. I explore this issue through analyses of the mediating effect of political opportunities on the relationship between state-related activism and foundings of an alternative organizational form.

This chapter examines these issues through analyses of the relationship between the roadblock movement and the worker-recovered businesses movement between 2001 and 2006 among Argentine provinces. Although both movements share common objectives in finding solutions to the unemployment problem, the activities of the former are oriented toward institutional politics while those of the latter movement are oriented toward organizational fields. I take advantage of the similarities and differences in these movements’ ideological and tactical repertoires to study the spillover effects of the roadblock movement on founding rates of worker-recovered businesses. Moreover, the case provides an appropriate context for investigating the potentially countervailing influences of political contexts and state actions on social movement spillover effects.

By treating foundings of alternative organizations as change-oriented collective action events, this chapter extends our understanding of the diffusion of culture and behavior, particularly in regards to social movement campaigns (McAdam 1982; Oliver
1989; Tarrow 1994). Unlike previous studies that rely on organizational proxies to ascertain movement effects on organizational forms (Haveman et al. 2007; Schneiberg et al. 2008; Sine and Lee 2009), the events-based approach I adopt in this chapter elucidates how fragmented state-related movement campaigns spills over into organization-building institutional activism. This research also reveals the potential for state-related and market-related activism to compete, demonstrating the conditional effects of political opportunity structures and social movement activism on rates of institutional entrepreneurship.

The Roadblock and Worker-Recovered Businesses Movements in Argentina
After a decade of aggressive market-oriented economic reforms, the Argentine economy experienced a profound economic collapse in 2001. Between 1991 and 2002, urban unemployment rose from 5 percent to 22 percent while poverty levels increased from 25 to 58 percent. Rampant deindustrialization, employment precarity, and other social structural changes reduced the populist sector’s capacity to engage in collective action, particularly through traditional union and partisan channels (Levitsky 2003; Portes and Hoffman 2003; Svampa and Pereyra 2003). Nevertheless, Argentina witnessed a new cycle of social conflict featuring new forms of political expression.

The most notable manifestation of the new protest cycle was the dramatic increase in the roadblock social movement, wherein groups of unemployed workers took over national roadways to protest economic policy and demanded government assistance. Throughout the initial crisis and subsequent recovery, the roadblock movement emerged
as a dominant social movement in terms of both the frequency of events and political influence (Cerutti and Grimson 2005; Rossi 2015; Schuster et al. 2006). Employing participative assemblies and direct action, the roadblock movement channeled collective action toward addressing local problems while also providing avenues for social and political integration for individuals who had been excluded from institutionalized forms of social participation (Natalucci 2011). The roadblock movement also incorporated a strong cultural critique of market logic, asserting that the state has a responsibility to provide dignified work to its citizens in order to protect equality and govern effectively (Garay 2007). Moreover, the roadblock groups—many of whom suffered material deprivations as a consequence of privatizations—presented an alternative view to citizens’ claim on public and private spaces (Svampa and Pereyra 2003).

Meanwhile, many workers of failing firms chose to struggle to keep their enterprises in production rather than join the growing population of unemployed individuals demonstrating in the streets. Known as the “worker-recovered businesses” movement, these workers assumed control of their bankrupt firms and began to manage them as cooperatives (Fajn and Bauni 2003; Machado Flores 2004; Ruggeri 2009). Although much less visible than roadblocks, worker-recovered businesses represented a significant social movement challenging existing market institutions and their efficacy for addressing market and organizational problems (Fernández Álvarez and Manzano 2007; Kliksberg 2012; Meyer and Pons 2004; Palomino 2003). Many of the cultural elements found in the worker-recovered businesses movement overlap with those of the roadblock movement. Similar to the practices found in the roadblock movement, recovered
businesses’ organizational practices centered on the logic of democratic participation. Consequently, worker-recovered businesses advanced identities and relations that rectified the marginalization workers experienced during the previous neoliberal regime. Furthermore, by taking direct action to assert access to property and market participation, the worker-recovered business movement echoed the roadblock movement’s framing that dignified work is a social issue.

These observations coincide with scholarly arguments that social movements tend to emerge within broader “cycles of protest” of multiple, ideologically similar movements (McAdam 1995; Tarrow 1994). An important implication of this insight is that activities of one social movement may produce indirect effects beyond their explicit goals by influencing other social movements. Social movement scholars refer to inter-movement influence in terms of “spillover effects”. A fundamental mechanism of social movement spillover effects is cultural: social movement activities provide cultural information for other activists, such that the movements’ cultural forms—e.g., identities, cultural frames, and tactics—may inspire activism in other domains (McAdam 1995; Meyer and Whittier 1994; Tarrow 1994).

Much of the scholarship on the movement-economy nexus addresses movement actors’ explicit attempts to influence organizational behaviors, policies, or populations (Bartley and Child 2011; King and Soule 2007; Scully and Segal 2002). However, some conceptual and qualitative work suggests that movements produce indirect effects on organizational fields when their cultural work in challenging institutions influences market actors (Lounsbury et al. 2003; Rao et al. 2003; Weber et al. 2008). Prior
quantitative research analyzing the contemporaneous influence of broad-based social movements has found support that social movement strength on alternative organizational forms. Schneiberg (2007) found that U.S. states with high memberships in the anti-corporate Grange organization had higher levels of agrarian cooperatives and insurance mutuals during the early 20th century. Similarly, Sine and Lee’s (2009) study of the relationship between state-level Sierra Club membership and wind energy plants demonstrates that social movement organizations support organization building. Since extant research focuses on social movement organizations that explicitly support the emergence and growth of new organizations, the issue of indirect movement effects on economic activity remains unresolved. Although formal movement organizations are critical facets of social movement mobilizations, collective action events are crucial for influencing the diffusion of a protest cycle, including generating unintended consequences in other domains. Specifically, social movement protests emit cultural constructions—tactics, collective action frames, insurgent identities, etc.—that other challengers can adopt to advocate for their own interests (Conell and Cohn 1995; McAdam 1994; Oliver 1989; Tarrow 1994; Tilly 1993).

In what follows, I discuss social movement spillover and its implications for neoinstitutional theory. I consider how the cultural products of social movement activism propagate institutional logics that market actors can appropriate to start new ventures. I then review the political mediation model of social movement outcomes and address the contradictory influence of political contexts on social movement spillover in market domains. I argue that high frequencies of roadblock events imprint communities with
logics of action that encourage workplace recoveries. However, since favorable political contexts encourage protest activity but may discourage organization building, contexts characterized by political access may mute the roadblock spillover effect.

**Social Movement Spillover & the Social Construction of Organizational Forms**

Social movements produce cultural meanings that shape how movement participants and external audiences make sense of the social world (Gusfield 1980; Lounsbury et al. 2003; McAdam 1994). Scholarship on social movement “framing” argues that social movements generate worldviews that define social conditions as problematic, identify the causes and solutions, legitimize alternatives to the status quo, and motivate individuals to engage in extra-institutional collective behaviors (Snow and Benford 1988). Importantly, the frames and other cultural products of social movements expand the cultural repertoires with which other challengers function. Protest mobilizations are costly endeavors that broadcast repertoires of identities, cultural frames, and tactics that other challengers can adopt at a lower cost (Conell and Cohn 1995; McAdam 1994). Thus, protest waves allow challengers to observe, learn from, and adapt tactics and meanings produced by other social movements (Tarrow 1994).

Establishing new organizational forms requires challenging taken-for-granted beliefs of appropriate action and therefore involves political efforts to garner support for unfamiliar logics and practices (Fligstein 1996; Rao et al. 2000). Social movements constitute an important actor in such political projects by providing market actors with the cultural tools necessary to challenge the existing institutions. For instance,
movements create oppositional identities that motivate the creation of organizations oriented toward addressing lifestyle issues or solving social problems, rather than the pursuit of self-interest (Carroll and Swaminathan 2000; Greve, Pozner, and Rao 2006). Social movements can also provide cultural critiques of existing institutional arrangements, framing them as inadequate for solving economic problems and amplifying the repertoire of legitimate forms of organizing that serve their interests. Thus, anti-corporate Grange organization provided the cultural tools that facilitated the establishment of insurance mutual and agricultural cooperatives as a legitimate economic pursuit during the late 19th and early 20th centuries (Schneiberg et al. 2008). Similarly, the cultural work performed by the pro-environment Sierra Club supported entrepreneurship in the wind energy sector by challenging traditional methods of energy generation and advocating renewable energy sources (Sine and Lee 2009).

Does state-oriented activism spill over into market domains? Do protest waves influence institutional entrepreneurship? Although the roadblock movement and the worker-recovered businesses movement reflect disparate identities and strategies (see Davolos and Perelman 2005), roadblock activism likely had positive spillover effects for the worker-recovered businesses movement. The roadblock movement propagated cultural frames that defined unemployment as a salient public issue, legitimized democratic decision-making and direct action as appropriate forms of contention, and valorized an identity for displaced workers that motivated collective behavior. In regions with strong roadblock activism, worker-recovered businesses protagonists could more easily reconcile with their activities with existing sentiments and identities. In regions
with weak and non-existent roadblock movements, recovered-business protagonists lacked the cultural resources to legitimize and motivate collective action. I therefore expect that greater intensities of roadblock movement events will produce positive spillover effects on worker-recovered businesses.

**The Countervailing Influence of Political Opportunities on Institutional Activism**

The political contexts in which social movements are embedded may contribute to patterns in spillover effects. The political process model of movement emergence (McAdam 1982; Tarrow 1994) argues that different political structures influence mobilization by shaping challengers’ expectations of success. Researchers also argue that political opportunity structures also affect movements’ policy outcomes (Jenkins and Perrow 1977; Kitschelt 1986; Soule and Olzak 2004; Tarrow 1994). Thus, political opportunity structures constitute independent—and plausibly more consequential—effects on social movement outcomes. The political mediation model of movement outcomes posits that movement success requires activists to mobilize action and state actors to respond. Rather than determining both movement activism and movement outcomes, the political mediation model suggests that the presence of advantageous political environments is more likely to translated movement activism into movement outcomes. Thus, mobilization will be successful in contexts where state actors are supportive of movement, where political elites are divided, or political conditions otherwise favor concessions to movement demands (Amenta et al. 1992; Amenta and Poulsen 1996; Soule and Olzak 2004).
Do political opportunity structures mediate movement spillover in non-state institutional orders? Extant work applying political frameworks to understanding the development of new sectors suggests that political environments favorable are more conducive to institutional entrepreneurship than others (Dobbin and Dowd 1997; Fligstein 1996; Sine and Lee 2009). Thus, the predictions of the political mediation model should hold for understanding social movement effects on institutional entrepreneurship: political opportunities should amplify movement effects on organization-building (see Rao 2004).

However, prior research on the movement effects of alternative organizations within established sectors suggests that institutional entrepreneurship is a substitute for political activity, leading to the expectation that open political access will dampen movement effects on organization-building. Although Schneiberg et al. (2008) find that cooperative alternatives to corporations during the early 20th Century are more likely in states with anti-corporate railroad legislation, anti-corporate social movements were more productive in promoting cooperative organizations in states without such legislation. Hence, indications of political access encourage organization-building institutional activism, but political accesses diminishes social-movement organizations’ efficacy to build alternative organizations. The authors argue strong anti-corporate movement organizations channeled their resources and energies into building alternative organizations in contexts where anti-corporate policies were absent. Although they did not assess state-related activism, the implication is that anti-corporate legal victories incentivized challengers to resist liberal-market institutions and pursue their interests.
through state-oriented claims-making. If open political access encourages state-related action rather than economic action, then open political access will likely reduce the spillover effect of state-related movement activity on the founding rate of alternative organizations.

In summary, prior research and theory suggests a number of hypotheses regarding the influence of the roadblock movement on the worker-recovered businesses movement. First, I expect that the intensity of roadblock activism will be positively associated with the founding rate of worker-recovered businesses. Second, I will test whether this effect can be explained by advantageous political environments. Then I examine whether the spillover effect of roadblock activism is conditional on the political context. I expect that spillover effects will be stronger in contexts characterized by blocked political access.

Data Sources

I gathered data for Argentina’s the twenty-three provinces and the Autonomous City of Buenos Aires for the time period encompassing 2001 through 2006. The choice to use provinces as the unit of analysis is motivated by data availability. The data sources for roadblock events and private-sector organizational mortality do not disaggregate beyond the provincial level. However, this strategy is in keeping with previous research portraying subnational units (e.g., states) as settings at risk for organization-building and social movement mobilization (Rao 2004; Schneiberg et al. 2008).

Data on worker-recovered business foundings come primarily from the information collected by the University of Buenos Aires’ Facultad Abierta. Researchers
at the Facultad Abierta performed censuses of worker-recovered businesses in 2002-2003, 2004, 2009-2010 and 2013. The Facultad Abierta provides the most comprehensive and valid data source on the population of worker-recovered businesses (Ruggeri 2010), though I referred to lists produced by the Lavaca Collective and Argentina’s Ministry of Labor (Lavaca 2007; Ministerio de Trabajo 2012) in order to verify the names, locations, economic sectors, and other relevant information that may in between panels. The final database includes 342 worker-recovered business foundings, of which four were excluded because I was unable to ascertain the year the organization was founded. Of the remaining worker-recovered business foundings, 174 occurred during the time period I analyze below.

I gathered data on roadblock events from reports published by the Argentine think tank Nueva Mayoria. Nueva Mayoria uses information from national and provincial newspapers to describe levels of social conflict throughout the nation. These reports include information on counts of roadblock events for every province and the federal capital throughout the calendar year between 1997 and 2006 (Anon 2006; Nueva Mayoria n.d.).

Information on the level of business failures for each province comes research on employment and business dynamics on performed by Argentina’s Ministry of Work, Employment, and Social Security (MTEySS 2013). The Ministry releases a yearly series of statistics on the registered business establishments and employees, disaggregated at the provincial level. These studies include yearly figures on private-sector business closures
for each province beginning in 1996. A business is considered “closed” if it does not declare employed personnel for at least six months.

To measure political access, I use Simison’s (2014) measure of political alignment. Drawing on previous research indicates that political alignment between provincial governors and the federal executive influence citizens’ access to political benefits, Simison developed a dichotomous measure indicating a governor’s alignment with the president based on partisan or political criteria. This measure is particularly appropriate for the present context, in which governors from smaller political parties formed alliances with elites from larger parties. Using information from provincial and national newspapers during election seasons, researchers determined governor-president alignment based on whether the president supported the governor or another candidate during the campaign, whether the governor and the president agreed or fought over lists of Congressional candidates\(^1\), and other situations the reveal a relation of alignment.

Socio-economic indicators come from Argentina’s National Institute of Statistics and Censuses (INDEC). Information on the total population and household poverty rates for each province come the results of INDEC’s national censuses in 1991, 2001, and 2010 and intercensal estimates. The census data do not include information on unemployment. INDEC gathers unemployment information through quarterly, representative surveys of the nation’s major metropolitan areas and provincial capitals\(^2\). Following common practice, I employ the mean unemployment of the provinces

\(^1\) Argentina has a proportional representation system in which individuals vote for lists of Congressional candidates. As a result of provincial governors’ power in shaping these lists, governors can have a substantial influence on federal politics (Gonzalez and Mamone 2015).

\(^2\) Surveys were performed bi-annually prior to 2003.
metropolitan areas to estimate province-level unemployment. I use Simison’s (2014) estimations for province-years in which unemployment data for certain metropolitan areas are not available, which are based on the most-recent data and the variance of the regional average.

Measures and Models

The window of observation begins in 2001 and ends in 2006. Although the first instances of roadblock events and worker-recovered businesses occurred in the late 1990s, the frequencies of both forms of collective action increased substantially with the economic and political crises of 2001. By 2006, levels of unemployment, poverty, inequality, and the number of private sector firms were comparable to those of the early 1990s (Gasparini 2007; Novick et al. 2007). Furthermore, observers note that the protagonists of roadblock events after 2006 were rarely unemployed workers, as students, labor unions, and other groups adopted the tactic (Anon 2007). Thus, this window captures the wave of contention corresponding with the economic crisis.

I constructed a time-series database with province-year observations. The dependent variable is the yearly number of worker-recovered business foundings per province (more precisely, the twenty-three provinces and the Autonomous City of Buenos Aires). Using data on the location and found-year for each worker-recovered business, I created a variable measuring the total count of new worker-recovered businesses for each province-year.
I created a measure of roadblock activity from the yearly total number of roadblock events occurring in a province. Compared to the frequency of roadblock protests, worker-recovered business foundings are rare events. To ease interpretation, I divide the total figure by 12, transforming the variable into a monthly average for roadblock activity per province-year. Since past social movement events are predicted to imprint communities with logics of action conducive to workplace recoveries, this variable is lagged one year.

I measure open political opportunities using a dummy variable indicating political alignment between the provincial and federal executives. This variable is constructed based on the governor’s political party as well as on content analyses of the governor and presidential campaign platforms using provincial and national newspapers. Argentina has a proportional representation system in which provincial governors influence the list of Congressional candidates. Since the President’s efficacy is largely determined by the support s/he receives from the legislative branch, presidents try to strengthen their allies in provincial governorships. Citizens therefore gain material and political benefits in accordance with their provincial governor’s alignment with the federal executive (Gervasoni 2010; Simison 2014). Accordingly, political alignment between the governor and the president indicates open political access. In other words, contexts with governor-president political alignment constitute political opportunities that shape challengers’ expectation that state actors will (positively) respond to collective action.

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3 I thank Emilia Simison and Nicolas Cherney for access to these data.
The institutionalist perspective contends that new organizational forms coincide with the prevailing norms and sentiments of the institutional environment. Thus, worker-recovered businesses are expected to correspond with roadblock activity because worker-recovered businesses could more easily align their ventures with the local repertoire of organizing models, collective identities, and cultural frames. An alternative explanation is that the worker-recovered businesses movement was rational a response to unemployment and business failures. Indeed, roadblock spillover effects on the worker-recovered businesses movement may be more likely in contexts of high rates of unemployment and/or business closures. A variable measuring the urban unemployment rates for each province-year controls for the degree to which worker-recovered businesses constituted a technical solution to poor labor market conditions. To control for the rate of business closures, I constructed a variable that equals the number of failed business in a focal province-year divided by the total number of private-sector business in the province at the fourth quarter of the previous year.

Provinces with high levels of material and social deprivation are expected to be at a disadvantage for organization-building. To control for differences in resource environments, I include a measure of the proportion of households with unsatisfied basic needs. Households are considered to have unsatisfied basic needs if they are characterized by one of the following characteristics: contain more than three persons per room, are built from inadequate housing materials, do not have indoor plumbing, contain school-aged children who do not attend school, and/or contain more than 4 household members for every employed household member where the head of the household has
less than a third grade education. By integrating housing, public infrastructure, education, and labor-market dimensions of deprivation, this measure captures multiple factors that constrain entrepreneurship. Finally, larger provinces are expected to generate more entrepreneurial activity and are expected to benefit more from spillover effects. The models therefore control for provincial population.

The Poisson regression model is the appropriate approach for analyzing using count data. However, the Poisson process assumes that the variance and the mean of the dependent variable are equivalent. In the case that the variance in a series of counts exceeds the mean, such overdispersion can distort standard errors and exaggerate statistical significance. Because overdispersion is present in the count distribution, I use negative binomial models. However, the prevalence of province-years with zero foundings (approximately two-thirds of cases) suggests that some cases were at a much lower risk of a worker-recovered business founding. Scholars suggest that a zero-inflated process is appropriate in such cases (Cameron and Trivedi 2013; Long and Freese 2006). A zero-inflated negative binomial model estimates two models: 1) a binary logit model on the likelihood of a zero count and 2) a negative-binomial count model on the predicted count of the dependent variable. I expect that the underlying labor-market conditions of the province will influence the likelihood of zero-founding events. I therefore relied on the unemployment rate variable to model the zero-count equation. Finally, because I use pooled cross-sectional data, observations are not independent across geographic districts. I use Stata’s cluster subcommand to account for multiple observations within provinces.
Results

Table A-1 presents the summary statistics and correlations for the independent variables used in the analyses. Table A-2 reports the results of the count equations for worker-recovered business foundings from 2001 to 2007. I begin by analyzing a baseline model with the control variables in Model 1. To assess whether roadblock activism has an effect on worker-recovered business foundings, I then add the roadblock variable in Model 2. In Models 3 and 4, I focus on the effect on political opportunity structures. It is possible that open political access mediates the effect of roadblock spillover on worker-recovered businesses. I therefore include a measure of governor-president political alignment in Model 3. To test the conditional effect of political opportunity on roadblock spillover, I created an interaction term between the political alignment variable and the roadblock activism variable. If open political access dampens the effect of roadblock activity on worker-recovered businesses, Model 4 should show that the roadblock effect is stronger in the absence of political alignment.

Model 1 reports the baseline model and demonstrates that population size, unemployment, and deprivation (unsatisfied basic needs) influence the founding rate of worker-recovered businesses. The closures rate coefficient is in the expected positive direction, but fails to reach statistical significance at conventional levels. Model 2 adds the variable measuring the mean monthly rate of roadblock events during the previous year, showing that (lagged) levels of roadblock protest activity has a positive effect on worker-recovered businesses independent of control variables (p<.05, two-tailed test).
Model 2 therefore supports the hypothesis that the roadblock movement had positive spillover effects for the worker-recovered businesses movement.

Model 3 introduces the political alignment variable, indicating that open political opportunities are negatively associated with worker-recovered business foundings (p<.01). Thus, in contrast to findings from social movement research, open political opportunities do not encourage collective action in the form of organization-building. Instead, contexts characterized by blocked political access encourage workplace recoveries. Whereas previous research finds that the main effect of open political access (e.g., prior legislative victories) by the social movement effect is lower in the presence of open political access, here I find that the main effect is negative (Schneiberg et al. 2008). This finding offers strong support to the contention that political constraints influence institutional entrepreneurship as an alternative to state-oriented claims-making.

The countervailing tension between political structures and social movement spillover is apparent when comparing the roadblock coefficients between Models 2 and 3. The inclusion of political alignment’s negative effect on workplace recoveries in Model 3 functions to increase the roadblock effect on worker-recovered business foundings. Moreover, the roadblock coefficient attains statistical significance at the p<.001 level. Note that the correlation between political alignment and roadblock events reported in Table A-1 indicates a positive relationship, such that provinces with characterized by political access have higher rates of roadblock events. Protest activity is less likely in contexts characterized by blocked political access, and since blocked political access encourages workplace recoveries, the roadblock spillover effect on worker-recovered
businesses is partially muted by political opportunity structures. Taking into account the negative effect of province-federal executive political alignment reveals a stronger effect of roadblock activity on worker-recovered business foundings.

Model 4 includes the interaction between political alignment and roadblock activism in order to consider their conditional effects on worker-recovered business foundings. The interaction coefficient is negative and statistically significant (p<.05). Open political opportunities dampen the effect of roadblock activism on worker-recovered businesses; alternatively, the positive effect of roadblock spillover on worker-recovered business foundings is stronger in contexts characterized by closed political contexts. Whereas an increase of 1 roadblock per month in a provinces characterized by closed political access (i.e., the provincial governor is not a part of the federal executive’s coalition) yields a predicted 7.6 percent increase \((1-e^{0.73})\) in the yearly foundings of worker-recovered businesses, the same increase in roadblock activity in open-political-opportunity provinces yields a predicted 3.5 percent increase \((1-e^{0.73-0.39})\) in worker-recovered businesses.

The conditional effects of political opportunities and roadblock spillover are illustrated in Figure A-1, which plots the marginal average effect across political-alignment contexts and yearly levels of roadblock activism. Controlling for the other covariates in the model, the predicted number of worker-recovered business foundings when the lagged number of yearly roadblock events is zero is .8 in the presence of political alignment and .45 in the absence of political alignment. When the lagged number of yearly roadblocks is ninety-six, the predicted number of worker-recovered
business foundings increases to 1.4 in the presence of political alignment but only increases to .6 in the absence of political alignment. The discrepancy in worker-recovered business foundings between political opportunity structures is greatest at high levels of roadblock activism. At 168 roadblock events, the predicted worker-recovered business foundings is 2.15 in politically aligned provinces by only .72 in the other provinces.

**Discussion and Conclusion**

In this chapter, I examined how roadblock activism influenced the worker-recovered businesses movement in Argentina. By staging public protest events, roadblock activism provided cognitive cues to non-participants that unemployment is unjust and that extra-institutional collective action is possible. The roadblock movement articulated dignified work as a right, advocated non-hierarchical forms of deliberation and decision-making, and rationalized the occupation of productive property as appropriate problem-solving behavior. Thus, the roadblock movement propagated identities, cultural frames, and organizing models that worker-recovered business protagonists could adopt to legitimize taking control of a failed business and managing operations cooperatively.

Prior research demonstrates that social movements influence organizational fields by targeting business organizations or explicitly encouraging the creation of alternative organizational forms (Ingram, Yue, and Rao 2010; King and Soule 2007; Schneiberg et al. 2008; Sine and Lee 2009). Recently, scholars have argued that social movements can unintentionally influence organizations and markets (Haveman et al. 2007; Hiatt et al. 2009). Drawing on the concept of social movement spillover, this study advances our
understanding of indirect movement effects on organizational forms. Much of the research examining social movement effects on organizational populations focuses on formal social movement organizations as generators of new business organizations (Schneiberg et al. 2008; Sine and Lee 2009). Organizational resources are critical for movements to mobilize adherents (see McAdam 1982), but collective action events are critical for providing cognitive cues and cultural resources to other challengers. Observers note that strong formal movement organizations do not necessarily engender insurgent cultural forms or extra-institutional collective action (Taylor 1989; Zald and Ash 1966). However, waves of contention generally incorporate public challenges among marginal organizations and informal collectivities (Koopmans 1998; Oliver 1989; Valocchi 1990; Zald and Ash 1966).

This research therefore extends early insights that contentious action occurs in “protest cycles” to the study of new organizational forms. Prior research adopting social movement frameworks to understand institutional entrepreneurship largely neglects the influence of external social movements (Carroll and Swaminathan 2000; Rao et al. 2003). Although more recent studies examine on the influence of broad-based social movements on organizational forms (Schneiberg et al. 2008; Sine and Lee 2009), existing research is largely limited to instances in which movements deliberately advocate for market change, thereby overlooking the potential tensions between state-related and market-related institutional activism. By treating institutional entrepreneurship as a component of a general wave of contention, I am able to examine how a market movement co-evolves with a political movement. Through disruptive demonstrations that involved occupying
national roadways and organizing in cooperative assemblies, the roadblock movement provides cultural lessons for recovered-workplace protagonists. Thus, state-oriented movement activity spills over into market domains by enabling the expansion of an ideologically- and temporally-proximate market movement.

This chapter extends the political mediation model of social movement outcomes to indirect spillover effects in other domains. The political mediation model contends that advantageous political opportunity structures influence both movement expansion and movement success on political targets, such that social movement effects on intended targets are mediated by the political contexts in which movements are embedded (Amenta et al. 1992). The application of the political mediation model to spillover effects to market institutions is complicated by the tensions that advantageous political opportunities hold for institutional entrepreneurship. If we shift the focus from intended, state-related movement effects to unintended effect on market movements, political opportunity structures suggests contradictory influences. On one hand, social movement activity may signal that the political environment is amenable to institutional entrepreneurship. In the same way that open political opportunities indicate that elites will be receptive to protest activity (Tarrow 1994; Jenkins and Perrow 1977), open political opportunities may similarly lower the perceived costs of creating new business organizations (Dobbin and Dowd 1997; Rao 2004). Thus, political opportunity structures may constitute an important factor by which social movement activity influences institutional entrepreneurship. On the other hand, open political opportunities may function to discourage the growth of alternative organizational forms. If challengers
perceive that they have access to political elites, they can channel their efforts to influencing policy rather than organizational fields.

The results demonstrate that accounting for the negative effect of open political opportunities increased the positive association between roadblock activism and worker-recovered business foundings. The findings therefore suggest that open political contexts encourage protest mobilizations oriented toward challenging state institutions and deflect challengers away from challenging market institutions through organization building. However, open political contexts foster social movement mobilizations that produce positive spillover effects for the creation of alternative business organizations. Interaction effects further demonstrate that blocked political access enhances movement effects while open political access dampens movement effects.

Even though spillover effects constitute an important component of how social movements affect social change, we still know very little about movements’ indirect outcomes (Tilly 1999; Giugni 1999). More research is needed to understand how social movements produce diffuse effects on institutions. For instance, future research can further explicate the organizational and non-organizational dimensions of movement spillover effects on market movements. Do organizations across institutional domains compete for activists? Does internal bureaucratization influence movement spillover effects? Does increased interorganizational competition arising from high organizational density drive variation in activity levels, thereby influencing spillover effects? Also, more research is necessary to understand the political opportunity structures as mediators of the social movement spillover effect on business organizations. I used a measure of political
alignment between the provincial and federal executives, but other indicators such as elite’s sympathy of a movement or the polity’s support for movement objectives may prove influential. Certainly, taking account of such factors is necessary to advance our understanding of how social movements influence business organizations.

This chapter’s emphasis on the cultural implications of collective action events contributes to an institutionalist account of organizational forms. Neoinstitutionalism contends that an organizational form will expand to the extent that its central features align with the existing identities, values, and norms. Roadblock activism influenced the economic geography of workplace recoveries by differentially imbuing institutional environments with the cultural resources for institutional entrepreneurship. These resources included frames that associated unemployment with injustice and rationalized direct action in response to job loss. Social movements therefore contribute creating multiple institutional logics, thereby creating conditions conducive to organizational diversity. In this chapter I focused on the influence of a contemporaneous social movement on worker-recovered businesses foundings. In the next chapter I explore how past social movement activity can generate institutional resources for institutional change and organizational heterogeneity.
Chapter 3: New Organizational Forms as Spinoff Movements: The Influence of Prior Workplace Takeovers on Worker- Recovered Businesses in Argentina

A growing body of work integrating social movement and organizational theories demonstrate the political and cultural processes involved in changing institutional arrangements within organizational fields. Researchers have shown how social movement activism can influence the policies and behaviors of existing organizations (Lounsbury 2001; Scully and Segal 2002; Weber, Rao, and Thomas 2009), how identity movements and collective action within industries function to legitimize new enterprise forms as appropriate solutions to market or organizational problems (Carroll and Swaminathan 2000; Fligstein 1996; Greve, Pozner, and Rao 2006), and how social movements that are external to a specific organizational community can promote the growth of new organizational forms (Schneiberg et al. 2008; Sine and Lee 2009).

Although much of this work analyzes movements that explicitly promote new practices or organizational forms, some research suggests that social movement effects on organizations may be indirect and even temporally delayed (Haveman et al. 2007; Lounsbury et al. 2003; Weber et al. 2008). For example, Rao, Monin, and Durand (2003) trace the cultural origins of the French nouvelle cuisine movement between the 1970s and 1990s to wave of student- and worker-mobilizations during May 1968. The May 1968 civil unrest advanced anti-authoritarian logics and insurgent identities that ultimately
inspired a “spinoff movement” in the culinary field, as chefs pushed for greater autonomy in restaurants and challenged the conventions of classical cuisine.

The proposition that past social-movement activity influences present economic action holds great promise for addressing the lack of scholarship on the diffuse, indirect consequences of collective action (Amenta and Young 1999; Tilly 1999). Unfortunately, we still know very little about how prior social movements influence organizational fields. For example, existing research does not address how legacies of particular forms of contentious action influences subsequent institutional challenges in market domains.

To understand the collective-action legacy effects on new organizational forms, it is helpful to recognize the cultural linkages between social movements. Several movement scholars argue that social movements create opportunities for other movements to emerge by legitimizing collective action (McAdam 1994; Snow and Benford 1992; Tilly 1993). Major social movements facilitate additional mobilizations by developing ideologies, tactics, and other cultural constructions that other challengers can adapt to new purposes (McAdam 1995; Tarrow 1994). In other words, social movements contribute to a “tool kit” of cultural resources that influence subsequent collective action (see Swidler 1986). Researchers have adopted these insights to suggest that collective action legitimating new organizational forms are derivative of prior movements (Haveman et al. 2007; Rao et al. 2003; Weber et al. 2008). The central claim is that prior social movements advance new institutional logics and therefore stimulate new standards of legitimate organizational forms. In this way, previous social movements are crucial for inspiring “institutional entrepreneurship,” or the creation or modification of market
institutions. However, existing research infers that major social movements fuel institutional entrepreneurship, relies on indirect qualitative evidence suggesting cultural imprints of prior movements, or use indirect proxies of movement legacies. Consequently, the literature fails to consider how legacies of collective actions shape the cultural toolkits that enable and constrain subsequent collective action.

Building on social movement research arguing that social movements are complex sets of actions that influence other actions (Oliver 1989), this article contributes to the development of social movement influences on organizational fields by investigating the relationship between prior social movement tactics and subsequent incidences of institutional entrepreneurship. Empirically, I analyze the relationship of workplace takeovers—that it, labor protests involving workers’ occupation of a business establishment—among Argentine provinces during the 1989-1991 currency crisis on the founding rate of worker-recovered businesses during the subsequent economic recession and recovery. The worker-recovered business movement refers to a population of business organizations that went bankrupt but were recuperated by employees and function as worker-cooperatives. I argue that workplace takeovers the previous currency crisis instilled behavioral models and cultural frames that facilitated the emergence of the worker-recovered businesses movement. Time-series analyses show that provinces with strong legacies of workplace takeovers are more likely to experience workplace recoveries during the subsequent economic crisis. This relationship persists in models testing the influence of other movement influences.
Organization-Environment Relations: Technical and Institutional Factors

Two dominant perspectives guide much of the literature on the environmental drivers of firm foundings and organizational forms. The technical approach argues that organizational actors adapt to the objective opportunities and pressures of the technical environments in order to solve problems and create value (Thompson 1967). The neoinstitutional approach, on the other hand, contends that organizational actors respond to the broader norms and expectations of economic activity afforded by the institutional environment, regardless of their utility for the organization (DiMaggio and Powell 1983). Whereas the technical perspective’s emphasis on adaptation lends itself to understanding diversity and change in organization-environment relations, the neoinstitutionalist emphasis on stable institutional environments and pressures for conformity predictions homogeneity and persistence within organization systems. Although the institutionalist perspective is helpful for explaining why organizational forms and market arrangement persist despite economic inefficiencies, a common critique of neoinstitutional theory is that it inadequately accounts for innovation or change. Recent research has therefore focused on reconciling the neoinstitutionalist paradigm with explanations of variation and change.

Early neoinstitutionalist accounts of change contend that exogenous shocks provide opportunities for actors within a field (e.g., organizations, regulators, stakeholders, etc.) to question the adequacy of institutions and create new standards of appropriate economic action (Clemens and Cook 1999). Several researchers argue that drastic changes in the technical environment (e.g., labor market changes, shifts in demand
or input costs, social conflict, new regulative policies, technological innovation, business failures) prompt market actors to meet environmental demands by establishing new organizational forms (Fligstein 1996; Meyer, Brooks, and Goes 1990; Rao et al. 2003; Sine and David 2003). By challenging the notion that technical and institutional factors mutually influence organizational phenomena, these studies offer useful insight into how organizations and institutions change. What remains unclear is whether institutional contexts continue to drive organizational phenomena during moments of technical environmental change. If structural changes render broad norms and expectations irrational, do the norms and expectations influence organizational action?

Recent research proposing that institutional environments are fragmented and maintain multiple logics of action provides a helpful perspective for addressing this conundrum. If institutional environments consist of multiple logics, then the local toolkit of appropriate actions provides the possibility for diversity and change (Lounsbury 2007; Schneiberg 2002). From this perspective, organizational diversity does not require individuals to disengage from their institutional environments; instead, the “legacies, bits and pieces of alternatives, and partial accomplishments” provide institutions with the cultural tools with which institutionally-embedded actors can draw upon to establish new organizational forms (Schneiberg 2002:67). An extension of this reasoning, which I develop below, is that previous social movement struggles produce spin-off movements challenging organizational institutions.

Institutional Entrepreneurship as Derivative of Prior Collective Action
In his essay on the relationships between social movements, McAdam (1995:231, 229) argues initiator movements, or “early risers,” are bundles of cultural elements (e.g., collective action tactics, cultural norms, insurgent identities, etc.) that influence later struggles. Spinoff movements do not simply mimic prior social movements, but rather draw upon and apply the cultural lessons of previous struggles to new problems. In other words, spin-off movements are “creative adapters and interpreters of the cultural ‘lessons’ of early risers.” The degree to which initiator movements influence spinoffs depends in part on new challengers’ access to “a latent activist tradition or history of struggle”. McAdam’s argument prompts us to identify the ways by which the cultural toolkit developed by one collectivity becomes available to another.

Existing research focuses the roles that powerful individuals and organizations play in linking movement culture to potential entrepreneurs. By engaging in cultural work or changing opportunity structures, influential activists, media organizations, and governments translate past social movements’ values in ways that motivate the founding of new enterprise forms (Haveman et al. 2007; Rao 1998; Weber et al. 2008). While research emphasizing the role that powerful actors play in transposing the logics of prior social movements to new domains, these studies overlooks the important ways in which less-powerful individuals shape institutional environments (see also Lawrence, Suddaby, and Leca 2009; Lounsbury and Crumley 2007; Maguire et al. 2004; Powell and Colyvas 2008; Schneiberg 2007). Moreover, research emphasizing the ways in which contemporaneous movement intermediaries stimulate spinoff movements highlights the later, more-enduring manifestations of social movement culture while ignoring the ways
in which earlier struggles provide unintended consequences on the diffusion of collective action (cf. Oliver 1989; Tilly 1993). While powerful individuals can certainly contribute to the legitimation of new forms, organizational forms ultimately acquire legitimacy to the extent that they coincide with others’ identities and expectations (Fligstein 2001; see also Czarniawska and Joerges 1996). Hence, a more robust account of cross-temporal movement effects on organizational forms attends to the ways in which movement events imbue cultural toolkits with the identities, norms, and practices that support institutional entrepreneurship.

**Geographies of Institutional Logics and Legacies**

Sociological institutionalism contends that the building blocks for assembling organizations are “littered” around the institutional landscape (Meyer and Rowan 1977: 345). These building blocks include the set of logics—i.e., beliefs and understandings about what constitute appropriate organizational structures and practices—that structure individuals’ interpretations and decisions. Although scholars have traditionally viewed institutional logics as broad structures independent of geography, recent institutionalist scholarship argues that different regions maintain disparate cultural toolkits (Marquis and Battalina 2009). Organization building and other forms of collective action involve learning-by-doing that imprints environments with distinct organizing logics, rationalizations, and routines that constitute the building blocks available to organization builders (Brandl and Bullinger 2009; Dowell and David 2011; Greve and Rao 2012; Saxenian 1996). Since organizational actors draw on the knowledge, norms, and
identities from their proximate environments when interpreting opportunities or problems (Marquis and Lounsbury 2007; Sorenson and Audia 2000; Wry et al. 2010), geographical differences in prior forms of collective action result in different repertoires of knowledge, norms, and identities that they shape individuals’ decisions about whether or how to organize.

Social movement activity may constitute another way in which collective action imprints local collective memories with cultural resources that shape organizational fields over time. Research highlighting the influence of social movements on the activities of other challengers emphasizes episodes of contentious action as a source of cultural information. Protest mobilizations are costly endeavors that broadcast cultural elements—e.g., injustice frames, cognitive models, and collective action tactics—that others learn from and adapt at lower costs (McAdam 1994; Oliver 1989). In light of research suggesting that information on collective action diffuses through geographically-constrained personal networks and media outlets that focus on local issues (Conell and Cohn 1995; Gould 1991; Myers 1997), we can expect the spatial organization of protest episodes to result in regional variation in cultural toolkits supporting further instances of collective organization.

**Recovered Businesses in Argentina**

The worker-recovered businesses movement arose in response to high rates of business closures and unemployment in Argentina around the turn of the 21st century. Between 1991 and 2002, the urban unemployment rate grew from about 5 to about 21 percent. By
2002 over half of the country’s urban population was considered poor (Fiszbein, Adúriz, and Giovagnoli 2003). Meanwhile, the organizational and institutional resources that the working- and middle-class individuals previously relied on to engage in collective action were disappearing. While unemployment, informal work, and deindustrialization combined to reduce the union membership levels and leverage, bureaucratic unions largely ignored the interests of workers outside the formal labor market and in some cases even supported policies that increased labor market precarity (Etchemendy and Collier 2007; Murillo 2000; Svampa and Pereyra 2003; Vales 2012). In addition to the labor unions’ diminishing support, the state’s retrenchment from workers’ socio-economic welfare led to a system of public policies incapable of confronting economic crisis (Barbeito and Lo Vuolo 2003; Cerutti and Grimson 2005).

Within this context of deteriorating labor market performance and declining union power, groups of displaced workers began assuming control of their failed businesses, putting them back into production and managing the operations themselves. Inasmuch as existing institutional arrangements proved incapable of addressing salient market and organizational problems, the worker-managed recovered businesses movement espouses alternative logics of “appropriate” organizational structures and practices. However, affiliating with a worker-recovered business is not without risks. Worker-recovered businesses are resource-poor organizations requiring their members to learn administrative tasks and bear the costs of cooperative management, (re)establish relations

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4 For more on labor market conditions during this period, see (Beccaria and Groisman 2008; Fiszbein, Adúriz, and Giovagnoli 2003).
5 For commentaries on the relevance of worker-recovered businesses as solutions to unemployment see Kliksberg 2012; Vales 2012; Palomino 2003.
with organizations in their fields, and lobby various government bodies (Alfieri 2012; Ruggeri 2009). I contend that the cultural lessons provided by prior episodes of collective action allow protagonists of the worker-recovered businesses movement to overcome these risks and uncertainties. Specifically, I expect that episodes of workplace takeovers prior to the onset of the neoliberal regime in 1991 created institutional legacies that facilitated subsequent workplace recoveries.

**Workplace Takeovers as Institutional Legacies**

Workplace takeovers are a form of labor protest involving the occupation of a place of business. They are largely considered a more radical form of activism and are considerably rarer than more traditional tactics such as the strike. To understanding the importance of workplace takeovers as an institutional legacy, it is useful to understand the organizational, economic, and political contexts the motivated an increase in workplace takeovers in the early 1990s.

Since the country’s return to democracy in 1983, Argentina’s trade unions highly centralized organizations largely linked to the Peronist political movement. Bureaucratic structures allowed the national leadership to exert substantial control over local- and firm-level activities, and when the Peronist movement shifted their strategic foci to gaining advantages via electoral politics in the late 1980s, unions sought to contain activism in an effort to project image effective governance (Palomino 2005). Between 1989 and 1991, hyperinflation and a series of labor defeats or co-optations by the newly-elected Peronist president combined to constrain collective action among workers (Atzeni
and Ghigliani 2011; Marshall and Perelman 2004; McGuire 1996). Moreover, the workers’ institutional repertoire of tactics, demands, and expectations were mismatched for the new economic environment. Previously low unemployment levels led union workers to grow accustomed to offensive struggles for increased pay or improved working conditions. The workers therefore lacked the rationales and models of resisting plant closures and other local- or firm-specific issues as labor market conditions declined and political elites grew tolerant of unemployment (Ruggeri 2009).

Nevertheless, observers note that in response to political and economic disciplining pressures, workers began to turn to less-traditional tactics. In particular, workers engaged in local workplace takeovers to defend jobs and challenge local labor instability (Atzeni and Ghigliani 2011; Villanueva 1994). I argue the cultural constructions of workplace takeovers in the context of labor movement defeat and hyperinflation likely left strong impacts on the local cultural toolkit. Although these workplace takeovers were instances of protest and therefore did not entail worker management of the firm, they signaled firm-level collective action as an appropriate solution for defending jobs (Davolos and Perelman 2005; see also Fantasia 1989). By breaking with union bureaucracy, workplace takeovers provided examples of autonomous action that populate regions with the institutional building blocks for establishing alternative organizational forms. The continuing decline of the labor movement could not “undo learning or memory or simply delete what had been experimented with and even partly accomplished” (Schneiberg 2002:68). This leads to the primary hypothesis proposed in this article: The higher the prevalence of earlier workplace takeovers, the
greater weight that such legacies influence the subsequent foundings of worker-recovered businesses.

**Data Sources**

I gathered data for Argentina’s the twenty-three provinces and the Autonomous City of Buenos Aires. The choice to use provinces as the unit of analysis is motivated by data availability. The data sources for many protest events and for private-sector organizational mortality do not disaggregate beyond the provincial level. However, this strategy is in keeping with previous research portraying subnational units (e.g., states) as settings at risk for organization-building and social movement mobilization (Rao 2004; Schneiberg et al. 2008).

Data on worker-recovered business foundings come primarily from the information collected by the University of Buenos Aires’ Facultad Abierta. Researchers at the Facultad Abierta performed censuses of worker-recovered businesses in 2002-2003, 2004, 2009-2010 and 2013. The Facultad Abierta provides the most comprehensive and valid data source on the population of worker-recovered businesses (Ruggeri 2010), though I referred to lists produced by the Lavaca Collective and Argentina’s Ministry of Labor (Lavaca 2007; Ministerio de Trabajo 2012) in order to verify the names, locations, economic sectors, and other relevant information that may in between panels. The final database includes 342 worker-recovered business foundings, of which four were excluded because I was unable to ascertain the year the organization was founded.
Information on protest activity come from a study performed by researchers at the Gino Germani Institute at the University of Buenos Aires (see Schuster et al. 2006). For this study, researchers used two national newspapers to identify protest events between 1989 and May 2003 and recorded the province, the type of sponsoring organization (e.g., union), a sub-classification of the sponsoring organization (e.g., education union, public administration union, industrial union, service union, or union confederation) and the tactic (e.g., takeover, strike, roadblock), for each event. I used this database to create yearly and multi-year provincial sums of protest activity until 2002, the final complete year of the study. The Gini Germani team has extended this study. Currently-available data from an extension of this project includes counts of protest events according to organization-province-demand-year configurations through 2006. I used these data to arrive at province-year sums of union protests through 2006.

Information on the level of business failures for each province comes research on employment and business dynamics on performed by Argentina’s Ministry of Work, Employment, and Social Security (MTEySS 2013). The Ministry releases a yearly series of statistics on the registered business establishments and employees, disaggregated at the provincial level. These studies include yearly figures on private-sector business closures for each province beginning in 1996. A business is considered “closed” if it does not declare employed personnel for at least six months.

To measure political access, I use Simison’s (2014) measure of political alignment. Drawing on previous research indicates that political alignment between provincial governors and the federal executive influence citizens’ access to political
benefits, Simison developed a dichotomous measure indicating whether a governor shared the same political party as the president or was a member of (smaller) party that is related to the president’s party. This measure is particularly appropriate for the present context, in which governors from smaller political parties formed alliances with elites from larger parties.

Socio-economic indicators come from Argentina’s National Institute of Statistics and Censuses (INDEC). Information on the total population and household poverty rates for each province come the results of INDEC’s national censuses in 1991, 2001, and 2010 and intercensal estimates. The census data do not include information on unemployment. INDEC gathers unemployment information through quarterly, representative surveys of the nation’s major metropolitan areas and provincial capitals. Following common practice, I employ the mean unemployment of the provinces metropolitan areas to estimate province-level unemployment. I use Simison’s (2014) estimations for province-years in which unemployment data for certain metropolitan areas are not available, which are based on the most-recent data and the variance of the regional average.

**Measures and Models**

I constructed a time-series database with province-year observations. The dependent variable is the yearly number of worker-recovered business foundings per province (more precisely, the twenty-three provinces and the Autonomous City of Buenos Aires). Using

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6 Surveys were performed bi-annually prior to 2003.
data on the location and found-year for each worker-recovered business, I created a variable measuring the total count of new worker-recovered businesses for each province-year.

I measure levels of workplace takeovers during the hyperinflation crisis by summing the number of takeover events sponsored by service- and industrial-sector unions between 1989 and 1991. Here I am interested in the impact that taking over the means of production in private firms have in the cultural toolkit. National newspapers may be more likely to report on collective action episodes that are closer to the nation’s capital, which serves as the political and media hub. To control for the potential regional bias in newspaper coverage of protest events, I include a dummy variable coded 1 for the following centrally-located districts: City of Buenos Aires, Buenos Aires Province, Santa Fe, and Cordoba.

I also include variables that test for alternative explanations of takeover-legacy effects. One possibility is that rather than the intensity of takeover activism, the overall level of prior labor activism influences the subsequent rate of worker-recovered businesses. To account for more conventional forms of labor activism, I include a measure of the natural logarithm of strike events during the hyperinflationary period of 1989-1991. The decision to use the logarithmic transformation follows from both methodological and theoretical reasons. The correlation between strike events and workplace takeovers yielded excessively high variance inflation factors (a value greater than 20 for the takeover variable), indicating multicollinearity problems. Using the log transformation resolves this issue. Moreover, it is reasonable to assume that the influence
of traditional labor tactics is nonlinear: each additional episode would have less of an influence the local cultural toolkit at higher levels of strike activism than at lower levels.

I also test whether contemporaneous levels of activism influences worker-recovered businesses. I use the extension of the Gino Germani study to construct variables measuring the level of union activity and roadblock activity for each province from 1996 to 2007. Since past activism is expected to influence current workplace recoveries, I lag this variable by one year. Workplace takeovers were rarely used after the hyperinflation crisis. To assess the influence of recent takeovers on worker-recovered business foundings, I use the Gino Germani protest data to measure the sum workplace takeovers for each province during the previous two years; that is, the takeover sum from the focal-year-minus-one plus the takeover sum from the focal-year-minus-two.

Previous research argues that new organizational forms emerge when challengers are blocked from political means of influence (Schneiberg 2002). To control for the influence of advantageous political structures, I include a dummy variable indicating political alignment between the provincial and federal executives. Argentina has a proportional representation system in which provincial governors influence the list of Congressional candidates. Since the President’s efficacy is largely determined by the support s/he receives from the legislative branch, presidents try to strengthen their allies in provincial governorships. Citizens therefore gain material and political benefits in accordance with their provincial governor’s alignment with the federal executive (Gervasoni 2010; Simison 2014). Accordingly, political alignment between the governor and the president indicates open political access. In other words, contexts with governor-
president political alignment constitute political opportunities that shape challengers’ expectation that state actors will (positively) respond to collective action.

The institutionalist perspective contends that new organizational forms coincide with the prevailing norms and sentiments of the institutional environment. Thus, worker-recovered businesses are expected to correspond with roadblock activity because worker-recovered businesses could more easily align their ventures with the local repertoire of organizing models, collective identities, and cultural frames. An alternative explanation is that the worker-recovered businesses movement was rational a response to unemployment and business failures. A variable measuring the urban unemployment rates for each province-year controls for the degree to which worker-recovered businesses constituted a technical solution to poor labor market conditions. To control for the rate of business closures, I constructed a variable that equals the number of failed business in a focal province-year divided by the total number of private-sector business in the province at the fourth quarter of the previous year.

Provinces with high levels of material and social deprivation are expected to be at a disadvantage for organization-building. To control for differences in resource environments, I include a measure of the proportion of households with unsatisfied basic needs. Households are considered to have unsatisfied basic needs if they are characterized by one of the following characteristics: contain more than three persons per room, are built from inadequate housing materials, do not have indoor plumbing, contain school-aged children who do not attend school, and/or contain more than 4 household members for every employed household member where the head of the household has
less than a third grade education. By integrating housing, public infrastructure, education, and labor-market dimensions of deprivation, this measure captures multiple factors that constrain entrepreneurship. Finally, larger provinces are expected to generate more entrepreneurial activity. The models therefore control for provincial population.

The Poisson regression model is the appropriate approach for analyzing using count data. However, the Poisson process assumes that the variance and the mean of the dependent variable are equivalent. In the case that the variance in a series of counts exceeds the mean, such overdispersion can distort standard errors and exaggerate statistical significance. Because overdispersion is present in the count distribution, I use negative binomial models. However, a high prevalence of province-years with zero foundings (approximately three-fourths of cases) suggests that some observations were at a much lower risk of a worker-recovered business founding. Scholars suggest that a zero-inflated process is appropriate in such cases (Cameron and Trivedi 2013; Long and Freese 2006). A zero-inflated negative binomial model estimates two models: 1) a binary logit model on the likelihood of a zero count and 2) a negative-binomial count model on the predicted count of the dependent variable. I expect that the underlying labor-market conditions of the province will influence the likelihood of zero-founding events. I therefore relied on the unemployment rate variable to model the zero-count equation.

Finally, because I use pooled cross-sectional data, observations are not independent across geographic districts. I use Stata’s cluster subcommand to account for multiple observations within provinces.
Results

Table B-1 presents the summary statistics and correlations for the independent variables used in the analyses. Table B-2 presents the models predicting counts of business recoveries. I begin by examining the influence of prior workplace takeovers net of the control variables. The findings support the hypothesis that prior levels of workplace takeovers predict counts of worker-recovered business foundings. In separate models, I then test whether other indicators of labor activism confound the relationship between takeover legacies and worker-recovered businesses. Finally, I add the roadblock activism variable. The findings indicate the takeover legacies independently predict worker-recovered business foundings, but this relationship is partly mediated by roadblock spillover.

Model 1 in Table B-2 includes the control variables and the independent variable measuring instances of workplace takeovers between 1989 and 1991 for each district. Models 3 through 6 add other social movement measures that may confound the influence of prior workplace takeovers. As Model 1 shows, prior workplace takeovers have a positive effect on workplace recoveries (p<.001), controlling for geographic, demographic, economic, and political influences. This finding supports the hypothesis that prior workplace takeovers set an example that facilitated subsequent workplace recoveries.

The argument that I am testing proposes that prior workplace takeovers provided “cultural lessons” that influenced subsequent workplace recoveries as a solution to another set of problems. In other words, challengers with access to the cultural toolkits
that legitimized workplace takeovers during the hyperinflation crisis were able to
everovercome the costs of taking control of failed businesses during the subsequent period of
economic collapse. Thus, workplace takeovers leave legacies of action that are unique
from other forms of protest. To assess whether workplace takeovers produce cultural
lessons and institutional legacies that are distinct from those resulting from more
traditional forms of labor conflict, Model 2 adds the variable measuring the logged
instances of labor strikes during the 1989 and 1991 period. The coefficient is not
statistically significant and the positive effect of early takeovers persists, suggesting that
effect of prior takeovers on subsequent workplace recoveries is independent of the effect
of prior strike activity. Recall that the workplace takeovers during the hyperinflation
crisis carried the potential to produce cultural models for firm-based, autonomous
collective action. Workplace takeovers during the 1989-1991 period represent instances
wherein workers resisted union bureaucracy and legitimized direct action within the firm.
Thus, the takeover protest tactic imbues regions with cultural legacies that are distinct
from the legacies left by the strike tactic.

One possibility is that provinces with strong greater instances of workplace
takeovers during the hyperinflation crisis also experienced higher union activism during
the subsequent recession, which function to influence worker-recovered businesses. If
this is the case, workplace recoveries do not reflect an institutional legacy of collective
action applied to a new set of problems; rather, workplace recoveries benefit from
cognitive and cultural signals emitted by contemporaneous labor activism. Model 3 tests
the effect of the effect of recent workplace takeovers on the sample of province-years up
to 2004, the year following the availability of takeover data. If the effect of prior
takeovers on subsequent workplace recoveries operates through contemporaneous
spillover effects, then the effect of recent takeovers will confound the effect of prior
workplace takeovers. The coefficient for contemporaneous workplace takeovers in Model
3 is negative and is not statistically significant, indicating that contemporaneous
takeovers do not significantly affect workplace recoveries.

In Model 4 I test the possibility that regions with strong legacies of workplace
takeovers will also have strong labor-related collective action during the economic crisis
and recovery, which provides a social context amenable to workplace recoveries. If this is
the case, then prior levels of workplace takeovers are expected to operate through
contemporaneous levels of labor protests. Model 4 includes a measure of the lagged
episodes of all labor episodes for each province-year in the database through 2007 (i.e.,
labor episodes from 1994-2006). The labor conflict variable is not statistically significant
and the effect of early workplace takeovers persists. These findings buttress the argument
that hyperinflation-era takeover protests built institutional legacies that facilitated
subsequent firm-level, autonomous collective action in the form of worker-recovered
businesses.

Finally, I consider whether prior takeovers influence subsequent worker-
recovered businesses by influencing the unemployed workers’ “roadblock” movement.
This chapter’s central argument is that prior collective action imbues cultural toolkits
with the cognitive and behavior models that institutional entrepreneurship. In contrast,
the previous chapter suggests that contemporaneous mobilizations constitute the source
of social movement spillover effects on organization building. More specifically, I argue that the expansion of the roadblock movement created opportunities for worker-recovered business protagonists to participate in the system-wide protest cycle. It is plausible that legacies workplace takeovers may influence the patterns of worker-recovered businesses by shaping the collective action repertoires of the highly-visible roadblock movement. In other words, the takeovers of the prior currency crisis influenced the general protest cycle in which the worker-recovered businesses movement arose. If this is the case, contemporaneous social movement activism—rather than legacies of collective action—constitutes the most important mechanism explaining social movement effects on organizational forms.

Model 5 tests the potential for roadblock activism to mediate the relationship between takeover legacies and worker-recovered business founding. If workplace takeovers during the previous currency crisis indirectly stimulated the worker-recovered businesses movement by inspiring the highly-visible roadblock movement, the relationship between prior takeovers and worker-recovered businesses should decline. Model 5 includes the baseline variables presented in Model 1 and adds the variable measuring lagged monthly rate of roadblock events for each province-year. The positive and statistically significant coefficient (p<.01) shows that roadblock events have positive spillover effects on the worker-recovered businesses movement. In comparing Models 1 and 5, we see that taking into account roadblock spillover effects depresses the observed effect of workplace-takeover legacies on worker-recovered businesses. Nevertheless, the legacy of private sector takeovers retains a statistically significant effect on the worker-
recovered businesses movement independent of roadblock spillover effects (p<.001). As I discuss in the following section, the mediating influence of contemporaneous spillover effects on the relationship between collective action legacies and institutional entrepreneurship yield intriguing insights on the interdependence of social movements.

Discussion

This paper examines how legacies of collective action influence the emergence of alternative organizations. The analyses presented in this study show that provinces with greater numbers of workplace takeovers during the 1989-1991 period had higher rates of worker-recovered businesses between 1995 and 2007. The effect of prior takeovers persists when testing for other potentially confounding explanations. Regional differences of collective action in response to shared problems built up different cultural toolkits from which subsequent challengers could draw inspiration to solve a different set of problems. Workplace takeovers during the 1989-1991 period occurred in an environment that was not conducive labor activism and were rooted in grassroots attempts to solve plant-level problems. Despite the deceleration and defeats of the labor movement during the 1989-1991 economic crisis, workplace takeovers contributed to regional cultural toolkits supporting firm-level, autonomous collective action throughout subsequent economic downturns and recoveries. These struggles imbued collective memories with cultural lessons that facilitated collective action in the form of worker-recovered

As mentioned previously, plausible causes of the decline of the labor movement include co-optation by the government, state victories over major strikes, reductions in union density, and economic crisis (McGuire 1996; Murillo 2001; Etchemendy 2004; Atzeni and Ghigliani 2011; Villanueva 1994; Gomez 2009).
businesses. Below, I discuss the contributions that these findings make to research on social movements and the economy, as well as organization theory.

Social Movements
The literature examining social movement effects on organizations has provided an fruitful research agenda that shifts the focus of social movement studies away from the prior emphasis on movement emergence and toward the neglected issues of movement outcomes (e.g., Bartley and Child 2011; King and Soule 2007; Lounsbury et al. 2003). Nevertheless, despite the recognition that social movements seek broader cultural and institutional changes beyond their explicit objectives, research on movement outcomes has focused primarily on the intended political or business targets. Building on conceptual and qualitative work suggesting that institutional change within organizational fields are extensions of prior social movement activities (Rao 1998; Rao et al. 2003; Weber et al. 2008), I argue that a population’s capacity for institutional entrepreneurship depends on the cognitive and behavioral models embedded in its legacy of collective action.

Drawing on an events-centered approach to understanding social movements (see Tarrow 1994; Oliver 1989; Tilly 1999; Koopmans 1998), this study extends previous research using organizational indicators or other proxies to ascertain movement effects on institutional change. Although Schneiberg’s (2007) study on how the geographic patterns in an anti-corporate movement organization and anti-corporate political struggles in the United States during the 19th Century influenced the distribution of agrarian cooperatives
and mutual during the 20th Century suggests that movements create institutional legacies that contribute to institutional and organizational diversity, we nevertheless lack an understanding of how extra-institutional collective action influences institutional entrepreneurship. In an important elaboration of indirect movement effects on market logics and organizational forms, Haveman et al. (2007) develop a model emphasizing intermediary institutions as the vehicles that translate social movement ideals to unintended targets. Their research demonstrates how the institutional products of the Progressive Movement—newspapers, government forms, and regulative policies—advanced bureaucratic values that promoted bureaucratic thrift organizations even after the movement had essentially disappeared. By emphasizing the contemporaneous influence of intermediary institutions, it remains unclear how movement activism influences subsequent collective action.

Using direct measures of collective action episodes, this study suggests alternative pathways by which prior social movements infuse environments with new logics for organization building. I argue that social movements inspire subsequent challengers by publicly deploying cultural elements—cognitive models, cultural frames, collective action tactics, etc.—that can be adapted to new objectives. The findings therefore elaborate key processes by which social movement tactics produce “cultural lessons” that shape the activities of subsequent challengers (see McAdam 1995; Tarrow 1994; Oliver 1989; Meyer and Whittier 1994; Minkoff 1997). Indeed, the finding that the influence of prior workplace takeovers on worker-recovered businesses is independent of the influence of prior strike levels indicates that spinoff effects are rooted in legacies of
particular tactics, rather than movement struggles in general. Moreover, the small proportion of workplace takeovers relative to strike events suggests that even peripheral tactics influence institutional environments and cultural toolkits. Of course, I infer the cultural linkage between prior takeover and subsequent recoveries based on historical details and multivariate analyses. Micro-level research examining the influence of collective action episodes on collective memories and mental models can help elucidate how social movements shape socio-cognitive environments. Qualitative research on firm founders’ rationales and accountings would be particularly helpful, especially with regards to whether individuals draw analogies to the tactics and frames of other institutional challengers.

This research has important implications for understanding the inter-relations between discrete movements. Researchers have called for shifting away from studying movements as isolated campaigns and advocated for recognizing the emergence of “movement families” (Koopmans 2004; McAdam 1995; Meyer and Whittier 1994; Tarrow 1994). Although scholars contend that spinoff movements are derivative of broad-based initiator movements, research has not fully explored how initiators’ tactical repertoire influences spinoffs. The mediating effect of the roadblock movement on the relationship between prior workplace takeovers and worker-recovered businesses suggests that collective action legacies include spillover effects via highly-visible social movements. Further research is needed to understand the cross-temporal and indirect spillover effects of ideologically-similar social movements. Researchers could draw on evidence of within tactical diffusion across social settings (Andrews and Biggs 2006;
Soule 1997) to explore the importance of local contexts for spinoff effects. Also, whereas the current research focuses on the influence of a particular tactic (workplace takeovers) on a particular form of institutional entrepreneurship (workplace recoveries), it is plausible that other methods of collective action inspired other forms of institutional entrepreneurship. Future research could further investigate how a broader variety of provide future challengers with multiple collective action repertoires from which they may search for models of alternative organizational forms.

Institutional Theory

On the surface, the emergence of the recovered businesses movement in Argentina appears to follow from technical imperatives: as increases in unemployment imposed economic imperatives for individuals to seek new solutions to business failure and job loss, worker-recovered businesses exploited the opportunities and mitigated the inefficiencies of the technical environment. However, formal and informal barriers to resource acquisition and market entry that worker-recovered businesses face, coupled with the inefficiencies of functioning as cooperative enterprises, rend workplace recoveries as a less-than-ideal option for business sustainability. In fact, the institutional environment provides other salient solutions to poor labor market conditions, including seeking workfare assistance or joining the burgeoning informal sector (Beccaria and Groisman 2008; Garay 2007; Gasparini, Haimovich, and Olivieri 2009).

Thus, the foundings of worker-recovered businesses required individuals to break with institutionalized arrangements and pursue new avenues for interest-fulfillment.
Enduring the costs and uncertainties of recovering a failed business requires cultural rationalizations that legitimize local direct action and individuals facing identical technical conditions may confront different challenges in developing the cultural tools required to recover a business. This study demonstrates that environments with legacies of workplace takeovers maintain cultural toolkits conducive to workers assuming the risks of taking control of businesses as a solution to labor market instability. The recognition of workplace takeovers as a reasonable solution to market and organizational failure is structured by the local traditions of collective action.

The findings therefore extend research arguing that geographic differences in collective action shape the economic geography of organizational forms. Research has shown that social movements influence the spatial distribution of organizational forms through cultural work that signals the potential costs or opportunities of establishing a firm (Ingram and Rao 2004; Sine and Lee 2009; Yue, Rao, and Ingram 2013). In contrast, this study argues that legacies of collective action provide cultural resources that function to overcome the risks associated with challenging institutionalized templates of organizational action. In provinces with stronger legacies of workplace takeovers during the 1989-1991 hyperinflation crisis, displaced workers benefitted from the cultural and organizational residue of prior grassroots collective action with higher rates of recovered businesses during the economic collapse, when confidence in the labor market and the government virtually disappeared. Workplace takeovers therefore built a tradition of direct action that facilitated the cultural work required to legitimize subsequent workplace recoveries.
Path dependency is a central feature of institutional theory. Much of the existing research on path-dependent effects emphasize how “initial conditions” have long-term effects (Acemoglu, Johnson, and Robinson 2001; Arthur 1994). However, scholars argue that initial conditions alone are not powerful enough to influence future outcomes; path dependent effects requires that subsequent events reinforce the initial conditions (Goldstone 1998; Mahoney 2000). By focusing on a relatively short temporal step by which prior events influence subsequent events, this article advances an understanding of how intervening events (rather than initial conditions) produce legacy effects. This article shows how a seemingly negligible component of the labor movement during the early 1990s influences the founding rate of alternative organizations in the 2000s. Legacies of workplace takeovers provided institutional foundation for worker-recovered businesses after economic collapse triggered a search for alternative logics and new forms. It is plausible that the ability to apply the lessons of workplace takeovers to business recoveries required other elements in the path. Future research can examine the long-range trajectories of collective action and probe how subsequent events function to reinforce or break from previous events.

Despite the material and cultural barriers to organization-building, worker-recovered business protagonists created new organizations because the socio-cognitive environment was conducive to the appropriation of physical capital by workers. This study therefore contributes to structural, macro-level research on firm creation (Aldrich and Wiedenmayer 1993; Armington and Acs 2002), though research using a micro-sociological approach can further explicate how collective legacies and other institutional
factors shape the processes of institutional entrepreneurship. In particular, research can probe how entrepreneurs leverage the collective identities and relational capital forged through collective action to mobilize resources and start ventures that challenge the status quo.
Chapter 4: Community and Crisis: Community Organizations and Worker-Recovered Businesses in Argentina

Neoinstitutional accounts of change or diversity typically point to exogenous shocks as the impetus for the emergence of organizational forms or practices following new logics of organizational action. By structuring cognition and providing guidelines for action, institutional logics—that is, the rules, understandings, and practices that constitute an institution’s organizing principles—function to constrain organizational diversity over time (Friedland and Alford 1991; Hirsch and Lounsbury 1997; Thornton et al. 2012). However, changes in the technical environment (e.g., economic crises, new technologies, regulatory shifts, etc.) expose the limitations of existing institutionalized structures and practices for solving organizational problems, thereby opening up opportunities for market actors to promote new logics and new organizational forms (Fligstein 1996; Greenwood and Hinings 1996).

Research demonstrates how exogenous change leads to the disruption of a field’s dominant logics (David, Sine, and Haveman 2013; Haveman and Rao 1997; Hoffman 1999; Strang and Bradburn 2001; Thornton and Ocasio 1999). Although these studies advance an institutionalist account of change, the focus on the shifts in dominant logics within a field reinforces a homogenizing perspective of institutional effects. Recently, scholars have retreated from an emphasis on dominant logics, asserting that institutional environments are comprised of multiple logics (Lounsbury 2007; Schneiberg 2007). The
co-existence of multiple logics suggests that organizational actors face pressures to conform to competing models. Institutional entrepreneurs can produce new organizational forms by hybridizing disparate organizing models or transposing logics across fields (Battilana and Dorado 2010; Rao et al. 2003; Schneiberg 2005). Moreover, different geographic locations maintain distinct models of appropriate organizational behavior, which influences the prevalence of organizational forms expressing a particular logic within a region (Loundsbury 2007; Marquis and Battilana 2009).

Although research conceptualizing environments as subject to multiple logics provides an alternative to exogenous explanations of institutional entrepreneurship, these mechanisms are not necessarily incompatible. Radical changes in the technical environment can precipitate a search for alternatives to the institutionalized set structures and practices. However, rather than displacing dominant logics, actors search among the existing repertoire of logics and models within their environments. Thus, exogenous shocks influences organizations to combine or transpose existing logics, and geographic spread of new organizational forms will coincide with the activities expressing these logics.

I investigate these propositions through province-level longitudinal analyses of the worker-recovered businesses movement. In Chapters 2 and 3, I examined how collective action events provided cognitive and cultural signals that facilitated the worker-recovered businesses movement. In this chapter, I focus on the pre-existing community infrastructure that lays the foundation for institutional entrepreneurship. Worker-recovered businesses represent more than a form of collective action; they also
represent hybridizations of community and market logics. By embodying the values of mutualism, local autonomy, and other elements of the community institutional order, the worker-recovered businesses movement challenges the logic of the liberal market that pervaded economic fields throughout the 1990s. But what structural features account for growth and distribution of these hybrid organizations? Are worker-recovered businesses rational responses to unemployment or other technical pressures? Or are technical decisions embedded in institutional factors, such that foundings of worker-recovered businesses depend on the extent to which an existing community infrastructure supports the transposition of community logics into market organizations?

In answering these questions, I extend research documenting how community logics influence the population dynamics of market organizations (Ingram et al. 2010; Marquis and Lounsbury 2007; Schneiberg 2007). I apply insights from social movement and social capital theories to argue that non-profit community organizations act as carriers of community logics and enhance a group’s capacity to mobilize in response to collective action problems. Longitudinal analyses demonstrate the provincial densities of community organizations predict the founding rates of worker-recovered businesses. This study therefore connects research linking organizational forms and institutions (Haveman and Rao 1997) to research on the implications of community infrastructures (Putnam, Leonardi, and Nanetti 1994; Sampson et al. 2005). By addressing how organizations influence society, the findings address a neglected aspect of the reciprocal relationship between environments and organizations (Perrow 2002; Stern and Barley 1996).
The findings also contribute to recent interests in the implications of post-crisis organizing and innovations for societal well-being (Adler 2016; Davis 2010). To date, research on start-ups that address social problems use case studies that offer little in terms of understanding how environmental contexts influence the application of community logics to market pursuits (Dorado and Ventresca 2013; Mair and Marti 2009; Pache and Santos 2010). By contrast, this study offers an ecological perspective on social entrepreneurship, counterbalancing extant micro-level emphases with an examination of the conditions that foster the creation of hybrid forms.

**Community Institutions: Logics and Organizations**

The institutional logics perspective proposes that society’s institutional orders (e.g., the state, the market, community, etc.) have disparate sets of values, norms, and practices that guide cognition and behavior (Friedland and Alford 1991; Thornton et al. 2010). Although these logics constrain action, they also enable institutional change and organizational heterogeneity. Social life transverses multiple institutional orders and actors can transpose the logics from one domain to another (Friedland 2002). Previous research suggests that the transposition of community logics to market contexts is a particularly potent means of engendering institutional change and organizational heterogeneity (Lounsbury 2007; Schneiberg 2007). Institutional entrepreneurship, or the creation or modification of institutions, is a social movement-like endeavor that seeks to subvert the status quo (see Rao et al. 2000; Fligstein 1997). Accordingly, institutional entrepreneurship often includes eschewing the elements of the market logic (e.g.,
individualism, profit-maximization, etc.) and in favor of the values and assumptions that typically correspond with the logic of community (e.g., common good, social change, etc.) (Carroll 1997; Weber et al. 2008).

However, the legitimacy of community logics for market organizations cannot be assumed. Organizations acquire legitimacy—and therefore, access to valuable resources—to the extent that their practices and structures correspond with the prevailing norms and practices (p & d). Thus, the potential for community logics to find expression in market organizations depends on the prevalence of community-like organizing principles and practices in the broader society. Haveman et al.’s (2010) study how shifts in the political culture during the early 20th Century influenced the decline of community logics among California thrift organizations. Thrift entrepreneurs abandoned thrift plans based on a community logic of mutual cooperation and adopted bureaucratic forms in accordance with the ascendance of Progressive values of impersonal rationality and efficiency.

Although bureaucratic and corporate forms found dominance in the United States during the early 20th Century, the substantial population of mutual organizational forms during this period indicates that the logic of community can coexist with the logic of the liberal market. Schneiberg’s (2007) research on agrarian cooperatives and insurance mutuals suggests that community organizations promoting local development and mutual cooperation were instrumental in fostering alternatives to the corporate form. Regions with strong anti-corporate community organizations experienced higher founding rates of cooperatives and mutuals because the cooperative form corresponded with the values and
beliefs of the population. Presumably, legitimacy of the cooperative forms was more difficult to establish in regions in which anti-corporate community organizations were weak or absent.

The proposition that community organizations enhance a population’s capacity to challenge existing institutions is supported by over four decades of social movement scholarship (McCarthy 1996; Jenkins 1983; Wilson and Orum; Tilly 1978). McAdam (2003:289) contends that without a pre-existing infrastructure of community organizations, a social movement “lack[s] the capacity to act even if afforded the opportunity to do so.” Community organizations generate collective identities, change-oriented cultural frames, and social ties that are critical resources for mobilization. Thus, successful social movement activism requires appropriating an organization’s resources and goals to serve the movement’s objectives (McCarthy 1996).

Inasmuch as institutional entrepreneurship constitutes a social movement-like mobilizations (Campbell 1997; Rao et al. 2000; Fligstein1996), we can similarly assume that community infrastructures provide cultural and organizational resources that support the establishment of new organizational forms. Yet, whereas social movements oriented toward institutional politics need to co-opt community organizations in order to acquire money (or what they would purchase with money), business organizations obtain their income by selling goods or services. Nevertheless, researchers argue that community organizations support institutional entrepreneurship through their cultural work. For example, Sine and Lee (2010) argue that the Sierra Club’s promotion of sustainable energy inspires entrepreneurial activity in wind power.
But there is reason to believe that community organizations may support the growth of new organizational forms even in the absence of social movement organizations that explicitly advocate for institutional entrepreneurship. According to Coleman (1961:673), community organizations oriented toward one set of problems provide two kinds of “residue” that build a group’s propensity to act in response to unrelated problems. First, community organizing produces a residue of sentiments—such as identification with the community or hostility toward the community’s interests—that motivate collective action. Second, collective action produces a residue of organization, which can include both formal organizations as well as informal social relations. More recent research on social capital contends that community organizations contribute to a region’s stock of trust and social cohesion, which facilitate a variety of actions in response to the collective good (Putnam 1993). Moreover, political science research has begun to demonstrate that regional social capital levels afford benefits to residents over and above individual-level social capital (Putnam, Pharr, and Dalton 2000; Van der Meer 2003). Consequently, potential firm founders embedded in regions with strong densities of community organizations can take advantage of their cultural and relational residues.

Relational and Cultural Influences of Community Organizing on New Forms

One way in which community organizations create environments that are conducive to organization creation is amplifying the flow of information and/or resources within a population. Community organizations connect otherwise unrelated individuals, thereby enhancing the exchange of ideas, social cohesion, and cooperation (Paxton 2002; Putnam
et al. 1994; Small, Jacobs, and Massengill 2008; Wuthnow 1998). Jane Jacobs (1969, 1961) contends that cities foster creativity and economic development in part because community organizations facilitate interpersonal connection and the exchange of ideas. Similarly, Saxenian’s (1994) comparative study of Silicon Valley and Boston’s Route 128 argues that greater opportunities for interpersonal social ties in Silicon Valley contribute to its strong entrepreneurial culture and thriving regional economy. The implication is that regions with strong densities of community organizations have an advantage in creating new organizations because residents have greater access to information and resources.

The cultural and relational residues of community organizing are particularly helpful for organizations that lack legitimacy or other important resources. Individuals establishing firms that deviate from institutionalized templates lack sociopolitical legitimacy. Consequently, institutional entrepreneurs are at a disadvantage in establishing relationships with customers, suppliers, and other key resource holders. However, the social capital and feelings of collective efficacy that permeate from community organizations enhances a group’s potential to realize common interests and to mobilize in response to collective action problems (Paxton 2002; Sampson and Groves 1989). Inasmuch as establishing new organizational forms is a collective endeavor that typically seeks to solve shared needs (Rindova, Barry, and Ketchen 2009; Taylor 1999; Van de Ven, Sapienza, and Villanueva 2007), a strong community infrastructure can build social capital that compensates for the liabilities of illegitimacy. For instance, entrepreneurs embedded in regions with high levels of social capital may circumvent the costs and
barriers associated with institutional finance acquiring informal loans and gifts through local social networks (Portes and Hoffman 2003; Winborg and Landström 2001; Zimmer and Aldrich 1987). Similarly, the trust and cooperation endemic to regions with high social capital can help employees, customers, and suppliers to overcome the risks of affiliating with an illegitimate organization.

In addition to building a population’s capacity to build new organizations, community organizations may also influence how residents interpret and respond to the problems and opportunities of the technical environment. Molotch and co-authors’ (2000) study of how two similar regions in California—Santa Barbara and Ventura—responded to oil and freeway development suggests that the density of community organizations influences disparities in how regions respond to economic development issues. Santa Barbara’s comparatively strong density of community organizations—even those unrelated to development issues—served to unite residents’ individual experiences, propagate a sense of regional tradition, and solidify a common identity. Consequently, Santa Barbarans responded to oil and freeway development in ways that preserved residents’ recreational-environmental orientation. Lacking in community organizations to similarly structure residents’ collective identities and interests, oil and freeway development in Ventura took a more utilitarian approach that inhibited the development of oceanfront amenity. In pursuing non-market solutions to collective action problems, community organizations generate a form of social capital that supports the logic of community in the region’s approach to economic development problems.
Community organizing may also influence the repertoire of institutional logics that guide its organization building efforts. Organizational forms are both governance structures for collective action as well as the embodiments of institutional logics’ core identities and sentiments (Haveman and Rao 1997). The multiplicity of institutional logics provides the foundation for the transposition or hybridization of logics across fields (Battilana and Dorado 2010; Creed, Dejordy, and Lok 2010). Thus, community organizations imbue a region’s cultural “toolkit” with models of collective action that structure residents’ interpretations of reality, identities, and decisions on how to organize (see Clemens 1996). Social entrepreneurship—that is, entrepreneurship oriented toward addressing social problems and/or advancing social change—generally requires not only individual-level embeddedness (i.e., social capital), but also the capacity to attend to both for-profit and nonprofit institutional logics (Dacin, Dacin, and Matear 2010; Mair and Marti 2006; Taylor 1999; Van de Ven et al. 2007). From an ecological perspective, organizations attain legitimacy to the extent that their behaviors and structures align with the ideals and conceptions of rationality expressed in the organizational field (Haveman and Rao 1997; Scott 2013; Ingram and Simons 2000). However, new organizational forms do not adopt the taken-for-granted structures and/or practices within their fields; instead, they legitimize their endeavors by drawing from the identities and rationalities from other organizational communities (see Scott 2013; Suchman 2000). Hence, we can expect that hybridization of market logics (i.e., realizing material value) with community logics (i.e., enhancing social welfare) benefit from the existence of community
organizations as their implementation of community logics constitutes a form of cultural alignment with the existing cultural toolkit.

**Community Logics in Market Organizations: Worker-recovered Businesses as Hybrid Forms**

Since the 1970s, the logic of the liberal market has suffused political and economic fields in most industrialized nations (Fourcade-Gourichas and Babb 2002; Campbell and Pedersen 2001). Market logics find expression in organizational forms in a variety of ways, including corporate governance structures and practices intended to maximize shareholder value (Fiss and Zajac 2004; Fligstein and Shin 2007; Strang and Bradburn 2001; Thornton and Ocasio 1999; Zajac and Westphal 2004). Following an inflationary crisis in 1989, Argentina implemented a series of radical market-oriented reforms that accompanied the privatization of several public firms, an increase in foreign-owned companies, and a contraction in small- and medium-sized employers throughout the 1990s (Blustein 2005; Rebón 2004). Moreover, declines in labor market protections and the liberalization of health and other non-profit/state service systems contributed to a sense of “social exclusion” for many members of the middle and working classes (Cavallo 1997; Centner 2012; Nash 1992; Svampa 2005; Trinchero 2007). In sum, social structural changes in Argentina throughout the 1990s resulted in the decline in ideals, identities, and practices that support solidarity, local autonomy, and other elements of the logic of community.
Argentina experienced a profound recession in the final years of the 20th century that resulted in economic and political collapse by the end of 2001. Consistent with the neoinstitutional perspective on institutional change, this exogenous jolt triggered crises of institutional legitimacy and new constructions of how organizations and markets should function. One manifestation of such institutional entrepreneurship came in the form of the worker-recovered businesses movement, wherein displaced workers assume control of bankrupt firms and operate them as worker-cooperatives. From one point of view, the emergence of these organizations reflects rational responses to business failures, mounting poverty, and other changes in the technical environment. In fact, given the low costs of registration costs and tax benefits associated with starting a non-profit cooperative, observers attribute recovered-business advocates’ choice to adopt the cooperative form to instrumental (rather than ideological) criteria (Ruggeri 2009).

However, culture-frame institutionalism contends that technical rationalities are enabled and constrained by the broader system of institutional meanings and practices (Haveman and Rao 1997; Lounsbury 2007; Ocasio 1997; Ruef and Scott 1998). Moreover, research suggests that geographic variations in the cultural and organizational resources amenable to institutional entrepreneurship account for regional disparities in how organizations and entrepreneurs respond to exogenous jolts (Greve and Rao 2012; Sine and Lee 2009). For the reasons detailed above, community organizations imbue institutional environments with the social constructions and practices that legitimate the decision to recover a failed business and operate it as a cooperative enterprise. Despite the exclusion and individualism that accompanied state retrenchment and labor market
insecurity throughout the 1990s, many community organizations attended to local needs and defended collective interests (Campetella, González Bombal, and Roitter 2000). Community organizations therefore sustained the logic of community when market and state institutions produced social exclusion for many sectors of the Argentine population. Non-profit community organizations therefore provide a template of legitimate organizational action which institutional entrepreneurs interested in resisting social isolation can transpose to their organizations to legitimize their ventures.

By providing examples of organizing for public goods and supporting collectivist values, the existence of nonprofit organizations can legitimate entrepreneurial activities merge business and social objectives. Thus, we can expect that the rationalizations, behavioral repertoires, and other cultural resources amenable to establishing worker-recovered businesses will be more prominent in environments in which community organizations constitute a salient component of the organizational landscape. Indeed, many worker-recovered businesses take on hybrid identities as business with community orientations by hosting or funding a variety development projects (e.g., education and youth programs, cultural events, health clinics, etc.) in an effort to garner local support and/or to demonstrate to political actors that their organizations serve public purposes (Ruggeri 2009; Ranis 2006). Oftentimes, worker-recovered businesses develop relations with community non-profit and advocacy organizations, which amplifies their support network and buttresses identification with community logics. In some cases, advocacy organizations assisted in the process of recovering failed businesses through direct action, including entering closed business or resisting evictions.
The prevalence of community organizations may have also had indirect effects on worker-recovered businesses. For example, a portion of the worker-recovered businesses movement disagrees with engaging in community events, preferring instead to exude identities as value-creating business organizations based on ideals of internal democracy and worker self-management. In interviews with a number of these recovered businesses, the founders told me that community solidarity was a critical component of the start-up process, including providing informal loans to purchase supplies or bringing food to workers occupying factories in spite of eviction orders. Inasmuch as community organizing imbues such the identities, sentiments, and other elements of the community logic among a population, I expect that pre-existing community organizations create social contexts conducive to the growth of worker-recovered businesses.

**Data Sources**

I gathered data for Argentina’s the twenty-three provinces and the Autonomous City of Buenos Aires. The choice to use provinces as the unit of analysis is motivated by data availability. The data sources for many protest events and for private-sector organizational mortality do not disaggregate beyond the provincial level. However, this strategy is in keeping with previous research portraying subnational units (e.g., states) as settings at risk for organization-building and social movement mobilization (Rao 2004; Schneiberg et al. 2008).

Data on worker-recovered business foundings come primarily from the information collected by the University of Buenos Aires’ Facultad Abierta. Researchers
at the Facultad Abierta performed censuses of worker-recovered businesses in 2002-2003, 2004, 2009-2010 and 2013. The Facultad Abierta provides the most comprehensive and valid data source on the population of worker-recovered businesses (Ruggeri 2010), though I referred to lists produced by the Lavaca Collective and Argentina’s Ministry of Labor (Lavaca 2007; Ministerio de Trabajo 2012) in order to verify the names, locations, economic sectors, and other relevant information that may in between panels. The final database includes 342 worker-recovered business foundings, of which four were excluded because I was unable to ascertain the year the organization was founded.

Data on the population of community organizations come information collected by Argentina’s National Center of Community Organizations (CENOC). CENOC operates under the federal government’s Coordinating Council of Social Policy to support community organizations. As part of this effort, CENOC maintains a database of community organizations. In 1998, 2003, 2006 CENOC published descriptive analyses from the contents of the previous year’s database, including provincial sums. A pervasive problem associated with measuring community organization densities is that data sources are incomplete. Since inscription in CENOC’s database is initiated by organizations, it is unlikely that these measures capture the entire population of community organizations. Organizations that do not appear in the database are those who, for one reason or another, who have not sought the visibility and/or the desire to participate in state-led development or social programs. Thus, rather than measuring the total prevalence of community organizations, this variable captures the prevalence of community
institutionally-linked community organizations. Moreover, since voluntary inscription in the database is consistent across geographic districts throughout the study period, measures from these sources provide an appropriate means for obtaining longitudinal estimates of the population of community organizations.

Information on protest activity come from a study performed by researchers at the Gino Germani Institute at the University of Buenos Aires (see Schuster et al. 2006). For this study, researchers used two national newspapers to identify protest events between 1989 and May 2003 and recorded the province, the type of sponsoring organization (e.g., union), a sub-classification of the sponsoring organization (e.g., education union, public administration union, industrial union, service union, or union confederation) and the tactic (e.g., takeover, strike, roadblock), for each event. I used this database to create yearly and multi-year provincial sums of protest activity until 2002, the final complete year of the study. The Gini Germani team has extended this study. Currently-available data from an extension of this project includes counts of protest events according to organization-province-demand-year configurations through 2006. I used these data to arrive at province-year sums of union protests through 2006.

Information on the level of business failures for each province comes research on employment and business dynamics on performed by Argentina’s Ministry of Work, Employment, and Social Security (MTEySS 2013). The Ministry releases a yearly series of statistics on the registered business establishments and employees, disaggregated at the provincial level. These studies include yearly figures on private-sector business closures

\[8\] For more on institutional linkages, see (Baum and Oliver 1991).
for each province beginning in 1996. A business is considered “closed” if it does not declare employed personnel for at least six months.

To measure political access, I use Simison’s (2014) measure of political alignment. Drawing on previous research indicates that political alignment between provincial governors and the federal executive influence citizens’ access to political benefits, Simison developed a dichotomous measure indicating a whether a governor shared the same political party as the president or was a member of (smaller) party that is related to the president’s party. This measure is particularly appropriate for the present context, in which governors from smaller political parties formed alliances with elites from larger parties.

Socio-economic indicators come from Argentina’s National Institute of Statistics and Censuses (INDEC). Information on household poverty rates for each province come the results of INDEC’s national censuses in 1991, 2001, and 2010 and intercensal estimates. The census data do not include information on unemployment. INDEC gathers unemployment information through quarterly, representative surveys of the nation’s major metropolitan areas and provincial capitals. Following common practice, I employ the mean unemployment of the provinces metropolitan areas to estimate province-level unemployment. I use Simison’s (2014) estimations for province-years in which unemployment data for certain metropolitan areas are not available, which are based on the most-recent data and the variance of the regional average.

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9 Surveys were performed bi-annually prior to 2003.
Data and Methodology

I constructed a time-series database with province-year observations. The dependent variable is the yearly number of worker-recovered business foundings per province (more precisely, the twenty-three provinces and the Autonomous City of Buenos Aires). Using data on the location and found-year for each worker-recovered business, I created a variable measuring the total count of new worker-recovered businesses for each province-year.

The primary independent variable is the density of community organizations within a district. Previous research uses comparable measures as proxies for the aggregate level of micro-level social capital within a region (Kaufman 1999). Interestingly, other scholars have aggregated individual memberships in community organizations to approximate regional densities of community organizations (e.g., Paxton 1999; Putnam 2000). The choice to measure community organization densities follows from data limitations and substantive considerations. To my knowledge, longitudinal data on individual memberships in voluntary organizations are not available for this region. However, recent research suggests that organizational densities are preferable to measures of individual civic participation for predicting collective action. Drawing on social movement and social capital theories, Sampson et al. (2005) contend that the social processes occurring within community organizations enhances a population’s capacity to mobilize collective action independent of the levels of individual participation in these organizations. The institutional origins of collective action, they argue, arises from the prevalence of organizational settings that foster mobilization rather from an aggregation
of individuals predisposed to such activity. To measure the population of community organizations, I created three panels of provincial organization densities for each year corresponding to CENOC’s published results and used linear interpolation for the missing years.

I measure levels of workplace takeovers during the hyperinflation crisis by summing the number of takeover events sponsored by service- and industrial-sector unions between 1989 and 1991. I use the extension of the Gino Germani study to construct variables measuring the level of union activity and roadblock activity for each province from 1996 to 2007. National newspapers may be more likely to report on collective action episodes that are closer to the nation’s capital, which serves as the political and media hub. To control for the potential regional bias in newspaper coverage of protest events, I include a dummy variable coded 1 for the following densely populated, centrally-located districts: City of Buenos Aires, Buenos Aires Province, Santa Fe, and Cordoba.

Previous research argues that new organizational forms emerge when challengers are blocked from political means of influence (Schneiberg 2002). To control for the influence of advantageous political structures, I include a dummy variable indicating political alignment between the provincial and federal executives. Argentina has a proportional representation system in which provincial governors influence the list of Congressional candidates. Since the President’s efficacy is largely determined by the support s/he receives from the legislative branch, presidents try to strengthen their allies in provincial governorships. Citizens therefore gain material and political benefits in
accordance with their provincial governor’s alignment with the federal executive (Gervasoni 2010; Simison 2014). Accordingly, political alignment between the governor and the president indicates open political access. In other words, contexts with governor-president political alignment constitute political opportunities that shape challengers’ expectation that state actors will (positively) respond to collective action.

The institutionalist perspective contends that new organizational forms coincide with the prevailing norms and sentiments of the institutional environment. Thus, worker-recovered businesses are expected to correspond with roadblock activity because worker-recovered businesses could more easily align their ventures with the local repertoire of organizing models, collective identities, and cultural frames. An alternative explanation is that the worker-recovered businesses movement was rational a response to unemployment and business failures. A variable measuring the urban unemployment rates for each province-year controls for the degree to which worker-recovered businesses constituted a technical solution to poor labor market conditions. To control for the rate of business closures, I constructed a variable that equals the number of failed business in a focal province-year divided by the total number of private-sector business in the province at the fourth quarter of the previous year.

Provinces with high levels of material and social deprivation are expected to be at a disadvantage for organization-building. To control for differences in resource environments, I include a measure of the proportion of households with unsatisfied basic needs. Households are considered to have unsatisfied basic needs if they are characterized by one of the following characteristics: contain more than three persons per
room, are built from inadequate housing materials, do not have indoor plumbing, contain school-aged children who do not attend school, and/or contain more than 4 household members for every employed household member where the head of the household has less than a third grade education. By integrating housing, public infrastructure, education, and labor-market dimensions of deprivation, this measure captures multiple factors that constrain entrepreneurship. Finally, larger provinces are expected to generate more entrepreneurial activity. The models therefore control for logged provincial population.

The Poisson regression model is the appropriate approach for analyzing using count data. However, the Poisson process assumes that the variance and the mean of the dependent variable are equivalent. In the case that the variance in a series of counts exceeds the mean, such overdispersion can distort standard errors and exaggerate statistical significance. Because overdispersion is present in the count distribution, I use negative binomial models. However, a high prevalence of province-years with zero foundings (approximately three-fourths of cases) suggests that some observations were at a much lower risk of a worker-recovered business founding. Scholars suggest that a zero-inflated process is appropriate in such cases (Cameron and Trivedi 2013; Long and Freese 2006). A zero-inflated negative binomial model estimates two models: 1) a binary logit model on the likelihood of a zero count and 2) a negative-binomial count model on the predicted count of the dependent variable. I expect that the underlying labor-market conditions of the province will influence the likelihood of zero-founding events. I therefore relied on the unemployment rate variable to model the zero-count equation. Finally, because I use pooled cross-sectional data, observations are not independent
across geographic districts. I use Stata’s cluster subcommand to account for multiple observations within provinces.

Results

Table C-1 presents the summary statistics and correlations for the independent variables used in the analyses. Table C-2 presents the models predicting counts of business recoveries. I begin by presenting a model with the control variables and the community organizations variable. The findings support the hypothesis that the population of community organizations predicts counts of worker-recovered business foundings. I then examine whether the population of community organizations continues to influence worker-recovered business foundings with the inclusion of the protest variables. I first present a model with the controls and the protest variables without the community organizations variable to demonstrate that takeover legacies and roadblock activism are positively related to worker-recovered business foundings. I then test a full model with the community organizations and protest variables.

Model 1 in Table C-2 presents the control variables and the community organization variable. The findings demonstrate that the population of community organizations has a positive effect on the yearly counts of worker-recovered business independent of the other variables in the model (p<.001). Holding all other variables constant, an increase in one hundred community organizations is associated with a 9.3 percent increase ($1-e^{-0.089}$) in the predicted foundings of worker-recovered businesses. Model 2 excludes the community organizations variable and includes the two protest
variables, indicating that the level of workplace takeovers during the 1989-1991 hyperinflation crisis and the lagged rate of roadblock protests are each positively related with worker-recovered business foundings (p<.001 and p<.01, respectively). Model 3 presents the full model, with the community organizations variable and the protest variables. Workplace takeover legacies and community organizations remain statistically significant predictors of worker-recovered business foundings (p<.05) while the roadblocks variable falls out of statistical significance. These results suggest that regions with strong community infrastructures and legacies of workplace takeovers create contexts in which worker-recovered businesses can emerge and grow. Once we consider the effect of community organizations, the influence of roadblock spillover disappears. I discuss the implications of these results in the following section, addressing data limitations and avenues for future research.

**Conclusion and Discussion**

In contrast to the early emphasis on society-wide structures that change in response to exogenous shocks, more recent institutionalist scholarship conceives of institutional environments as fragmented and subject to multiple logics. Multiple logics provide the institutional resources for organizational diversity through hybridization or transposition. In this paper, I contend that exogenous shocks trigger dissatisfaction with the status quo and the growth of new organizational forms. However, rather than engendering new dominant logics that produce isomorphism and homogeneity, exogenous shocks prompt institutional entrepreneurs to apply existing models and logics to new domains. This
paper draws on the Argentine economic crisis and the worker-recovered businesses movement to examine the insertion of community logics to market organizations. The findings demonstrate that the provincial population of community organizations predicts the founding rate of worker-recovered businesses. Thus, a group’s experience with community organizing buttresses its propensity to build organizations that merge the logic of community with market activity.

This study has important implications for research on the reciprocal relationship between organizations and environments. Institutionalist research generally focuses on the ways in which environments influence organizations, largely neglecting the ways in which organizations shape the environments in which they are embedded (Stern and Barley 1996). Community organizations provide models of addressing collective action problems that serve as templates for building new organizations. Furthermore, community organizations generate social bonds and social identities that facilitate further mobilizations in pursuit of collective interests. Thus, worker-recovered business foundings are more likely to occur in provinces in which the organizational representations of community logics are prevalent. In contexts where non-profit organizing is taken-for-granted and civil society infrastructures are strong, potential founders and relevant stakeholders accept the worker-recovered business form and engage in collective action.

By treating worker-recovered businesses as combinations of divergent logics, I am able to examine the contextual features influencing the founding rates of hybrid organizations. Extant research on the creation of firms that merge market activity with
development or social change initiatives employ case studies to understand how organization-environment interactions, including the challenges of adhering to market and community logics (Battilana and Dorado 2010; Dorado and Ventresca 2013; Mair and Marti 2009; Pache and Santos 2010). By contrast, this paper provides an ecological approach to understanding foundings of hybrid organizations, counterbalancing the extant micro-level focus on forming social enterprises. In addition to demonstrating that regional variations in civil society infrastructures influence the economic geography of market organizations adopting community institutions, the results hold further research opportunities with regard to the influence of technical environments on social entrepreneurship. For instance, the models indicate that unemployment increases worker-recovered business foundings while poverty levels decrease worker-recovered business foundings. If this relationship holds in future research, social entrepreneurship is more likely in regions with more significant social problems, but resource constraints nevertheless impede organization building.

More precise measures of community organizations can further probe the mechanisms underpinning these results. It is possible that community organizations dedicated to serving workers and/or the unemployed provide direct support for worker-recovered business protagonists, while the social capital, supporting infrastructure (e.g., non-profit tax or legal professionals), and organizing templates provide the institutional environments out of which worker-recovered businesses emerge. The results suggest that when considering the influence of community organizations, roadblock activity is not a significant predictor of worker-recovered businesses. One potential reason for which
roadblock activity is not a significant predictor of worker-recovered business foundings when considering the influence of community organizations is that the social solidarity and resources produced by community organizations are more effective for creating opportunities to establish worker-recovered businesses than the cognitive and cultural spillover resulting from roadblock activism. If this is the case, perhaps roadblock activism remains important for the worker-recovered businesses movement, but protest effect operates through formal non-profit organizations. More detailed variables on the type and diversity of community organizations can help reveal the pathways by which community organizations influence alternative organizational forms. Researchers should consider using social network methods that locate worker-recovered businesses in a network of resource- and knowledge-sharing inter-organizational relationships.

More research is necessary to elucidate the carriers of community logics. Recent scholarship suggests that community organizing may build a region’s stock of social capital, even for residents external to the focal organization (Feldman and Khademian 2003; Van der Meer 2003). Also, Sampson et al. (2005) remind that collective action events are more than aggregations of civic-minded individuals; indeed, the import of community organizations for supporting collective action is tied to providing the settings for social and cultural processes that precede mobilizing activities. Nevertheless, more research is needed to probe the individual and ecological explanations for inter-population mutualism. Though strong densities of civic memberships likely co-occur with rich community infrastructures, it is plausible that low quantities of community organizations produce high aggregations of civic participation. Do such contexts limit the
diversity of information distributed throughout a population, curbing opportunities for institutional entrepreneurship? Conversely, high concentrations of community organizations with low memberships can feasibly result in low aggregate levels of civic participation. Do concentrations of community organizations influence organization-building in concert with the community logic independent of the concentration of individuals who serve as the potential carriers of the community logic? More nuanced research on the individual and organizational sources of social capital and institutional logics can help answer these questions.
Chapter 5: Conclusion

Argentina experienced a profound economic crisis during the turn of the 21st Century. Facing record levels of poverty and unemployment, a new social movement emerged in which displaced workers assumed control of bankrupt firms and operated them as cooperatives. These “worker-recovered businesses” advanced alternative organizing logics and contributed to society’s capacity to solve its mounting employment and production problems. Through analyses of the founding rates of worker-recovered businesses in Argentina, this dissertation responds to lamentations that organizational researchers have neglected non-corporate forms (Davis 2010) and non-U.S. contexts (Scott 2005). The case of Argentina’s 2001 economic crisis and worker-recovered businesses is a particularly relevant empirical setting for understanding the relationship between alternative organizational forms and societal transformation. Davis (2010; 2013) argues that new cooperative forms may yield viable solutions to the dysfunctions of neoliberalism and shareholder capitalism. However, we know very little about the how such forms will arise from the “ruins” of the prior economic order. More broadly, Wright (2010) contends that cooperative forms of economic organizing may constitute one crucial component of a society’s advancement toward a “real utopia.” Nevertheless, empirical research on the contexts that foster the emergence and spread of new cooperative organizations has been lacking. By investigating the unique historical,
cultural, and political dimensions of worker-recovered business foundings, I aim to expand our understanding of the relationship between organizations and their environments.

I draw on and extend recent efforts to shift institutional analyses away from the traditional emphases on institutional stability and organizational homogeneity, focusing instead on institutional change and organizational diversity. I suggest that new organizational forms arise in settings where other forms of collective action—specifically, social movement activism and community organizing—constitute salient elements of the institutional environment. The results suggest that worker-recovered businesses proliferated where legacies of firm-level challenges to property and authority relations were strong, where activists provide examples of collective mobilization and define unemployment as illegitimate, and where pre-existing non-profit organizations produce community-oriented organizing logics.

Chapter 2 investigates the spillover effects of the unemployed-worker “roadblock” movement on the worker-recovered businesses movement. Building on previous conceptual and empirical work proposing that protest movements stimulate ideologically-similar collective action in other domains, I suggest that the movement of unemployed workers taking over major roadways to demand government intervention created opportunities for the worker-recovered business movement to expand. Time-series analyses demonstrate that roadblock protests in the wake of economic collapse predict province-level foundings of worker-recovered businesses. I argue that roadblock protests influenced worker-recovered businesses by deploying the movement’s cultural
elements—e.g., democratic assemblies, the takeover tactic, and injustice frames—in public demonstrations, providing the cultural and behavioral resources for worker-recovered business protagonists to justify collective action. In contrast to extant research using organizational members and other proxies of movement effects (e.g. Haveman et al. 2007; Sine and Lee 2009), this study provides quantitative evidence of how a state-oriented movement’s extra-institutional activities influences market-related institutional activism. The implication is that the social movement effect on organizational populations is not limited to instances of with strong formal movement or movement-related organizations. Future research should explore instances in which organizationally-fragmented social movements spill over into market domains.

The findings in Chapter 2 suggest that political opportunity structures yield countervailing influences on organization-building institutional activism. Institutional theory suggests that advantageous political structures encourage institutional entrepreneurship, leading to the expectation that open political opportunities enhance the spillover effects of social movement activism on foundings of alternative organizations. However, prior research also argues that challengers pursue organization-building as an alternative to political activism, suggesting that open political contexts may depress organization-building institutional activism. The results in Chapter 2 support the latter prediction, suggesting that challengers build organizations as an alternative to state-related claims-making. The models demonstrate that provinces with governors who were politically aligned with the federal executive had lower founding rates of worker-recovered businesses. In contexts where challengers perceived that state-related claims-
making will be ineffective, they were more likely to recuperate failed businesses. However, open political contexts indirectly promoted the worker-recovered businesses movement by creating an environment in which the roadblock movement could thrive, thereby fostering positive spillover effects for worker-recovered business protagonists. Furthermore, political alignment conditioned the positive effects of roadblock activism on the worker-recovered business movement. Interaction effects show that the negative effect of political alignment declined as roadblock activism increases. Conversely, the positive effect of roadblock activism was depressed in contexts characterized by open political access.

The results from Chapter 2 speak to arguments made by social movement scholars that movement outcomes are not limited to their explicit policy objectives, but may also include indirect effects on cultural and institutional arrangements in other domains (Amenta and Young 1999; Tilly 1999). Researchers have explored how social movement’s impact on policy or political cultures impacts its influence on organization creation, but the effect of pre-existing political structures on movement spillover effects has been ignored. Future research can elaborate on the contradictory influences of open political structures in shaping challengers’ expectations of the outcomes of different forms of collective action. With regard to the worker-recovered businesses movement, for example, researchers can interview recovered-business protagonists in different political contexts to ascertain how their perceptions of the efficacy of roadblock activism differ.
Chapter 3 explores the proposition that market movements are spinoffs of prior movement activism. Several studies on market movements suggest that market movements are spinoffs of prior movements, but existing scholarship provides an unclear picture on how social movement tactics imbue institutional environments with cultural toolkits conducive to organization-building. In particular, research has not used quantitative methods to explore how some forms of activism might influence the growth of new organizational forms.

I investigate how legacies of collective action patterned the distribution of worker-recovered businesses by examining the relationship between labor activism during the 1989-1991 hyperinflation crisis and subsequent founding rates of worker-recovered businesses. I argue that taking over a business as a form of protest provided cultural lessons that subsequent challengers adapted for the purposes of taking over and operating a failed enterprise. The results indicate that prior protest events during the hyperinflation crisis involving workplace takeovers created legacies of collective action that facilitated worker-recovered businesses during the subsequent economic collapse. Interestingly, a more traditional form of labor activism (i.e., strikes) does not significantly affect subsequent worker-recovered business foundings.

The findings therefore advance an understanding of how social movement activism constitutes an institutional legacy of new organizational forms. Whereas prior research suggests that highly-visible initiator movements inspire collective action in other domains, this chapter suggests that specific tactics—even less-visible tactics—explain the link between initiator and spinoff movements. In order for institutional entrepreneurs to
justify and legitimize a new organizational form, they must draw from and adapt the local collective action repertoires. Thus, regions with diverse legacies of collective action provide subsequent challengers a richer repertoire of institutional resources amenable to organization-building. Future quantitative research should explore the implications of the diversity of collective action legacies. Qualitative research is needed to elaborate on the mechanisms by which protest activism creates spinoff movements. For instance, how do events such as workplace takeovers influence the identities, norms, values, and beliefs within a population over time? Are they perpetuated by directly by protest participants, participants’ social networks, and/or the media? An inductive approach would likely elucidate the processes by which collective action legacies influence subsequent institutional entrepreneurship.

In Chapter 4 I focus on worker-recovered businesses as hybrid organizations that merge community and market institutional logics. In addition to pursuing material value, worker-recovered businesses are non-profit organizations that adopt many of the identities and values associated with the community institutional order. A growing body of work uses qualitative methods to examine the micro-level processes involved with creating businesses that address social needs (Dorado and Ventresca 2013; Mair and Marti 2009; Pache and Santos 2010). By contrast, this chapter provides an ecological account of institutional hybridity, focusing on whether high densities of community organization create contexts in which social enterprises emerge. The findings indicate that province-level densities of community organizations were positively related to worker-recovered businesses foundings. This is because community organizations acted
as carriers of community logics, and organizational decisions involving the hybridization of community and market logics were more easily justified in contexts where community organizations provided a salient template for collective action. Furthermore, community organizations generate social bonds and social identities that facilitate mobilizations in pursuit of collective interests. Thus, potential founders and resource providers were more likely to accept the worker-recovered business form and engage in collective action if they were embedded in environments with strong civil society infrastructures. Future research should delve more deeply into the causal connections between pre-existing community organizations and alternative organizations. Perhaps work- and/or welfare-related community organizations provide direct support to worker-recovered businesses while cultural community organization generate a form of social capital that makes knowledge or resource procurement less costly. Perhaps a strong civic infrastructure produces attorneys, accountants, and other professionals that serve non-profit organizations that facilitate the transposition of community logics to market organizations. More research is needed to assess the plausible pathways by which community organizations influence the establishment of worker-recovered businesses and other alternative organizations.
References


112


Appendix A: Tables and Figures from Chapter 2

Table A-1. Descriptive Statistics

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+ p<0.1, *p<.05, **p<.01, ***p<.001 (two-tailed tests)

Robust standard errors in parentheses; N = 144
Figure A-1. Adjusted Predictions of Worker-Recovered Business by Roadblock Activity and Political Alignment
Appendix B: Tables and Figures from Chapter 3

Table B-1. Descriptive Statistics

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Table B-2. Result of Zero-Inflated Negative Binomial analyses for Worker-Recovered Businesses Foundings per Province

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+ p<0.1 *p<.05 **p<.01 ***p<.001 (two-tailed tests)

Robust standard errors in parentheses.
Appendix C: Tables and Figures from Chapter 4

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<td>5 Unsat. Basic Needs</td>
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<td>6.503</td>
<td>-0.22</td>
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<td>6 Population</td>
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<td>1.021</td>
<td>0.35</td>
<td>0.11</td>
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<td>0.75</td>
<td>-0.11</td>
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<tr>
<td>7 Community Orgs</td>
<td>3.724</td>
<td>4.912</td>
<td>0.2</td>
<td>0.16</td>
<td>0.08</td>
<td>0.68</td>
<td>-0.31</td>
<td>0.75</td>
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<tr>
<td>8 Prior Takeovers</td>
<td>1.292</td>
<td>2.812</td>
<td>0.17</td>
<td>0.06</td>
<td>0.19</td>
<td>0.87</td>
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<tr>
<td>9 Roadblocks</td>
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<td>1.097</td>
<td>-0.05</td>
<td>0.03</td>
<td>0.01</td>
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<td>-0.21</td>
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Table C-2. Results from Zero-Inflated Negative Binomial Analyses on Worker-Recovered Business Foundings per Province, 1998-2007

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<th></th>
<th>Model 1</th>
<th>Model 2</th>
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<td>Private Sector Closure Rate</td>
<td>-0.130</td>
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<td>(0.172)</td>
<td>(0.0906)</td>
<td>(0.0960)</td>
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<tr>
<td>Political Alignment</td>
<td>-0.881**</td>
<td>-0.508+</td>
<td>-0.742*</td>
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<td>(0.292)</td>
<td>(0.272)</td>
<td>(0.342)</td>
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<tr>
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<td>0.531*</td>
<td>0.910***</td>
<td>0.483+</td>
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<td>(0.254)</td>
<td>(0.177)</td>
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<td>Unemployment</td>
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<td>0.141***</td>
<td>0.163***</td>
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<td>(0.0401)</td>
<td>(0.0305)</td>
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<td>Unsatisfied Basic Needs</td>
<td>-0.121**</td>
<td>-0.136***</td>
<td>-0.121**</td>
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<td>(0.0399)</td>
<td>(0.0398)</td>
<td>(0.0390)</td>
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<td>Central Province</td>
<td>0.159</td>
<td>-1.091**</td>
<td>-0.459</td>
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<td>(0.515)</td>
<td>(0.386)</td>
<td>(0.524)</td>
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<td>Community Organizations (00)</td>
<td>0.0889*</td>
<td>0.0737*</td>
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<tr>
<td></td>
<td>(0.0372)</td>
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<td>(0.0338)</td>
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<tr>
<td>Prior Takeovers</td>
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<td>0.144***</td>
<td>0.104*</td>
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<td>(0.0379)</td>
<td>(0.0430)</td>
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<td>-0.0163</td>
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<tr>
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<td>(0.0285)</td>
<td>(0.0367)</td>
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<td>Constant</td>
<td>-1.510*</td>
<td>-0.788</td>
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<td>(0.617)</td>
<td>(0.492)</td>
<td>(0.672)</td>
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<td>Wald Chi-Squared</td>
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<td>873.5</td>
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+ p<0.1 *p<.05 **p<.01 ***p<.001 (two-tailed tests)

Robust standard errors in parentheses.