

Hotel Bauen Worker Cooperative Faces Eviction

9th May 2014 Minsun Ji

<http://www.argentinaindependent.com/socialissues/hotel-bauen-worker-cooperative-faces-eviction/>

The workers of Buenos Aires **Hotel Bauen**, who had occupied and renovated an abandoned five star hotel in Buenos Aries after it went bankrupt in the economic crisis of 2001, are now facing a permanent eviction order, after 11 years of successful operation of the hotel as a worker-owned cooperative.

The final Supreme Court decision states that workers need to vacate the premises within 30 days of 26th March 2014, which requires workers to leave the premise by the end of April. However, local authorities have given no clear eviction date if the workers don't comply. Some of them believe eviction is likely on 15th May and others are predicting eviction on 20th May.

The Bauen workers realise the seriousness of the implications of the Supreme Court's eviction decision. But, despite their concerns, the workers are determined to resist and fight the eviction. "It is not going to be easy to evict us, because there are so many supporters in the community who supported us. This is about politics," states Eva Lossada, the president of the worker cooperative.

Another worker leader, Maria Delvalle, claims that workers will resist to the end. "Bauen is synonymous with struggle," she claims, saying that workers will remain committed to the cause of protecting their cooperative, even when police arrive to evict them.



Hotel Bauen (photo: Beatrice Murch)

A Troubled Past

The Bauen has been symbolic of the struggle of workers against economic injustice and has fuelled the creation of a space of workplace empowerment in the heart of Buenos Aires, under the motto of “occupy, resist, and produce”. The occupation of the hotel began in March 2003, on the heels of Argentina’s 2001-2 economic crisis, which left many businesses bankrupt and workers out of work. A wave of worker-owned cooperatives were born at this time in Argentina, as a response to economic crisis through the strategy of “*Empresas recuperadas por sus trabajadores*” (companies recovered by their workers), or ERTs. As bankruptcies and business failures spread in Argentina, unemployment increased, poverty levels reached over 50%, and desperation for workers to survive and support their families grew.

A worker takeover of the bankrupt Hotel Bauen during this time represented a dramatic stand for workplace justice, in one of Buenos Aires’ finer hotels. The Bauen was one of two five star hotels built in 1978 to prepare for that year’s World Cup in Buenos Aires. It was built during the 1976-83 dictatorship as one of several trophy beautification projects staged by the military government to distract tourists and citizens from brutal realities on the ground. The hotel was built with heavy government funding guaranteed by the National Development Bank (BANADE). The initial owner of the Bauen, Marcelo Lurcovich, had strong ties with military government, and even boasted about how he built the hotel without spending a single penny of his own money. Lurcovich sold the hotel to Chilean investor Felix Solaris in 1997. When Solaris declared bankruptcy in 2001 and closed the doors on 28th December, hundreds of workers

lost jobs in the state-subsidised hotel. However, this was not before the private owners profited handsomely by bleeding the hotel of value before declaring bankruptcy, according to the workers.

With support from the National Movement of Recuperated Businesses (MNER), hotel workers occupied the Bauen on 21st March 2003 and soon reopened the shuttered hotel with their own sweat equity. Since then, Bauen has become a vibrant political and cultural headquarter in Buenos Aires, where social movements, activists, politicians, and artists gather to share ideas and build solidarity. “Bauen is the centre of politics and progressive culture in Buenos Aires. Bauen allows other community groups to use their space for various events at no cost. Bauen is important,” explains Elvira Jara, coordinator of the Red Gráfica Federation, a network of 31 graphic worker-owned cooperatives in Buenos Aires.

However, the hotel has faced legal challenges and problems from the day it opened. Lurcovich, the first owner, never repaid a debt of \$5m to the publicly-owned BANADE. The debt was eliminated when the hotel was sold to Solari, who bought it with a minimum 10% deposit and hardly paid the bank anything at all before declaring bankruptcy. Adding to the confusion, a new company, called Mercoteles, bought the Bauen in 2004. However, the legitimacy of Mercoteles has been called into question, as the company was set up just five days before purchasing the hotel, and is majority owned by members of the Lurcovich family, the original owners of Bauen. The current president of Mercoteles is Hugo Lurcovich, son of the deceased Marcelo Lurcovich.

The workers use this history of debt-defaults to argue that the Argentine state should have refused to recognise the claims of new owners of the property, saying they should have claimed the property as a public utility and transferred the right to own and run Bauen to its worker owners. But the cooperative that saved the Bauen has never been given legal ownership of the hotel.



Workers at the Hotel Bauen celebrate ten years of self-management in March 2013 (Photo: Osvaldo Fanton/Télam)

Legal Grey Area

Worker-recuperated enterprises have been given temporary expropriation authority through legal proceedings on several occasions, but there has never been a national expropriation law to establish a clear framework for workers to gain full legal title to their recuperated businesses. Many recuperated businesses operate under a temporary permit, made legal after Argentina's bankruptcy reforms of 2005. But these permits only last for two to five years, and are not granted in many cases. Only in rare cases, like the **FaSinPat (formerly Zanon) ceramics factory** in the southern province of Neuquén, have worker takeovers been supported with permanent legislative authority and legal title. In the FaSinPat case, in 2009 the provincial legislature voted to support permanent expropriation by workers, and to provide provincial assistance in paying off business debts of \$7m to creditors like the World Bank.

The Bauen has not received this kind of legislative support. After proposed national legislation for permanent expropriation for recuperated enterprises failed, Bauen workers pushed Buenos Aires city legislature to provide temporary expropriation support in 2005, but with no success. The workers' efforts to receive temporary expropriation authority at the city level became more complex with the introduction and passage of anti-expropriation legislation in 2007, known as the Morando Bill, which granted the Lurcovich family renewed ownership of the hotel.

As a result of the bill, and a petition by the Lurcovich family, in July 2007, Bauen hotel workers received a 30-day eviction order. In response, hotel workers filed their own petition, and a federal court suspended the eviction order in September 2007. Five more years of legal wrangling followed. In October 2012, the cooperative submitted a report to a city court questioning the legitimacy of Lurcovich's claims to ownership, yet workers once again failed to receive support from the court.



Workers of the Hotel BAUEN cooperative

“There was so much sacrifice by the workers to operate this hotel. This cooperative is my life,” says Gladys Madagre, who at 74 is one of the founders of the Bauen cooperative, and who has worked as a hotel maid for more than 25 years. “The owner got this building with no penny spent. He never paid back what he owned to the public. The new owner, Mercorteles, is a ghost company too. Why couldn't the state claim it to be the owner of the property, so that we can stay here?”

Marcelo Ruarte, Bauen's press representative, adds: “The Argentine government has stood with protecting the property rights of individuals instead of protecting the rights of collective members at cooperatives. The right to work and to operate businesses at workplaces that have been abandoned by irresponsible owners is being ignored.”

Both point to the fact that the government supports a growing worker cooperative movement through various government sponsored programs, and by granting temporary authority for workers to recuperate bankrupt businesses, yet when serious conflict arises between affluent investors and committed worker-owners, the government sides with the private investors, regardless of their checkered past.

The fight of Bauen workers to reclaim and to legitimise their workplace is much more than a fight for responsible workers to take over operations of a single hotel, abandoned by irresponsible owners. Their fight is also to preserve a political and cultural space, which is filled with human spirit and a sense of solidarity among workers and community groups. What happens at Bauen in the coming months will reverberate and have implications for similar worker struggles across Argentina, who wonder in the end whether their government will support the hopes of workers on the ground or support the power of big money, no matter how irresponsible.