

# The Moral Economy of the Uruguayan Mortgage Payment Strikes: From Commoning to Debt Resistance

*by*

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Vienna, 09 June 2025

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## Abstract

The thesis explores the cases of the collective mortgage payment strikes used by the Federation of Uruguayan Mutual Aid Housing Cooperatives (FUCVAM). The research addresses the puzzle of how these strikes achieved repeated success on a significant scale and duration, in an environment where housing provision is increasingly dominated by the market. The findings are based on 2 months of ethnographic fieldwork conducted in Uruguay using qualitative methods, including interviews and participant observation.

The thesis argues that while legal and institutional factors enabled the strikes, their success also stemmed from a set of shared convictions among cooperative members, about housing rights, state-responsibility and the role debt - that fosters a moral economy contradicting the prevailing logic of capital accumulation and the mainstream social perception of debt.

The research found that these convictions are reinforced by the '*cooperativista* values' developed through everyday practices of commoning inside the cooperatives (mutual aid, solidarity, collective ownership, horizontal decision-making). The study contributes to scholarly debates on the commons, moral economies, social movements, and debt resistance, by linking micro-level commoning practices to macro-level political economic struggles over moral economies. The findings suggest that collective action rooted in alternative value-practices developed in commons can effectively challenge dominant economic narratives and power structures, offering a bottom-up model for debt resistance.

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## Introduction

The thesis examines a particular tool of resistance, the collective mortgage payment strike, which was used various times by the Federation of Uruguayan Mutual Aid Housing Cooperatives (later referred to as FUCVAM/the federation). The FUCVAM is an umbrella organization that was founded 55 years ago, and currently includes 730 housing cooperatives, with around 35,000 families (*FUCVAM Inicio*, n.d.). The federation declared a mortgage payment strike three times (in 1983-1986, 2002-2012, 2019-2023), during which the cooperatives refused to pay the creditor (a state institution), as they saw the conditions of repayment as highly unjust. These strikes put heavy financial and political pressure on the state, as thousands of families held back their instalments. The payment strike, described by various cooperative members as “the most radical tool of resistance,” questions the mainstream moral narrative on debt, economic rationality, and demystifies the fetishized power relations between creditor and debtor. It transforms the individual subjects into an emancipated collective actor, providing a fertile ground for debt resistance.

The thesis examines in depth the two most recent mortgage payment strikes, claiming that they are not merely an instrument to protect the cooperative members from financial turmoil. I argue that the strikes represented the interest of the Uruguayan working class against the logic of capital accumulation, while also playing an influential role in (re)defining the moral economies of housing and debt. What caught my attention regarding the case is the repeated success of the mortgage payment strikes, impressive in both scale and endurance: they included thousands of families, and they were upheld for an extended period (ranging from 3 to 11 years). While the legal/institutional framework in which the cooperatives operate in Uruguay was a crucial enabling condition, I argue that by themselves, they cannot provide an explanation of why the payment strikes were set in motion and how they succeeded.

The moral perception of indebtedness and housing inequalities in Uruguay is embedded in the context of the current global economic system. The inability of repayment and the provision for one's own needs, often portrayed as a result of individual shortcomings and failures. However, the case of the mortgage payment strikes shows that crises can disrupt dominant narratives and open a possibility for a shift in the moral economies. I argue that to initiate and continue the payment strikes, a set of common convictions contradicting the prevailing moral economy was necessary from part of the *cooperativistas*. My findings show that the members share the belief that housing is a *human right*<sup>1</sup> and the state has the responsibility to provide a non-market solution for the people who cannot afford to live in decent conditions otherwise. The payment strikes form part of a long-standing struggle over defining what is just and fair between the FUCVAM and the state, which often represents the interests of the capitalist class, to a varying extent in certain historical periods. The federation emphasizes the unjust nature of the inequalities created by the market encroachment of various spheres of life. This encroachment follows the logic of capital accumulation, which has gained increasing legitimacy in Uruguay over the past decades.

I entered the field with the assumption that the members of the FUCVAM choose to join the cooperative movement because it aligns with their worldview and values. What I realized is that joining a cooperative is usually not about values, but necessity. The majority of the people who enter do not necessarily question the logic of the economic system, let alone take part in political activism. This realization highlighted an important aspect of the case. The shared beliefs that underpin the strike are not given; they need to be formed. Based on my ethnographic material, I argue that joining the cooperative movement and taking part in the everyday practices of *commoning* prompt the development of certain 'cooperativista values'. The belief

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<sup>1</sup> An expression used by my interlocutors.



in solidarity, democratic decision-making, and the power of collective action influences the way the cooperativistas make sense of certain issues, such as inequalities, on a larger scale. Many of the cooperativistas become empowered to articulate (often class-based) demands, such as in the case of the mortgage payment strikes.

As I see, the case of Uruguay shows that the market encroachment of housing and the moral perception of debt can be questioned by collective action, in an environment that propagates market-based solutions for provision and condemns the refusal of debt repayments. The case shows that a bottom-up workers' movement can become a successful actor in debt resistance. Furthermore, it can protect people in a global context where the prevailing logic of capital accumulation and the cyclical crises brought about by financialization increasingly determine and threaten the access to decent housing (Fields, 2017; Harvey, 2012).

The thesis aims to reveal that creating initiatives that show alternative ways of organizing life and relating to one another has great importance in confronting the logic of capital accumulation. I argue that learning and working together based on solidarity and horizontality contributes to the (re)production of values and alternative perspectives that underpin the sense of not only what is just, but what is possible.

My work contributes to scholarly research in the fields of the commons, moral economies, social movements, and debt-resistance. While analysing the payment strikes the thesis brings together two main concepts: the commons and the moral economy. Putting these notions in dialogue aims to create a bridge between different scales of analysis; the micro-scale mapping life in the cooperatives and the macro-scale, exploring the political economic processes behind the payment strikes. My perspective aims to emphasize the political potential that the relations between value formation, class struggle, and moral economies can bring about. The case at hand illustrates how this potential can play out in a particular historical-political context, where the commons are profoundly entangled with the state that frequently represents the interest of the

financial elites. The (only) academic article written about the payment strikes mainly focuses on the enabling conditions (history of the movement, legal-institutional background of the cooperative model) and the power struggle between the state and the cooperatives. Meanwhile, my work offers a more anthropological approach to understanding what triggered the payment strikes and how they managed to succeed.

In continuation, the introduction will discuss the research questions, the historical context of the case, and the methods used during the research. *Part I* of the thesis will explore the values of the FUCVAM and the cooperatives. Firstly, I will present the federation as a social movement. Secondly, I introduce the cooperatives, conceptualizing them as *commons*. Thirdly, I show how the (re)production of values and subjectivities takes place inside the cooperative through *commoning* and learning. Lastly, I describe how the values of *compañerismo* and the organizational capacity of the FUCVAM can give rise to a powerful *commons movement*. *Part I* argues that the values and characteristics of the movement contribute significantly to the success of the mortgage payment strikes.

*Part II* will examine the mortgage payment strike in the conceptual framework of moral economies. First, I present my theoretical understanding of the concept of moral economy and its implications for the case. Secondly, I give a historical overview, presenting the clash of values and (class) interests between the state and the cooperative movement. Finally, I analyse how the FUCVAM and the state struggled to define the moral economy of debt and housing during the mortgage payment strikes. *Part II* argues that the FUCVAM and the state represent contradicting moral economies. The former advocates working-class interest, non-market logic, and housing rights; the latter represents the interest of the capitalist class, the logic of capital accumulation, and economic rationality. The thesis will end with a section dedicated to conclusions and discussions.

## Research questions

How can the mortgage payment strike be a repeatedly successful tool of resistance?

- What are the social relations and value-practices that underpin the strikes? How are they (re)produced?
- What is the role of the moral economies in the strikes? How does the moral economy represented by the FUCVAM affect the outcome of the strike?
- How do the historical and political-economic particularities of Uruguay shape the mortgage payment strikes?

## Context

Currently, Uruguay is perceived as one of the most stable countries in Latin America. It has a relatively high human development index, a steady economy, and low corruption. Both the inflation and unemployment rates are stable and moderate (around 7-10%), compared to other countries in the region (*World Bank Open Data*, 2024). Nonetheless, these statistics do not show the problems that the cooperativistas have to face. The majority of my informants belong to the first and second quintile based on household income (la diaria, 2024), which face 17,3% and 12,8% unemployment rates respectively (Ministerio de Desarrollo Social, 2023). While the average household income in the country is UYU 91,000 (EUR 1 ~ UYU 47), my informants' average household income was around UYU 25,000-30,000 with one earner and UYU 50,000-60,000 with two earners. Many of the two-parent households, and the large majority of the one-parent households I visited, live under the official poverty rate (Government of Uruguay, 2023). Uruguay faces serious housing issues. Data from 2019 shows that around 200,000 people (17%

of Uruguay's population) live in irregular settlements<sup>2</sup> (El País, 2019). In the past 5 years, homelessness rose by 55% in the country (RFI, 2023), and it is expected to grow further at a rapid rate (Cambiasso, 2024). The main social housing program is the cooperative model, which has its limitations, especially in providing opportunities for the most vulnerable segments of society. However, there are some efforts to develop infrastructure in the settlements and relocate people in the most vulnerable conditions (Ministerio de Vivienda, 2024).

The mutual-aid cooperative model is built on the principles of *mutual-aid*, *self-management*, *direct democracy*, and *collective ownership* (FUCVAM, 1990). The members of the cooperatives build their houses together; each household provides 21 hours of work per week for two years (mutual-aid). The decisions regarding the cooperatives - during and after the construction - are solely taken by the members (self-management), horizontally, through voting in assemblies (direct democracy). The properties are in collective ownership, the members have usufruct rights<sup>3</sup> (Nahoum, 2013). The houses are de-commodified: they cannot be bought and sold on the real estate market. If a member leaves, she gets back the 'social capital'<sup>4</sup> that she provided to the cooperative, but she cannot make a profit. The members also initiate community projects and make demands of the infrastructural development of their neighbourhoods.

The cooperatives were born in a context of strong traditions of workers' organizations and welfare provisions in Uruguay. The country started the 20<sup>th</sup> century with welfare reforms and democratization, which were unprecedented in the region (Finch, 1981). A strong trade union movement started to form, achieving significant success in securing workers' rights. From the 1930s on, following the Latin-American trends, governments aimed to break the country's

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<sup>2</sup> In these settlements, at least two of the following three services are not available: drinking water, electricity, sanitation.

<sup>3</sup> They have the exclusive right to use the housing unit, but it does not form their private property.

<sup>4</sup> The amount of money equivalent to the construction hours and loan payments, minus 10%.

economic dependence on the importation of industrial products of the core countries by starting an intensive local industrialisation (Ruiz, 2007), which empowered the working class both in number and strength (Finch, 1981). However, the import substitution industrialization project was unsuccessful, and drove the country into increasing IMF indebtedness and recurring economic crises starting from the 1960s (Broquetas San Martín, 2007). The working class struggled to keep its historically achieved rights, and an increasingly radical left-wing movement arose, accompanied by the growth of far-right forces (Ruiz, 2007). Amidst this escalating political polarization and deepening economic crisis, the trade unions demanded solutions for the growing housing issues (Lopez et al., 2020). Cooperativism and mutual-aid already had a long-standing tradition in the country (Vanoli, 2018) when the government promulgated the *Housing Law of 1968*, which created the official legal and institutional background for cooperativism (Nahoum, 2013a). This law was barely modified in the past 55 years, and up until today, it remains one of the most important points of reference for the demands articulated by the FUCVAM. While the law was progressive compared to the housing policies in the region, the communist party voted against it in the parliament, arguing that it is a housing policy that pushes all the responsibility on the workers, taking away time and human resources from (union) militancy (González, 2013).

*The Housing Law of 1968* grounded the three essential pillars of cooperativism: (1) juridical personality; (2) access to state loans; (3) access to lands. It is crucial to understand these three pillars, as they define the sites of struggle between the state and the federation.

Firstly, the cooperatives are given juridical personality, which allows the members to have collective ownership of the assets and to take out loans collectively. Secondly, the state needs to provide loans at a 2% interest rate, which need to be repaid in 25 years by the cooperative. The loans are not assigned to individual members, but to the cooperative as a legal entity. The loan covers 85% of the calculated construction costs (land, materials, technical assistance)

while the other 15% needs to be provided by the members, *through working hours on the construction*<sup>5</sup>. The loans are crucial because the members of the cooperatives could not qualify for individual mortgage loans due to their financial situation. Thirdly, the state was supposed to offer unused public lands for sale to the cooperatives (*land-banks*), however, the question of land provision remains an issue up until today. All in all, the cooperative model protects people from the financialization of housing and uncertain mortgages, bypassing the capitalist real-estate market prone to tendencies of speculation (Vidal, 2018a). At the same time, the model cannot provide a solution for everyone, especially people in urgent need. The process of creating a cooperative is lengthy, it usually takes 7-10 years from the foundation until the families can finally move in.

In 1973, a civic-military dictatorship was introduced by a coup lasting until 1985 (Broquetas San Martín, 2007). The FUCVAM started to become a major political force during this era when the cooperatives became fortresses of resistance. While trade unions and left-wing movements were banned, the cooperatives could function during the dictatorship<sup>6</sup>; many members of the banned organizations joined. The common salons of the cooperatives provided space for banned cultural activities (e.g., theatre) and clandestine political organization (González, 2013). This period grounded the still influential collaboration with cultural and political actors, such as trade unions, left-wing movements, and the *Frente Amplio* party that rose to power in 2005. The movement not just survived the hostile political environment of 12 years of dictatorship and later 20 years of neoliberal administration, but also managed to grow

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<sup>5</sup> This way the members do not need to have previous savings - which is essential due to the class composition of the cooperatives - but they need to construct their houses on their own.

<sup>6</sup> It would have been difficult to ban the cooperatives completely, as it would have meant evicting all the people. While the assemblies were often monitored by the military, it was not possible to discipline all the activity.

into a powerful nationwide movement, whose political significance goes beyond housing (Nahoum, 2013b; Solanas Domínguez, 2016).

## Method

I used qualitative methods throughout my research as answering my research questions required material on the informants' personal experiences and comprehensive opinions. I decided that this information can be acquired through in-depth conversations and observations made in person. I carried out my ethnographic fieldwork in February and March 2025 in Uruguay. I conducted 22 semi-structured interviews<sup>7</sup> ranging between 1 and 2,5 hours. 16 of them were with cooperative members<sup>8</sup>. I talked with people who were active participants in the organization of the payment strikes, as these were the events I was primarily interested in. After acquiring sufficient information on the strikes. I conducted interviews with people of different backgrounds to gain various perspectives. I talked to 9 male and 12 female cooperative members, between the ages of 30 and 75. Their time spent as cooperative members ranged from 8 to 45 years. Regarding their occupation, they were all *workers*,<sup>9</sup>. I spoke with, for example, a bus driver, a nurse, a factory worker, a cleaning person, and a teacher, among many others. Most of my research was carried out in Montevideo, but I also visited cooperatives in the city of Mercedes, where I conducted 4 interviews. Mercedes is a city of around 50,000 people; it is located in a traditionally right-wing region of Uruguay. There are almost 60 cooperatives in the

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<sup>7</sup> . All the quotes used in the thesis are from these interviews, except where indicated otherwise. All parts of the research were conducted in Spanish. All the quotes related to the ethnographic material is my translation. I used fictional names to maintain the anonymity of my informants.

<sup>8</sup> Often with more than one interlocutor present.

<sup>9</sup> A term that my interlocutors consistently use to refer to themselves.

city - an extraordinarily high number, considering the size of the population- many of them still under construction.

I tried to gain an outside perspective of the cooperative movement as well. I visited a cooperative that is not a member of the FUCVAM and does not participate in the cooperative movement. Furthermore, I conducted an interview with someone who left a cooperative due to difficulties, to map the shortcomings and challenges of the cooperative-model. To better understand the conflicts surrounding the payment strikes, I conducted two interviews with workers from two different state institutions – the Ministry of Housing and the National Housing Agency - responsible for the cooperatives. Finally, I spoke with two sociologists with expertise in housing to familiarize myself with the context of Uruguayan housing issues and policy.

As part of my ethnographic fieldwork, I visited cooperatives, my interlocutors usually invited me into their homes. I was shown around in a dozen cooperatives and various construction sites in Montevideo and Mercedes. I took walks and observed more than 50 cooperatives from the outside in different *barrios*. I was offered a working space in the main building of the federation, where I had the chance to interact with cooperativistas daily. I had various opportunities for participant observation. I took part in educational workshops organized by the FUCVAM; furthermore, I attended different events, meetings, assemblies, and protests. These were all crucial to meet people and understand better the principles of the movement, while experiencing first-hand the wide range of activities that the cooperativistas engage in. I gathered information for my historical background by desk research and conversations with informants. The conversations were necessary to map the history of the more recent events, on which there is no scholarly work available yet.



## Part I: The (re)production of values in the cooperatives

### 1. The values of the FUCVAM

*Long live, the cooperatives  
Where the dreams of equality prevail  
Where the lost can find a home  
Where solidarity is always alive*

*So many years of work,  
Always hand in hand  
Reminds us, that the common salons  
Can never become empty and forgotten*

*Give me a hand, madam,  
Give me a hand, my neighbour  
Never forget, that building our houses  
Is the beginning at not the final goal*

(Anthem of cooperatives, excerpts, own translation)

A few days after arriving in Montevideo I managed to arrange a visit at the central building of the FUCVAM. When I arrived, the president of the federation came and started to show me around, explaining that this is the building where general assemblies, meetings and educational courses take place. He introduced me to everyone as the “*compañera de Hungría*”, the comrade from Hungary. The building was decorated with various posters, one of which said: “Resist, unite, fight until the victory”, with an illustration of a red fist and a house. On the wall of the gender division’s meeting space was a huge painting of Rosa Luxemburg, moreover a poster

with the text ‘The fight against male chauvinism starts with the mutual aid between women.’ After the tour, we sat down in the main meeting room. The wall was decorated with a collage of Antonio Gramsci, along with the quote ‘Ideas do not live without organization’. After our interview, the president offered me a working space in the building, which helped me a lot later to gather interlocutors. He gave me various books about the movement’s history and gave me a pamphlet, the *Declaration of Principles*. This pamphlet was handed to me four times, by four different members, and from this I concluded that it must be a very foundational document. The declaration emphasizes the four pillars of cooperativism: collective property, mutual-aid, self-management, and direct-democracy. It also declares that the cooperativist movement’s fight goes beyond the issue of housing. The movement seeks to represent not only the interest of its members, but that of the whole working class. As a cooperativista told me, “Our decisions always aim to advocate the rights of workers, the FUCVAM’s stance has always been coherent about this.” (Pilar)

The FUCVAM has a double role. Firstly, it is an umbrella organization that provides technical assistance and organizes courses and activities for the cooperatives. Moreover, it acts as an interlocutor with the state, representing the decisions made collectively at the National Assemblies, where at least one representative of all the cooperatives must be present. Secondly, the FUCVAM is a social movement fighting for various issues, often beyond housing. Not all cooperative members are activists of the movement, but they can all enjoy the benefits of the organization.

During my fieldwork, I took part in two larger demonstrations with the federation. I was invited to a protest in solidarity with Palestine, which was co-organized by the FUCVAM human rights working group. Furthermore, I took part in the Women’s Day march. One of my informants, Pilar was a leading figure in the gender division of the FUCVAM, she invited me to the organizers’ meetings of the 8M and the prop-making events. The flags made during the events

were distributed among the cooperatives and put in the windows and common salons as decoration. During the march, the cooperativista women gathered in one block, with a big banner, 'Feminist fight against the advance of fascism'. Pilar told me that only a few months before my arrival, the FUCVAM had a big campaign against a social security reform, during which the movement collected enough signatures to put the decision to a referendum. She emphasized that "The FUCVAM is part of the organizations which we define as popular movements, ... which includes the movements of retired people, students and the workers alike."

My experience showed that the federation as a movement clearly has strong left-wing principles and an active political presence. There is a motto of the cooperative movement, saying 'housing is only the beginning, not the final aim'. I became interested; the beginning of what? I sought to uncover the values and identities that are formed in the cooperatives and how they operate in practice. How do people who mostly join out of necessity become engaged political subjects? How and why does an initiative originally only focused on housing turn into a political movement concerned with a broad range of social issues? I found that the cooperative movement entails a collective political subjectivity; at the same time the values represented by the federation do not always align with the values of the individual members. I was curious whether these individual values change over time, and if not, what are the results of these discrepancies.

## 2. The cooperatives

*“The worker who lives in a cooperative has a lot more protection than one who doesn’t. The cooperative is a very important reservoir of solidarity.” (José)*

### 2.1. Location and members

The majority of the cooperatives are found in the outer areas of the cities, however, there is an increasing number being built in more central locations. The cooperatives in the outskirts have between 15-200 (depending on the number of members), 1-2 storey buildings. The cooperatives often form *barrios*<sup>10</sup>. As they are often offered to buy lands in a previously empty area (often a field, or even a swamp) it makes sense to join forces to arrange for infrastructural development. After I arrived, one of my informants Pilar, explained to me, that many cooperatives are in “complicated neighbourhoods”, and warned me not to visit them alone. In these locations many cooperatives are usually fenced (many of them only recently). In the more central areas, the cooperativistas build apartment houses of 5-10 storeys, due to the small size of the land they can acquire.

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<sup>10</sup> Barrio is a specific word to refer to neighbourhoods with a sense of community.



Picture 1. Cooperative building, Montevideo

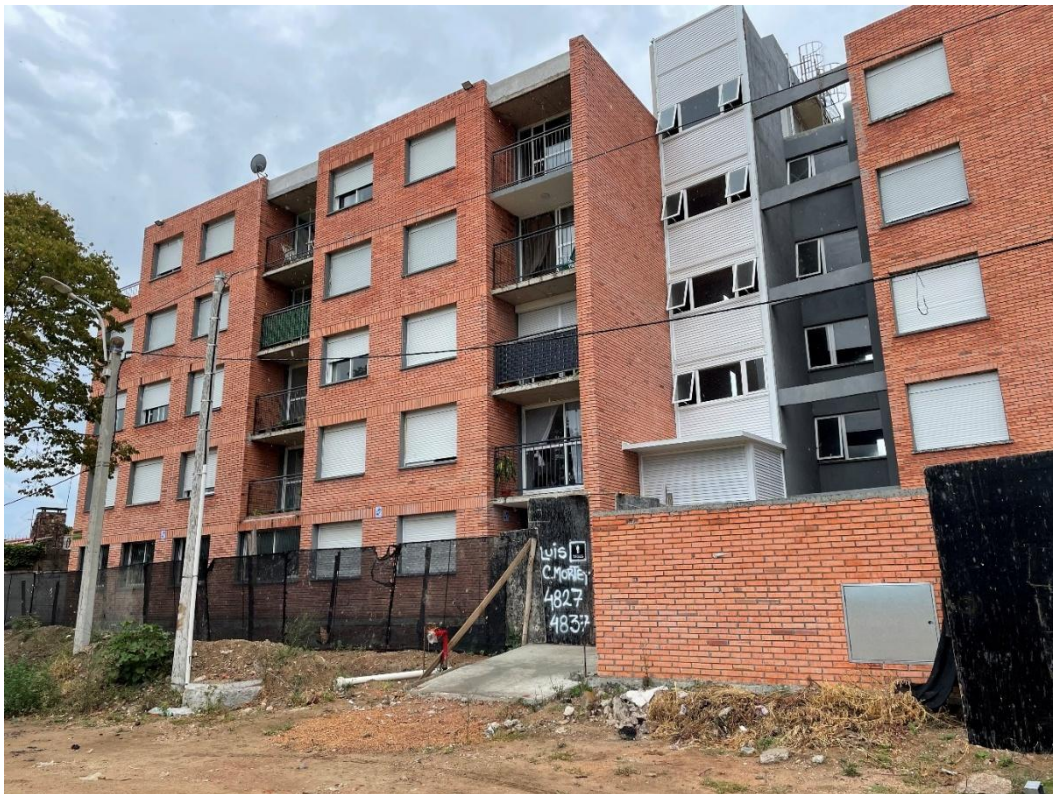


Picture 2. Cooperative, Montevideo





Picture 3. Cooperative, Mercedes



Picture 4. Apartment-cooperative, Montevideo (outskirts)





Picture 5. Apartment-cooperative, Montevideo, *center*



Picture 6. Common area, Mercedes

Cooperatives are formed in different ways. Historically, they were mostly founded by trade union members from the same industry. While today there are still many cooperatives formed around certain professions, an increasing number of cooperatives are founded with the help of the FUCVAM, connecting people, or through informal channels (word of mouth, Facebook groups). This is partly because a growing number of precarious workers join without ties to trade unions. However, the cooperativistas consistently refer to themselves as *workers*, and as members of the *working class*. They are from various occupations, they work as nurses, cleaning staff, taxi drivers, construction workers and schoolteachers, just to mention a few.

The average age can be anywhere between 30-70 years, depending on the age of the cooperative. The cooperative members have usufructuary rights over their homes, meaning they can inhabit them indefinitely and pass them on to their children as well. However, it is not uncommon for members to exchange houses in cases of family size changes.

There are two important expressions used by my interlocutors: *compañer@s*<sup>11</sup> and *cooperativista*<sup>12</sup>. To be a *cooperativista*, refers not only to being a member of a cooperative; it implies an identity, a set of values and a belonging to the cooperative movement.

The members of the FUCVAM's cooperatives usually refer to each other as *compañer@s*<sup>13</sup>, as comrades. This is an expression with ideological connotations; I visited other cooperatives, which do not belong to FUCVAM, where the members consistently refer to one another as *neighbours* and not as *compañer@s*.

*“The word compañero, means sharing the bread. Not just anyone can be a compañero, you don't share your bread with just anyone. When I say someone is a compañero, that means something. Say, for example, my neighbours on the right,*

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<sup>11</sup> *Compañer@s*, refers to both the masculine (*compañero*) and feminine (*compañera*) form of the word.

<sup>12</sup> The word *cooperativista* does not have a different masculine and feminine form.

<sup>13</sup> The word *compañer@s* can have various meanings in Spanish, ranging from romantic partner to colleague. In the case of the FUCVAM, the word is best translated as comrade due to its historical context.



*we are not friends, but we are wonderful compañeras. When I had to go to the cancer treatment, she told me, ‘Let me know the day before, I’ll take you’. She asked me, how it went with the doctor and sent me a message. We are not friends, but we are great compañeras.” (Ursula)*

## 2.2. Cooperatives as commons

I have decided to conceptualize the cooperatives as *commons* after I attended the first session of the course *The commons and the community*, organized by the FUCVAM’s School of Formation. The courses organized by the School seek to create possibilities to engage with the ideology of the movement and to situate one’s knowledge in a conceptual framework. My aim in using the concept through which the movement perceives itself, was to define the cooperativistas on their own terms as much as possible.

The course was held by two cooperativistas and two university professors; around 55 cooperative members of various ages were present, arriving from 44 different cooperatives. The session started with a game; the organizers had some questions and answer options prepared; the participants needed to indicate which option they aligned with more. The first question asked, “How do you see, what the commons is?” A set of material goods or a set of social relations? More than 50 voted for the second option. There are various ways to approach *the commons*; they can be defined on institutional terms (Ostrom, 2009), examined from a legal perspective (Marella, 2017), approached as something completely autonomous from capitalism (Hardt & Negri, 2009), or conceptualized based on their real-life complexities and contradictions (Leyva del Río, 2022). I decided to rely on authors and texts that were part of the recommended reading list for the course (Aguilar & Trujillo, 2019; Caffentzis & Federici, 2014; De Angelis, 2014; Federici, 2018b; Zibechi, 2019). These scholars have ties to Latin America and emphasize the relational, rather than the material nature of the commons; these features seemed important given the members’ perception of the concept.

In Massimo de Angelis' definition, the commons consist of three interrelated things. Firstly, the *commonwealth*, a shared set of goods. In the case of the cooperatives, this commonwealth is formed by the houses and the common areas in collective property. Secondly, *the commoners*, a community of subjects who are willing to share and (re)produce the commonwealth; in our case, the *cooperativistas*. Finally, de Angelis emphasizes that the commons are not given; both the commonwealth and the community must be (re)produced by an activity, *commoning*. In his definition, *commoning* is built on governance, based on self-management, horizontality, and participation (De Angelis, 2017). The pillars of cooperativism, *mutual-aid*, *self-management*, and *direct-democracy* will be seen as *commoning* throughout the thesis.

The second question of the game was: "In your opinion 'the commons' is related rather to the sphere of production or reproduction?" Almost all participants voted for the sphere of reproduction. The third question was, 'As you see, is 'the commons' meant to (re)define the capital-labour or the capital-life relation?' The significant majority voted for the second option. Therefore, I will focus on the importance of commoning in the sphere of reproduction (mostly housing) and its relation to capital.

## 2.3. Opportunities

### Stories

The cooperative model provides a possibility of steady and dignified housing to people who could not access it otherwise. All my interlocutors emphasized that people almost always join the cooperatives out of necessity, as they are ineligible for private mortgages and their incomes are not sufficient to rent an adequate flat. I talked to more than 20 cooperative members during my fieldwork; it is clearly impossible to generalize their experiences. In the following, I highlight the story of two women, who will be recurring characters throughout the thesis. Both

joined their cooperatives without any knowledge of what it means to be a cooperativista. Their stories illustrate how the *cooperativista* values can be formed through collective work and learning, regardless of one's age or social background. Their experience exemplifies how cooperativism can change one's way of life and ideas of the world.

### **Ursula**

I first met Ursula at a general assembly of the federation. She invited me for lunch at her house, where I spent the whole afternoon. After the interview, she showed me around her *barrio* and introduced me to people; she was very proud that a “*compañera de Hungría*” came all the way to her cooperative. Later, I returned to the cooperative to observe the monthly assembly and meet further members.

Ursula is 67 years old, she is of Afro-Uruguayan descent, she grew up in an irregular settlement, with 7 siblings. After 6 years of elementary education, she started working informally in a cleaning workshop. She lived with her partner and daughters, but after her divorce, she faced difficulties. She burst out in tears as she told me:

*“When I lost my house, we needed to move in with my mother. I thought that I would never have a house again and my daughters would have to work and work and work, and everything would be more and more difficult for them.” (Ursula)*

When she joined in 2005, she did not know what it meant exactly to be in a cooperative. However, she knew that it is a way for her and her daughters to access housing. The bureaucratic procedures and the construction took 10 years; they moved in, in 2015. After more than 30 years of work, she was fired from the workshop. Not long after, she was diagnosed with cancer; luckily, she recovered. Nevertheless, now she is unable to work and does not have a pension due to her informal employment throughout her life. As she does not have any official income, her monthly loan instalments are completely subsidized by the state, she only pays the common

costs of the house. She makes ends meet with the help of her current life partner and her daughters.

Ursula's cooperative consists of 33 housing units, mostly inhabited by families, many of them with single mothers. One of her daughters has her own house in the cooperative, the other daughter lives with Ursula, along her granddaughter. The house consists of a kitchen-living room area on the ground floor, and 2 bedrooms upstairs. It is not exceedingly spacious, but one can see that it is of good quality. Downstairs, there is enough room for a dining table, a sofa and an armchair; a double bed and a wardrobe fit into both bedrooms upstairs. Ursula held various positions in her cooperative, and she was very active during the organization of the payment strike of 2019, her cooperative was among the first ones who started to initiate the strike.

### **Remedios**

Remedios is different from most of my other interlocutors. She is only 30 years old, works as an actress and lives alone. She is part of the most recent generation of *cooperativistas* her cooperative was inaugurated only two years ago. Remedios and her sister joined the cooperative in 2015, by the incentive of their mother. They had "no idea" what it means to be in a cooperative, but it sounded as a good solution to have an "independent future".

*"I always say, I entered the cooperative to have my house, this is how I said, my house. And I remember clearly our first shock in the first assembly when the assistant worker came and told us, 'but you know, that you are not going to have your own house, right? You will never have the title of property owner.' And when it happened all of us thought, ay I'm not sure if I want this." (Remedios)*

Remedios's cooperative is different from the ones I had previously visited. While arriving to all the other cooperatives took me at least 1 hour, and 2 different buses (from the city centre), I reached the girls' cooperative in less than 25 minutes. Their cooperative is in an apartment building of 7 floors, with 18 apartments, inhabited mostly by young couples. Remedios's

apartment is spacious, sunny and modern (it even has air-conditioning and an elevator); it has a big terrace, a living room and a bedroom.

Before the inauguration, Remedios lived with her parents, which is very common at her age. The problem is - she told me - that the deposit for renting an apartment is high, and young people without saving capacity or help from their family cannot afford it. The monthly instalment of her apartment is half of the market-price rent for a flat of the same size in that part of the city. However, she still needs state subsidies to be able to pay the instalments. As she told me, her income as an actress is very unstable.

### **Life in the cooperatives beyond housing**

Many cooperatives create opportunities that go beyond housing. There are various self-organized projects, such as common libraries, community gardens and community groceries. Some cooperatives have their own gym, others organized pilates classes or form hiking clubs. As there are usually many kids, some cooperatives have kindergartens, or women help each other informally. In the beginning of the school year cooperatives often hand out school starting kits, financed with the common funds. These initiatives make use of the potentials created by the housing commons, and expand the collective work based on mutual-aid and solidarity to further spheres of reproduction. Earlier, when the cooperatives were more isolated from the city, it was not unusual to build and operate policlinics inside the cooperatives. In the 1980s and 1990s, for the same reasons, various cooperatives constructed elementary schools as well.

There are cooperatives with a lot of community engagement (regular events, celebrations, etc), events and celebrations; in others there is less emphasis on this. However, all the cooperatives have common salons, playgrounds and a barbeque spot; and at least two common celebrations per year, the birthday of the cooperative and Christmas.

All cooperatives have an emergency fund which serves to cover unexpected expenses; both in the individual and the collective cases.

*“If you’re in a difficult economic or personal situation, if you lose your job for example, you bring it up during the assembly, and the cooperative supports you ... the idea is to build up a solid network. (Remedios)*

Remedios told me, that not long ago there was a burglary in her cooperative and the members collected money, to help the victim.

There is also inter-cooperative solidarity. The cooperativistas help each other during the *solidarity days*, when members from various cooperatives gather to help a cooperative under construction. Inter-cooperative solidarity was extremely important during the crisis of 2002. In this period, cooperatives in better situation collected food to donate to their peers in need.

*“Soup kitchens were set up in the cooperatives. ... meals were distributed with priority of kids and people with health problems.” (Esteban)*

The FUCVAM also offers opportunities. The federation has a camping facility which is accessible to all the members and organizes excursions for children from the cooperatives. They also offer discounts for tickets to cultural events, and access to services (for example dental care) at a reduced price.

### 3. (Re)producing the commons and (re)producing values

*“To turn solidarity into practice, it is an exercise [for the cooperative]” (Alba)*

#### 3.1. The importance of *learning*

*Learning* (not *education*) was a recurring theme throughout my interviews. I will use the categorization of Michi et al. (2012) to describe the different forms of learning present in the cooperative movement. The authors emphasize that the learning processes in social movements play a crucial part in developing the movement. Firstly, it plays an important part in forming intersubjective relations. Secondly, all three areas of learning contribute to the members ability to imagine viable alternatives, which is not just a negation of the existing system, but an affirmative view of the possible. Thirdly, learning plays an essential part in the formation of subjectivities (2012). Gustavo Machado’s research on the FUCVAM shows, that learning is one of the most influential ways of forming a common identity, ideology and class consciousness in the movement. (Machado, 2022).

Michi et al. establish three categories; (1) learning through political participation and everyday activities, (2) attending educational courses, and (3) taking part in workshops which aim to develop the inner functioning of the movement (2012). In the following, firstly, I explore the importance of the area of everyday activities, by presenting the forms of *commoning* in the cooperatives. Secondly, I describe the courses and the workshops, organized by the *School of Formation* of the FUCVAM.

### 3.2. Learning *compañerismo* through commoning

#### Construction

The construction might be the most defining time for a cooperative, the time of producing the commonwealth. All my interlocutors spent plenty of time sharing their experiences of this period, showing me photos with nostalgia in their voice. They took me around their houses, showing me proudly the furniture that they made for themselves, using the knowledge they acquired during the construction. Ursula remembers fondly the social relations being formed throughout this period.

*“The times of construction ... The connection it creates between the people, I think it’s the nicest time. You get to know each other. ... You even share the responsibility of bringing the food.” (Ursula)*

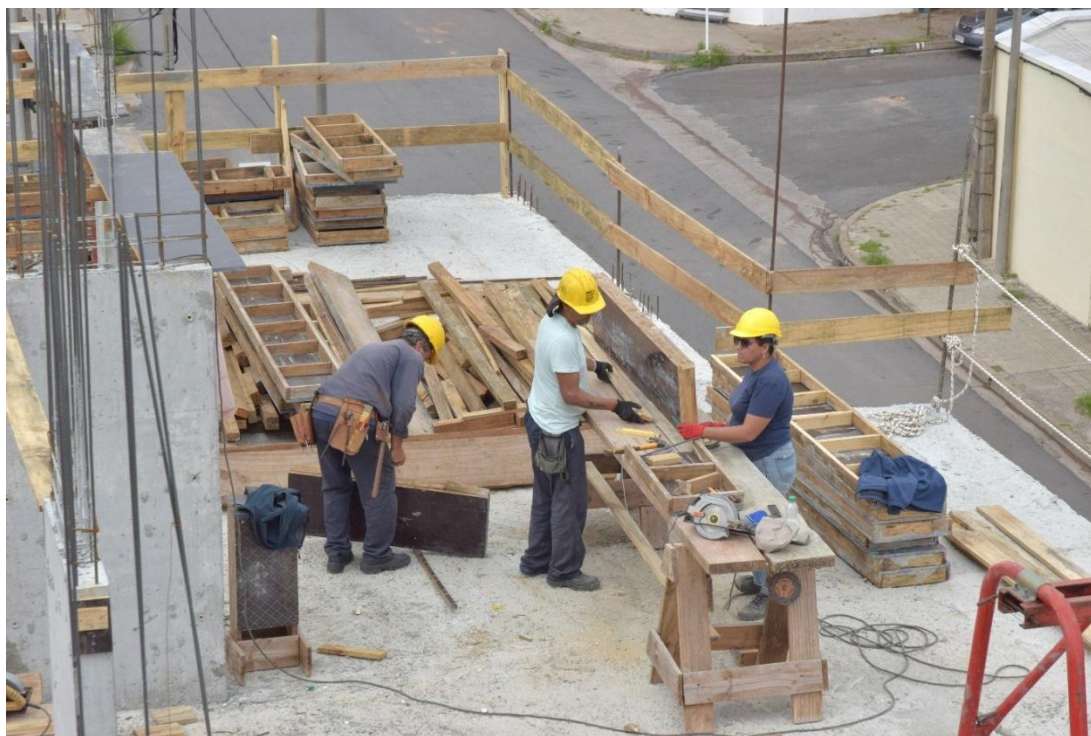
She told me, that when her cooperative started the construction, the whole area was empty, a field without roads and plumbing. In only 15 years, 12 cooperatives were constructed, creating a barrio of hundreds of families. The cooperatives decided collectively to dedicate the barrio to Alfredo Zitarrosa, a famous Uruguayan communist folklore singer, naming each street after one of his songs. The construction period created community in the barrio, as many cooperatives provided mutual-aid to one another throughout the years. The *Barrio Commission*, which was originally founded to take care of infrastructure developments also achieved that the municipality established a kindergarten and an elementary school. Later the commission also started to organize events and celebrations for the whole community. Producing the commonwealth went hand-in hand with producing the community and creating social relations based on solidarity and mutual-aid.

I visited various construction sites during my fieldwork. The cooperativistas were always happy to welcome me, and eager to show me around. They were proud of their work and technical knowledge, explained to me how they use the machines, and what are the different phases of



the construction. We entered yet empty spaces, where they told me, “See, this will be the living room, there you can see the two bedrooms...”. The president of one of the cooperatives told me, ‘I was a taxi driver my whole life I’ve never imagined that I will build up houses one day.’ The cooperative members often emphasized the decisions they made collectively. “We decided upon bigger balconies, even if it means a bit smaller living room area. Some members did not agree, but now they like it because of the panorama.”

A barbeque area is an indispensable part of each construction site; this is where the common lunches are organized. Some members told me, that during a *solidarity day* over a hundred portions of sausages and meat can be prepared on the grill.



Picture 7. Woodwork on construction, Mercedes



Picture 8. Construction site, Mercedes



Picture 9. High-building construction site, Mercedes





Picture 10. Planning office on construction site, Montevideo



Picture 11. Construction work, Montevideo



Picture 12: Women greeting me on construction site, Mercedes

After the construction is finished, an inauguration ceremony takes place, where the houses are distributed between members by lottery. Usually, the kids draw the number of the houses out of a big bowl and then each family receives their keys. The inauguration ceremonies are always remembered fondly by my informants.

*“We got the keys ... I came and I sat on the stairs, ... it’s impossible to tell you how I felt, .. all the things I lived through here, with my compañeros. I love this house.”*  
(Ursula)

The *coopeartivistas* are proud of the houses they built, not as an individual achievement, but as a fruit of collective work. Uruguayan sociologist, Raúl Zibechi calls attention to the importance of collective labour in (re)producing community and creating subjectivities (Zibechi, 2019). “Working together creates the community, creates the commons” (Zibechi, 2019, p. 61) My experience shows that the period of physical work is essential in developing social relations in the cooperatives. The production of collective material wealth brings about the (re)production of immaterial social ties, with solidarity as the main organizing logic. It is also important, that



the members are not building their *own* houses; everyone participates in creating the *collective property* of all. The times of construction are a significant common experience, whose memory stays with the members for a long time, contributing to the common cooperativista identity.



Picture 13: Identities created by construction. Women protesting in their emblematic helmets.



Picture 14: Memories of construction. Construction helmets turned into decoration in the cooperative.



Picture 15: Memories of construction. Concrete mixer turned into decoration in the cooperative.

The construction is an intensive period of collective learning. “We all form part of the work, not only on the physical level, but also in the planning, in making decisions” (Pilar). Firstly, the members must go through years of bureaucratic processes. They need to comprehend all the necessary documentation to get their juridical personality, acquire land and finally access the loan. Secondly, the members take part in the planning, they decide everything in a horizontal manner, from the floor plans to the colour of the tiles. Thirdly, the cooperativistas must learn the technical skills for the construction, as they only hire outside workforce for tasks that require special training (e.g. electricity).

The FUCVAM helps the cooperatives in the construction period. I attended to a central meeting for cooperatives in construction. There were around 60 people present, all with pens and

notebooks, the meeting was led by two architects and two coordinators from the federation. They showed a webpage where all the cooperatives in construction can be accessed and recommended the people present to get in touch with nearby cooperatives and try to organize sharing of the more expensive machines and solidarity days. During the Q&A section in the end, one cooperativista commented, “We are cooperativistas, we keep on learning together, step by step”.

The construction period was often described by my interlocutors as a time of collective and personal empowerment.

*“[Building our cooperative] helps us believe in ourselves; you start to consider alternatives for your own life. After the construction, we had members who decided to go back to school and continue their studies. ... Others, who worked only informally before, found jobs. It is very interesting, the pedagogic process which starts with the construction.” (Pilar)*

At the same time, the construction period should not be romanticized, as it is the most difficult period in the life of a cooperative. It takes around 8-10 years and more than 2000 working hours per family to finally inaugurate a cooperative. During the construction period, each family must work 21 hours per week and take 12-hour night-guard shifts in rotation with other families; there are no exceptions<sup>14</sup>. On top of this, there are lengthy assemblies; all the decisions must be made by voting<sup>15</sup>. Small details, such as the material of the stairs or the colour of the kitchen tiles can generate unexpected conflicts. The construction officially lasts for 2 years, but oftentimes it takes even a year more. The money acquired from the loan is never enough. All the cooperatives must organize events, to gather the missing amount. Some sell food or home-made shampoos, others organize barbeques or parties. These events are usually nice memories

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<sup>14</sup> Single-parent families can invite a friend or family member to help them out.

<sup>15</sup> The strict rules are laid by the National Housing Law. The cooperatives must comply, as a condition to the loan.



for the members, and they help to create ties with the *barrio*, and other cooperatives who are invited.

Not everyone takes well the difficulties during the construction. It is not unusual that even a hundred people come and go in a cooperative of 40 from the foundation until the inauguration of a cooperative. My informants told me, that practically anyone who gets a better opportunity along the way (access private loan, move in with a partner, find a cheap rental, etc.) leaves. However, not everyone who leaves do so, because they find a better opportunity.

I met Rebeca in my student dormitory, where she works as a cleaning lady. When I mentioned that I am researching housing cooperatives she told me that the cooperative-system was “a deceit”. She lived in an irregular settlement, now she lives in a one-room apartment, with her three children. Her apartment has state-subsidized rent, but it is in very bad condition. Rebeca entered a cooperative, hoping that it can help her access better living conditions, and a higher life quality. She knew that she must work 21 hours per week on the construction, as she has three jobs and works more than 50 hours per day, she arranged with a cousin that he would take over some hours. However, she burst out in anger when she told me, that she was unable to manage a night shift, the assemblies and the extra fundraiser events, while working and being a single mother of three. Rebeca was mad at the cooperative system, but most of all the state. She criticized that the primary housing policy cannot help her, let alone the large segment of the population who live in irregular settlements, with even more precarious livelihoods. My interview with Rebeca taught me, that the cooperative model should not be idealized, neither presented to be a housing solution for all the vulnerable segments of society.

### **Decisions about the commonwealth**

Horizontal decision making is an integral part of the cooperatives’ life, as Ursula explained:



*“Here we have collective property, so we need to discuss everything together, vote and reach an accordance. Sometimes you are in minority, but it is a democratic system. I think this is a beginning for a different way of life.” (Ursula)*

The space for decision-making in the cooperative is the assembly, where one member of each household must be present. Normally assemblies happen monthly, although during construction there are often weekly assemblies. I observed an assembly of Ursula’s cooperative, it took part in the common salon of the cooperative, on a Monday night. The session was coordinated by the president, treasurer and secretary (elected positions in two-year rotation). First, different commissions summarized their recent activities. In the following, a discussion of current issues, such as the outcome of the mortgage payment strike, took place. If someone wanted to express their opinion, they raised their hands, and the president gave them the word. After the comments, the assembly voted on each issue.

In some cooperatives, living and making decisions together go smoothly. However, people often need to adapt. “[We must] live respecting the collective decisions, in a system which often prioritizes individualism” (Petra). Ursula told me that collective decision-making can be difficult. From time to time, disagreements arise, especially concerning financial decisions. Sometimes, banal issues can turn into large conflicts: should we let the dogs out into the common green areas? There are people who cannot adapt to this way of life. “The cooperative is made for everyone, but not everyone is made for the cooperative. Not everyone can deal with living together, and all the work it takes to build the houses, all the time and energy you must invest, even after the construction is finished” (Clara).

Many of my interlocutors pointed out, that decision-making requires a process of collective learning from part of the members.

*“In the beginning it was difficult to make decisions together, but now it is easier to agree. When there are distinct ideas, it became easier to discuss and talk until we reach a middle ground. I think the majority achieved this.” (Remedios)*

Learning is not confined to the life of adults. Ursula was moved by something that happened not long ago. Four children of the cooperative, around the age of 8-10, knocked on her door one day. They formed a small commission, copying the model they had witnessed in the cooperative. They brought with them a petition, in which they asked for the renovation of the playground of the cooperative.

*“I felt so happy when I saw this. Because you realize that these 20 years weren’t for nothing. ... The cooperative belongs to them as well, because the cooperative is the collective property of us all” (Ursula)*

Ursula’s cooperative is not the only example; in various cooperatives that I have visited, children have established their own commissions. This example shows that cooperativism has the potential to create subjects who are able to put equality into practice, using the horizontal structures created by commoning; even the children feel that they have equal rights to participate.

### **Compañerismo**

Throughout my research it became clear that entering a cooperative deeply affects people. “This model changes your life. It changes you.”. (Ursula) To an extent it creates a common, *cooperativista* identity, with a set of shared values. I asked my interlocutors, what it means to them, to be a *cooperativista*.

*“To respect the values that a cooperativista must have. Be empathetic, form community and share knowledge. Take care of each other.” (Ursula)*

*“To be part of something bigger and stop being so immersed in individualism. To be able to collectivize everyone's needs, not just focus on one's own. To be able to understand each other, despite our differences.” (Remedios)*

The social relation among the cooperativistas can be grasped by the expression *compañerismo*<sup>16</sup>.

*“The compañerismo is the most outstanding. Because we can do all types of other things, based on this. Help each other, be empathetic with the other. ... For example, some time ago, the roofs of some members were damaged. We formed a group to fix the houses, because they could not have done it all by themselves, so we did it all together.” (Blanca, Mercedes)*

Amaranta pointed out, that these social relations are (re)produced by (re)production of the cooperatives. She distinguished between private and collective property, and the social relations they imply.

*“It seems to me that something else is being built and it is not only a solution to housing on a low price ... But it is also a way to establish links with other people, that is to say, within the cooperative, besides maintaining the cooperative, ... other types of decisions are taken that are more along the lines of solidarity with the other, thinking about the other; taking into account the other and that in reality, if you have a problem, a situation or the other way around, if something good happened to you, you are going to share it within the cooperative. If you live in a private property, in a house that is yours, you don't have this.” (Amaranta)*

In conclusion, to be a cooperativista is a subjectivity that implies *compañerismo*, an important social relation, based on solidarity and collective management of the commonwealth. The experiences of my informants demonstrate that commoning creates a specific form of social relations and social practices. These relations do not follow the logic of capital accumulation, instead they are concerned with the collective reproduction of life (Caffentzis & Federici, 2014; De Angelis, 2017).

Commoning implies the creation of a set of “value practices, a sense of what is good or what is bad, that governs social labour and interactions” (De Angelis, 2017, p. 230), which serve as a common ground to drive the actions of commoners (ibid.). As I show in *Part II*, these value

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<sup>16</sup> Comradeship.

practices are substantial in underpinning the moral economies of FUCVAM throughout the mortgage payment strikes.

### 3.3. The School of Formation

#### **The School**

This section will describe the two remaining areas of learning that Michi et al. identifies, organized courses, and workshops for the development of the cooperatives. The FUCVAM's School of Formation<sup>17</sup> is responsible for organizing these activities.

I learned a lot about the School from Amaranta, with whom I met at an event for recruiting new volunteers. She has been a volunteer for the School for many years; she decided to join after participating in some of the courses organized by the school. “And here you find a space where you can open up, I mean speak openly, and this opens your mind a lot. It develops you a lot, this type of critical thinking” (Amaranta). She emphasized that the courses are inclusive, they require no previous knowledge. The School is very important to her; besides being a single mother and studying to finish her high school education, she takes active part in organizing and facilitating educational workshops. Getting engaged in the educational activities also inspired her to continue learning. After obtaining her high school degree, she is considering applying to the department of sociology or psychology at the university.

The School organizes three-month courses in various topics (such as ‘worker movements’ history’ and ‘social theory for activism’), which are open to all cooperativistas. The aim of these courses is to expand knowledge in a collective way, reading texts together and engaging in

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<sup>17</sup> In the following: the School

discussions, sometimes also inviting people with academic background. The currently ongoing course is ‘The commons and the community’, where I also participated.

Alongside the courses, the School also organizes workshops to support the inner functioning of cooperatives and help them to overcome the difficulties that they might face. The volunteers of the school visit cooperatives to facilitate workshops, often on the request of the cooperatives. The most frequent topics are cohabitation, collective decision making or resource-management. Aureliano, one of the founders of the School told me, the volunteers delved deep into the pedagogical theories of Freire, as they developed the structure of the workshops. “We won’t tell a collective how they should transform. Instead, we will help them find their own way to develop themselves, as the transformation of a collective cannot come from the outside.” (Aureliano)

## Challenges

Both Amaranta and Aureliano feels that the education is indispensable to maintain the “cooperativista spirit”. They told me, that since 2008, due to the favourable change of cooperative policy, there has been a rapid proliferation of cooperatives, especially in the countryside. This is an excellent tendency, but it brings about certain challenges. Some of my older interlocutors (in their 70s) explained that they experience a deepening generational break between old and new cooperatives. They feel that “individualism and the neoliberal logic” (Miguel) are infiltrating the cooperatives at the expense of solidarity and collective interest. Amaranta is worried, that housing will indeed become the final goal, instead of the beginning of something. “[In the School] we work along this line [of the original values], but nowadays cooperatives are formed anywhere, where people only join to have housing, the *only* aim is that” (Amaranta). On the one hand, there is a fear that the cooperatives will be increasingly managed like a firm, rather than commons. As such they might lose their capacity to transform people, create the cooperativista identity. On the other hand, there might be a risk of the

movement losing its ideological base and with it, its political potential. Another important challenge is trying to overcome the differences between Montevideo and the interior of the country. As Amaranta and Aureliano told me, these regions are traditionally governed by the right. This means, that sometimes there are discrepancies between the ideology of individual cooperative members and the ideology of the cooperativista movement.

My fieldwork provided a more complex perspective on this topic. While I encountered the ideological differences they mentioned, I also realized that the perception of my older interlocutors is defined by their experiences reaching back until the 1960s. Some of them even spent time in jail during the dictatorship, because of their political activity. Therefore, they have high expectations when it comes to ideological commitment.

My experience shows that in regard to the cooperativista identity, the reality is not as gloomy as it may seem to some of my interlocutors. Remedios' experience suggests that the cooperativista values are forming in the new cooperatives as well.

*"During the process you must learn a new ideology, that your house is not your house, but it is of everyone. I think I have changed a lot, and there are some people who won't change, at least they haven't until now. But the majority is forming."*  
(Remedios)

I encountered similar opinions during my visit to the city of Mercedes, located in the most right-wing part of Uruguay. The cooperativistas remember fondly of the workshops of the School and told me that helped them a lot. The School also creates opportunity for new cooperativistas to engage on the ideological level. A course on the commons is an example of success; more than half of the participants arrived from cooperatives founded less than 10 years ago.

On the question of ideological base and political participation I encountered the generational and regional differences mentioned by my interlocutors. As the cooperative movement now includes people various backgrounds, the trade unionist roots start to lose its dominance. I visited some newly formed cooperatives, where only a minority of the members participate in

the movement. This is particularly true for the cooperatives that I visited in Mercedes. I heard the expression “We are more conservative here” various times, and many interlocutors told me that the ideological base of the FUCVAM is not as important in this region. The distance from the capital (4 hours by bus) is also a barrier to the participation in the movement, as most of the activity is centred in Montevideo.

## 4. From the commons to a social movement

*“We became part of a group ... with a lot of political power, with years of experience. ... and then you feel that you became part of something bigger.”*  
(Remedios)

Despite the challenges described in the previous chapter, the political features of cooperativism still strongly prevail. “When someone enters a cooperative, they do it out of necessity. But it is essential to understand that this is not just about housing, it is also a political project.” (Gaston, member of a cooperative built after 2008). In Gaston’s cooperative for example, based on the collective decision of the members, it is obligatory to participate in the FUCVAM’s political activity (such as protests).

*“I think cooperativism can be a tool for social struggle. It promotes horizontal relations between people, solidarity, empathy and building things together. Meanwhile today’s society promote individualism and competitiveness.”*  
(Amaranta)

Amaranta’s insight shows, that the values formed through commoning contributes significantly to the success of the FUCVAM as a left-wing social movement.

Many argue that commoning can form an integral part of the anti-capitalist struggle. Based on their extensive fieldwork in Latin America Aguilar & Trujillo show the political capacity of the commons to bring about bottom-up social transformations. The authors argue that by communalizing the sphere of reproduction, the commons contests capital accumulation, confronting its totalizing tendency and limiting its expansion. They argue that the commons challenge the modern state’s role as a top-down decision maker, showing horizontal decision-making as an alternative (Aguilar & Trujillo, 2019). Similarly, Zibechi’s work on Latin American social movements uncovers how autonomy, self-organization, and social emancipation reinforce one another. Autonomy creates the need for self-organization, while



strengthening self-organization makes higher scales of autonomy possible. The success of an autonomous organization empowers the people and creates an emancipatory environment, producing social relations that can further reinforce the movement (Zibechi, 2011).

The social relations created through the activity of commoning have an anti-capitalist potential, since they aim to liberate the spheres of reproduction from the logic of capital accumulation, organizing life based on solidarity, mutual-aid and equal, non-commodified access to goods (Caffentzis & Federici, 2014). In de Angelis' words, commoning is a "participatory social force to mobilise for a change in the mode of production" (De Angelis, 2017, p. 123). Reconquering the sphere of social reproduction is of utmost importance (Federici, 2016) because capital's power resides primarily in its ability to control and distribute the resources necessary for human and social reproduction (De Angelis, 2017, p. 138). To limit the power of capital, the commons must create alternative modes to organize the sphere of reproduction, which also entails "a reconceptualization of the subjectivities" (De Angelis, 2017, p. 349). The commons can become a space to articulate collective interest, to move from a class *in itself*, to a class *for itself* (De Angelis, 2017, pp. 348–350).

Amaranta pointed out that being part of a cooperative can create a broader understanding of the inequalities the members face due to their class position.

*"The decisions made together, understanding that we are a class of workers, that if we are in a cooperative, it is because we have difficulty accessing housing. And it is not only about the difficulty of housing, but many other things that the system denies us." (Amaranta)*

One of my interlocutors, Sofia, who is a sociologist in the field of housing argued that "[Cooperativism] creates a social conscience .... It's all an intensive learning process, right?". She highlighted that by forming part of the "cooperative process", even people who joined only to access housing, start to become politized, "even without wanting to, even without previous intentions" (Sofia).

Remedios told me, that her cooperative formed a group to discuss political questions and go to protests. “After living together for a while and getting to know each other, now we are getting able to collectivize this political interest” (Remedios).

The FUCVAM plays a crucial role in channelling this collective interest into the movement, by creating a platform for participation and collective organization. The educational projects also play an important part, by providing a conceptual perspective that helps the members make sense of the relations of the capitalist system and socio-economic conditions that surround them. This is important, especially for involving the new generation of cooperativistas, such as Remedios.

*“The FUCVAM [is] an accessible space to enter and get involved in political issues ... You find this space and say ‘ah here I can engage with the political, here I can start to understand the political panorama?’ (Remedios)*

The National Assemblies create a platform for the cooperatives to start to organize collectively. The National Assembly follows the decision-making process of the cooperatives. The mortgage payment strikes were initiated from below, cooperatives started to organize among themselves. Then they put forward their proposal at the National Assembly, initiating the collective mortgage payment strike. After the discussion, in which the representative of all cooperatives participated, the cooperatives decided by voting about entering the strike. Despite the generational and regional differences, the FUCVAM remains strong in mobilizing members for an overarching common interest.

*“In June 2011 we did a protest at the door of the Ministry, 200 people came. In September 2011 the protest counted 10 000 people. All we did was that we sent out a message to all the cooperatives, we arranged for buses to help them get to the city. It was clear that we won’t be able to restructure the debt, if we can’t mobilize the comrades in the countryside.” (Aureliano)*

De Angelis differentiates between commons and social movements. In his view commons can be an environment for emancipation, because they *construct* alternatives, rather than solely

*demand* these alternatives as social movements do (De Angelis, 2017, pp. 364–365). The FUCVAM can be seen as a middle ground, *commons movement*, a “movement that have the recomposition of the commons as their driving force, and this recomposition is founded on the commons of reproduction” (De Angelis, 2017, p. 386). Pairing commons with social movements can create a virtuous circle that turns activists into commoners and commoners into activists (De Angelis, 2017, p. 371). What gives the strength and resilience of these movements is that they show a viable alternative and construct possible futures. For this, the negation of the existent must be coupled with affirmative visions for the future (Michi et al., 2012). These visions can be heterogenous, the anti-capitalist struggle through commoning should operate with “one no and many yesses” (Caffentzis & Federici, 2014). As I see, conceptualizing the FUCVAM as a commons movement, contributes to the understanding of the success of the mortgage payment strikes. The cooperative model served as an example, that the housing question can indeed be solved in a non-market-based manner. The state was unable to evict people; the lack of control over this sphere of reproduction played an important role in upholding the strike for such an extended period of time.

The main aim of Part I was to introduce the values of the FUCVAM as a social movement, and the values (re)produced inside the cooperatives. I argue that these values are essential to the success of the cooperative movement, and therefore the success of the mortgage payment strikes. The FUCVAM was described as a left-wing social movement, whose aim is to stand up against social inequalities, representing the interests of the working class. The cooperatives were conceptualized as commons; the various activities related to the (re)production of the cooperatives were described as commoning. I emphasized that learning is essential in creating communities, subjectivities, and the *cooperativista* identity - even among those who initially joined cooperatives solely to access affordable housing. Learning through commoning creates particular social relations and value practices, based on mutual aid, solidarity, empathy,

collective ownership, and horizontal decision-making; these can be summarized as *compañerismo*.

The courses and workshops offered by the federation create further possibilities for cooperative members to improve their cooperatives and become engaged on a more ideological level. I argued that the commons go against the logic of capital accumulation, which gives them the potential to form part of the anti-capitalist struggle, offering viable alternatives. The cooperatives can become a space for members to articulate their class interests, while the FUCVAM, as a commons movement, creates a platform to channel these interests into movement-wide collective actions.

Part II will examine a particular form of these collective actions: the mortgage payment strike. I will show how *compañerismo* and the articulation of class interest, combined with the power of the FUCVAM as a movement, can provide the ground for a successful strategy for standing up against the logic of capital accumulation and demanding (housing) rights.

## Part II: Moral economies and the payment strikes

### 1. Moral economies

Many of my interlocutors emphasized that the conviction that they are right, that they fight for a just cause, played a crucial role in the success of the mortgage payment strikes.

*“From the very beginning, we knew that ... we were fighting for a just cause. Look, it would have been very difficult to triumph if it weren't for a just cause, since we don't have the power. What I'm saying is that what brought us to triumph is that we were convinced that we are right.” (Mauricio)*

Building on the insight of Mauricio, I argue that a common conviction was an indispensable legitimization of the payment strike, which encouraged the people to carry on struggling and made them believe that it was possible to win. José pointed out that the payment strike was not only about defying the government, but also about challenging the position of the class they represented.

*“The strikes [in general] always bother the governments and most of all the capitalist class, no? Yes, of course, they told us that we were wrong, that we cannot do this.” (José)*

To show the roots of the common convictions underpinning the strikes, I will highlight the importance of (1) the members' expectations of the state and (2) the relations and values developed in the cooperatives, described in Part I as *compañerismo*.

To elaborate on my argument, I will use the concept of *moral economy*, building on the work of E.P. Thompson (Thompson, 1971) and Jaime Palomera & Theodora Vetta (Palomera & Vetta, 2016). The concept of 'moral economy' was originally introduced by E.P. Thompson, who examined the uprisings of the British crowd during the 18<sup>th</sup> century. His aim was to move away from economic reductionism to explain the mass mobilisation against the newly introduced

laissez-faire policies, drastically affecting food prices (Thompson, 1971). He shows that, beyond the economic incentives, popular uprisings must have a legitimation, a common conviction about what is fair and what is tolerable, coupled with expectations of certain entitlements. Thompson argues that the mobilization against the newly introduced policies can be perceived as a particular form of class struggle. *‘Food prices were not merely one point of conflict between working and property-owning classes over the material control of an economy, but were linked to class-specific notions of social rights and responsibilities’* (1994, p. 259 In: Palomera & Vetta, 2016).

Palomera and Vetta call attention to the contemporary misuse of Thompson’s notion. They emphasize that exploring the moral conditions of the economy should not mean losing sight of the class relations and the logic of capital accumulation. In their interpretation, *„Moral economy is precisely the anthropological way to study the political economy.”* (Palomera & Vetta, 2016, p. 428). Moral economy does not stand for a set of beliefs held by a single group in systems emerging outside of the logic of the market economy. Nor does it refer exclusively to the cultural and depoliticized norms and values that guide the economic activities. The authors define moral economies as the *“particular fields constituted by dynamic combinations of norms, meanings and practices”* (Palomera and Vetta, 2016, p. 414) through which the inequalities deriving from different forms of capital accumulation (and the state regulation with which it is intertwined) are processed. These moral economies can reinforce the logic of capital accumulation or undermine it.

The authors propose using the concept to examine certain social fields and the struggles and antagonisms that form them. Different social classes fight over defining what is fair and acceptable. The outcome of these fights has a significant influence on the fields of social reproduction and provisioning (Narotzky, 2022). As the authors argue, the notion of moral

economy “is about understanding the inner workings of capitalism and the qualities of social reproduction at particular historical times and spaces” (Palomera & Vetta, 2016, p. 428).

Using this analytical framework, the mortgage payment strikes can be examined as an ongoing struggle of the FUCVAM to define the moral economies of housing and debt. The approach sheds light on how the workers can fight for their rights of provision, in a country where there is an increasing shift in the direction of market-based solutions for social provisioning. It also allows for the integration of local and historical particularities in the analysis.

There is a lot at stake here, “[the cooperative model] is the only way for us, workers, to have our houses” (Laura). If the interest of the capitalist class further enters the realm of housing and the logic of capital accumulation triumphs over non-market provisioning, the livelihood of workers comes into jeopardy. “It is perverse, how the capitalist system is built up. Only those who have money have housing” (José). The moral economies affect various aspects of what is perceived as just. Should the government offer non-market housing to people even if it brings about a decrease in economic growth and competitiveness, which goes against the interest of capital? Or should housing form part of capital accumulation, even if it could mean that people lose access to proper living conditions? Whose fault is it that someone doesn’t have a decent place to live? Is it an individual failure or a consequence of structural inequalities? How does society perceive not paying one’s debt? As an incompetence or as a potential form of resistance? What is the political cost of evicting the people who refuse to pay?

*“Capitalism convinces you that if you are not able to gather the money to provide for your basic needs, it is because you are incompetent and not because the system does not give the same opportunities to everyone.” (Amaranta)*

Financialization influences various aspects of everyday life and subjectivities (Van Der Zwan, 2014). One cooperativist told me that for some members, it is shameful to accept the state subsidies to be able to pay their debts. This attitude shows the increasing influence of the

*neoliberal ideology*, which propagates individual responsibility and condemns dependence on the welfare state. Debtors are expected to become responsible subjects who embrace financial rationality (Lazzarato, 2012). The internalization of these expectations creates a new subjectivity defined by a form of neoliberal governmentality (Mahmud, 2012). These transformations affect the moral economy of debt; punishing people for their inability of repayment becomes normalized, socially perceived as just (Sabaté, 2016).

Besides being a financial contract, debt is also a social relation, with distinct characteristics at certain historical periods and places (Graeber, 2012).

*“In Uruguay, we acknowledge our debts, ... we honour our debts. I’d rather pay and don’t eat so that I am not in debt than don’t pay. It is part of the culture.”*  
(Marcos, cooperativista)

It is important to underline the moral obligations surrounding debt. The failure of repayment can be seen as irrational or immoral behaviour (Chakravartty & Da Silva, 2012) making the debtor feel (and perceived) guilty for her failure (Federici, 2018a). Challenging the dominant views on debt – sometimes even going against the previously held own convictions, such as in the case of Marcos – is what makes the payment strikes truly a “radical tool of resistance”, even on the personal level.

However, as the case of the mortgage payment strikes shows, that moral economies are dynamic fields; what is perceived by society as legitimate is always defined by current conditions. In times of crisis, the inequalities ingrained in the economic system can become intolerable both on the material and ideological level (Leyva del Rio, 2024), potentially leading to a shift in moral economies (Sabaté, 2016). A devastating example of this in Uruguay was the banking crisis of 2002, which brought about an extreme collision, heavily affecting housing and mortgages (Vidal, 2018b). My informants told me that it was the most severe crisis of the



century so far<sup>18</sup>. An interesting comparison can be made between the debt-resistance of the FUCVAM starting in 2002 and the similar initiatives arising in Spain after the 2008 financial crisis (De Weerd & Garcia, 2016; García Lamarca, 2017; Nuijten & Vries, 2021; Sabaté, 2016). As I see it, a difference that must be underlined is that these movements were mostly directed against private financial institutions, unlike the FUCVAM, which fought against the state. Another important difference is that the FUCVAM, as a commons movement, could show an alternative way of housing provision that bypasses the rules of the market. The need for such alternatives is illustrated by the increasing interest in housing commons at various locations after the crisis of 2008 (Caffentzis & Federici, 2014; Leyva del Río, 2022; Vidal, 2018a).

There are many further examples of collective debt resistance initiatives both in the First World (D’Adda et al., 2022; Debt Collective, 2020; Gerber et al., 2021; Montgomerie & Tepe-Belfrage, 2019; Ross, 2014; Strike Debt, 2014) and Third World context (see for example: Caffentzis, 2013; Cavallero & Gago, 2021; Federici, 2014; Vidal, 2018). Demystifying and defetishising the financial system and disrupting the moral narrative of indebtedness are essential parts of these initiatives (Cavallero & Gago, 2021). The collective forms of resistance include debt audits, boycotts, demonstrations, and calls for debt cancellation (Montgomerie & Tepe-Belfrage, 2019). Collective action can achieve practical goals, such as debt reduction or cancellation (Caffentzis, 2013; Vidal, 2018b). The case of the FUCVAM’s payment strikes is exceptional among these initiatives. Most importantly, the strikes succeeded repeatedly, in different historical-political conjunctures. Furthermore, they entailed such a high level of organization; thousands of *cooperativistas* could stand united for even ten years.

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<sup>18</sup> The 2008 financial crisis had a relatively mild effect on Uruguay.

## 2. The ambiguous relations with the state: dependence and conflict

### 2.1. Dependence

The FUCVAM depends on the state both legally and financially. There are four main actors in the cooperative model. (1) The Ministry of Housing defines the laws and the amount to be spent on housing projects. (2) The National Housing Agency, which is responsible for performing all the executive and bureaucratic tasks (approving construction plans, handing out loans, collecting instalments, etc). (3) The cooperatives. (4) The FUCVAM (optional); after its formation, each cooperative decides whether it wants to join the federation. Most cooperatives do, as the FUCVAM not only offers legal and practical help but also represents a strong political force and acts as an interlocutor between the state and the cooperatives. The cooperatives need to receive juridical personality (to be able to have collective ownership rights and collective loans), state-supported loans, and access to lands. There is an upper income limit to join a cooperative, aiming to ensure that the state-supported housing is only accessible to those in need. Another crucial form of state support is the subsidies, according to which families living in the cooperatives cannot spend more than 25% of their income on paying their monthly instalments. The members need to apply for the subsidy at the assembly of the cooperative. If the request is approved by the assembly, the cooperative's treasurer forwards the application to the National Housing Agency.

While some maintain that the commons must be autonomous from the state, advance in their struggle (Caffentzis & Federici, 2014; Zibechi, 2011), De Angelis argues, that if necessary, the commons should use the “complexity of capital/state” (infrastructure, available financial resources, etc.) throughout their course of development (De Angelis, 2017). I find this argument especially convincing in the case of housing, which requires significant initial investment (materials must be purchased in all cases). This means that using the complexity of the state

might be the only way of including people without saving capacity. (Ferreri & Vidal, 2022; Vidal, 2018a); such as in the case of the FUCVAM. Clearly, as the commons get integrated into the legal-financial apparatus of the state, maintaining autonomy becomes a central issue (Leyva del Río, 2022; Marella, 2017).

Although the cooperative model can be framed as a highly generous policy from the part of the state, one of my interlocutors underlined that it is an almost zero-cost social housing project. The state does not need to arrange the construction and the maintenance of the properties, moreover, they retrieve all the money invested in the project (including the expenses of land and materials), even receiving interest. To prevent the loss of purchasing power over time, the loans are handed out and need to be paid back in *Readjustable Units* (RU)<sup>19</sup>. This system aims to protect the state from losing money while (supposedly) protecting the debtors if there is a fall in their real wages. A problem with the RU, that it is based on the real wages calculated for the whole society. Nonetheless, the majority of the cooperative members form part of a segment of society that is the most vulnerable to economic changes, therefore, their wages may not follow the general trends.

The state's support in direction to the cooperatives is far from being self-evident and stable over time. The state attacked the cooperatives on various occasions, taking advantage of their dependence. These attacks were on the one hand economic, on the other, part of a pro-market narrative. The FUCVAM faced the most challenges in the periods when the ruling political bloc was most entangled with the international and domestic capitalist classes. The extent of the involvement of capital influences the extent of the conflicts. De Angelis argues that the

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<sup>19</sup> Take for example: if the cooperative receives a loan 250 pesos with a readjustable unit rate of 1 RU = 10 pesos, they need to pay back 25 RU + 2% interests over 25 years, paying 1 RU (10 pesos) + interest each year. However, the RU rate is readjusted every year, based on calculations of real wages and inflation rate. Therefore, if the rate raises, 1 RU = 11 pesos the cooperative needs to pay 11 pesos + interest that year.

commons and the capital have contradicting values and logic, therefore, the struggle between them is inevitable. While capitalism reproduces itself through accumulation, creating profit by the exploitation of workers, the commons reproduce through commoning, based on values of solidarity and sharing. Both systems struggle to assert their own values and logic (De Angelis, 2017).

## 2.2. Struggles throughout history

### **Dictatorship, democratic transition, and neoliberal transformations (1973-2002)**

The FUCVAM and the state's relation was conflictive from the beginning. While after the implementation of the *Housing Law of 1968*, many cooperatives were founded, the dictatorship, starting in 1973, blocked access to land and loans. The right-wing civic-military government had strong ties with the United States; they came to power through a CIA-supported coup. The government collaborated with the international capitalist classes by promoting the entry of financial capital and decreasing the import taxes (Broquetas San Martín, 2007). The domestic capitalist class created organizations lobbying for collective interests, such as the Economic Vigilance Committee, which had a significant influence on social policy in the following years (Broquetas San Martín, 2007). In regard to housing policy, the *Plan of Promoting Private Property* was introduced (Solanas Domínguez, 2016).

In 1984, following the first conflict over mortgage payments, the civic-military government attempted to introduce a law that would have destroyed the legal framework of collective property. The FUCVAM accomplished to collect 330,000 signatures (almost 10% of the whole population of Uruguay) against the introduction of the law in one single day (González, 2013; Nahoum, 2008). This campaign (especially that it happened under the threat posed by the

dictatorship) established the position of the FUCVAM as a nationwide political actor (Nahoum, 2008).

After the democratic transition in 1985, the following 20 years were defined by the wave of global neoliberal transformations, starting in the 1970s (Harvey, 1989, 2007). This period was characterized by the retreat of the welfare state, the introduction of free market policies, privatization, and further financial opening (Departamento de Historia del Uruguay, 2007; Magri, 2015). Some of these transformations were part of the forced structural readjustment programs put forward by the IMF and the World Bank as a condition to access loans. These programs served the interest of the First World capital, which aimed to keep its profitability by entering the markets of the structurally readjusted Third World countries (Harvey, 1989). In Uruguay, this led to the increasing influence of foreign capital in this period.

However, not all the transformations were *forced* on the governments. The political actors put in power by the coup were never held accountable and stayed part of the political elite. The ruling elites of both parties, which were in power between 1985 and 2005, stayed entangled with international capital (Departamento de Historia del Uruguay, 2007). The inflow of foreign capital affected the housing market; the construction industry lobbied for privatization. The state policy sought to promote competition in the real estate market and increase the role of private financial actors (Magri, 2008). The legitimization behind these changes was the previous “*inefficiency*” of state policies and publicly administered institutions. To overcome this, the state aimed for *modernization*, *efficiency*, and *effectiveness* (Magri, 2015). Economic growth and competitiveness became defining incentives behind policy, the real-estate market and the construction sector were increasingly perceived as a source of GDP growth (Magri, 2015). The state was redefining itself as a “facilitator” (González, 2013), rather than a welfare provider (Departamento de Historia del Uruguay, 2007). These transformations played a crucial role in the market encroachment of housing provision (Solanas Domínguez, 2016) and the changing

perception of housing, influencing the moral economy. Moving away from the welfare state (Finch, 1981; Magri, 2008) made people increasingly dependent on their own resources. David Harvey argues that this type of transformation leads to the expansion of consumer credit and mortgages, affecting all social classes (Harvey, 2011). This explains why the mortgage credit tripled from 1980 to 1999 in Uruguay, reaching over US\$2,000 million, 9.8% of the GDP (Gandelman & Gandelman, 2004). Until 1996, the National Mortgage Bank held a monopoly over mortgages; however, following the advice of the IMF and the World Bank, the private sector was allowed to enter the field (Magri, 2015), managing 36% of the mortgages by the end of the year (Gandelman & Gandelman, 2004). These transformation shows how the Uruguayan welfare state started to turn into a *debtfare* state (Soederberg, 2014) in this period.

The neoliberal transformation posed challenges to the cooperatives. The right-wing government elected in 1985 refused to grant legal status to newly formed cooperatives, which made the loans inaccessible to them (Chaves, 1990). In 1990, the legitimacy of collective property came under scrutiny again. All cooperatives were obliged to have a secret vote in their assemblies to decide whether they wanted to keep their homes in collective property. Only one cooperative in the federation decided to switch to private property (González, 2013; Machado, 2022). My interlocutors emphasized that collective property rights went against the prevailing economic logic both materially and ideologically. On the one hand, the collective property ensures that the houses cannot enter the market and that no single family can be evicted in case of non-payment. On the other hand, as Remedios told me, *“Sharing our property has an ideological base, which goes against the capitalist system in which we live. We have an established system of private property, what’s mine is mine, this type of individualism”* (Remedios).

From the second half of the 1990s, Uruguay faced a recession which led to escalating economic problems, the inflation skyrocketed to 130% (*World Bank Open Data*, 2024), real-wages decreased and housing became an increasing issue (Departamento de Historia del Uruguay,

2007). The cooperative members formed part of the segment of society, that was the most affected by the deepening crisis. The global trends of financialization reached the country, the engine of profit-making shifted from the industrial sphere into the realms of finance (Harvey, 1989). This led to deindustrialization and a change in economic policy. The governments consciously aimed to become a financial paradise with quasi-offshore possibilities for foreign investors. This led to the country's extreme vulnerability to financial crises (*La crisis de 2002*, 2022).

Deindustrialization led to the disintegration of traditional worker organizations and the precarization of the workforce. While the trade unions lost some of their strength, their influence remained significant (Departamento de Historia del Uruguay, 2007). The difficulties of the 1990s entailed possibilities of expansion for the FUCVAM. Informal workers and workers impoverished due to the unfolding crisis joined. As the number of newly formed cooperatives without land and legal status grew, the FUCVAM protested the restrictive measures by land occupations hunger strike, marching protests, and the occupation of ministry buildings (Abbadie et al., 2022). The protests were successful, the new cooperatives were able to gain legal status and access to loans (González, 2013).

However, the cooperatives did not only fight for their own interest. "We [the cooperativists] come from the same exploited class of workers, then as a class we have certain political positionings which leads us to go beyond housing" (Pedro). The most important political mobilization of FUCVAM in this period was against the general privatization, which would have included lands, state-owned companies, and social benefits alike. The FUCVAM responded with demonstrations and signature collections, which resulted in a referendum, declining the general privatization (González, 2021). Nonetheless, the government still withdrew various social benefits and moved in the direction of a housing policy based on individual subsidies for only the most vulnerable segments of society (Magri, 2015).

## The crisis of 2002 and the shift to the left

In 2002, a banking crisis that spread out from Argentina had disastrous effects on the Uruguayan society. The poverty rate rose above 40%, the unemployment rate was above 16%, and the country faced a 20% inflation (*World Bank Open Data*, 2024). The government sacrificed the National Housing Fund (all the money that was previously used to cover social housing expenditures) to bail out banks. Sacrificing the fund shows that the government's entanglement with the financial capital proved to be stronger than its previous role as a welfare provider. The country took various IMF and World Bank loans, which exceeded the total GDP by 2004. The conditions of structural readjustment put pressure on the governments in the following years (Departamento de Historia del Uruguay, 2007). The National Mortgage Bank was obliged to increase efficiency and start securitizing mortgages to expand capital investment possibilities (*Document of The World Bank, Uruguay Structural Adjustment*, 2005).

In 2004, the left-wing *Frente Amplio* won the national elections, breaking more than a hundred years of a de facto bi-party system (Departamento de Historia del Uruguay, 2007). The *Frente Amplio* is a coalition of left-wing political actors (e.g., Socialist Party, Communist Party, Revolutionary Workers' Party) founded in the 1970s. The party always had strong ties to the trade unions and various left-wing movements. The *Frente Amplio*'s first significant success came in 1990 when its candidate became the mayor of Montevideo. In the years following their national victory in 2004, the economy stabilized relatively quickly. Nonetheless, the new administration was criticized for complying with the demands of the international financial institutions (Magri, 2015) and for their policies, which moved in the direction of the privatization of welfare functions and further pushed the issue of housing into the private sphere, promoting market competition (Magri, 2008). Still, the 15 years of left-wing governance (2005-2020) brought about a relatively favourable environment for cooperatives (Solanas



Domínguez, 2016), partly due to the (unofficial) entanglement of the cooperative movement and the *Frente Amplio*, dating back to the 1970s.

### Recent trends (2020-2024)

The COVID-period took a toll on Uruguay; in 2020, there was a sharp fall in the GDP (-7,4%), an increase in the unemployment rate, and a rise in inflation (*World Bank Open Data*, 2024). In 2020, a right-wing conservative administration came to power. During their term, they faced social unrest due to their project of water privatization, semi-privatization of the jubilatory system, and the reconstruction of an originally social-housing program in favour of private investments (*la diaria*, 2020). The right-wing government returned to the collaboration with international capital and the construction industry in the name of investment-fuelled economic growth (*El Observador*, 2020). The FUCVAM took an active part in the protests against all these issues (FUCVAM, 2024; *la diaria*, 2020).

### 2.3. The payment strikes

Out of the many confrontations between the FUCVAM and the state, the mortgage payment strikes stand out, as “the most radical tool of resistance” (José). The FUCVAM’s payment strikes were not about refusing their obligation to pay their debts. The cooperativistas always emphasize that they *do pay*, on a parallel account, but only the amount that they calculate to be fair. If the strike is over, they hand over the collected instalments to the state. In the following, I will briefly describe the payment strikes of 2002 and 2019. I have decided not to discuss the strike of 1983 in depth, partly because of the lack of interlocutors who lived through the event and partly because of the length limits of the thesis.

## The payment strike of 2002

The unfolding crisis of the 1990s paved the way for the payment strike starting in 2002. As the Readjustable Unit was changing rapidly due to the high inflation rates, an increasing number of cooperatives started to experience difficulties. In 2000, a prominent economist published a report about the cooperative mortgages. The study found that the cooperatives were to pay a lot more than the value of their houses (considering indicators such as their market value and their equivalent in working hours) due to the unlawful change in the interest rates and the Readjustable Unit over the years (El País, 2010). After the economy collapsed in 2002, 120 cooperatives (7000 housing units) started to collect their instalments on parallel accounts, but only the amount that they considered to be just. Not much later, another 5000 housing units joined (Vidal, 2018b). The calculation of the ‘fair amount’ was twofold. On the one hand, the point of reference was the calculation made in the 2000 report (El País, 2006). On the other hand, many cooperative members lost their jobs, and it became impossible for them to pay the instalments. Sacrificing the National Housing Fund further escalated the conflict. The FUCVAM argued that if it is possible for the state to bail out the banks, it has the responsibility to ‘bail out’ the people as well. The FUCVAM demanded that the state let go of the extra amount. Moreover, they fought for the introduction of the subsidy-system, which formed part of the *Housing Law of 1968*, but as various informants pointed out, it was never implemented.

In 2005, the left-wing *Frente Amplio* party came into power, which influenced the favourable outcome of the strike. At the same time, the unpaid debt led to tensions with the new government (Magri, 2015). In 2006, the cooperatives were behind in payment by US\$ 50 million (LaRed21, 2006). Their total debt was around US\$ 340 million (2% of the country’s GDP). Pressured by the long-lasting mortgage payment strike, in 2008, the government reformed the cooperative model. They introduced the subsidy-system and regulated the loan system so that all the newly formed cooperatives could access loans within a maximum of 2

years, following the acceptance of their construction plans. However, the government raised the interest rate of the loans from 2% to 5,25%, but they promised to reassess this decision in 10 years. After ten years of struggles, in 2011, the mortgage payment strike ended. The ministry agreed to let go of the extra amounts which were deemed unjust by the cooperatives, and even agreed to further, significant cuts and to annul the remaining debt for older cooperatives (González, 2013; Vidal, 2018b).

### **The payment strike of 2019**

The payment strike of 2019 differs greatly from the strike of 2002, in the sense that it was not catalysed by a major economic crisis, which led to complete inability to pay the instalments. The COVID pandemic took its toll on the country, but the subsidy system introduced in 2008 guaranteed that no family had to pay more than 25% of their income; in severe cases, even the whole amount of the instalment could be subsidized. However, the cooperativistas still faced economic instability, often more than other segments of society. Moreover, the subsidy system created a dependence on the state's goodwill, and in some cases shame among the members in need. The promised reassessment of the payment conditions set in 2008 never happened, and the cooperativistas wanted to confront the reigning left-wing government before the upcoming elections of 2020.

The cooperatives demanded that the interest rate be decreased to 2% on two grounds. Firstly, they contended that this is the legal amount, set by the *National Housing Law of 1968*. Secondly, they argued that it is unfair that the cooperatives formed after 2008 pay more than the cooperatives founded earlier (which were still paying the 2%). 188 cooperatives - founded after 2008 - joined the strike, which lasted for five years. The change in the interest rates brought about a significant decrease; according to my interlocutors, the monthly instalments almost halved.

	Catalyst	Legitimation	Main claims
Strike 1 2002-2012	Severe economic crisis of 2002	Previous amount of payment was calculated to be incorrect  The state's responsibility to help people in need  National Housing Law (Subsidy system)	Significant cut in payments  Introduction of the subsidy system
Strike 2 2019-2023	COVID-crisis  Unkept promise of the government to revise the conditions	National Housing Law (2%)  Inequality between cooperatives founded before and after 2008	Lower interest rate from 5% to 2%

Table 1. Overview of the two mortgage payment strikes

It is interesting to consider the two cases. On the one hand, the strike of 2002 was catalysed by an extreme economic crisis, material necessity was the primary (but not the only) reason that led to the struggle. On the other hand, during the strike of 2019, the economic conditions were significantly less severe, and political demands played a more important role. The differences between the catalysts and legitimation of the two strikes suggest that some further common factors underpin their achievements. When I asked the people what they saw as the keys to the success of the strikes, I got a wide variety of answers, many of which highlight important components of the moral economies represented by the cooperative movement. I collected them here as an overview, trying to organize them into three levels.

The state	<ul style="list-style-type: none"> <li>• Collective property, no individual debtors (legal protection)</li> <li>• High political cost of saying no (evicting thousands of families at the same time)</li> </ul>
The FUCVAM	<ul style="list-style-type: none"> <li>• Established political power of the movement</li> <li>• Strategy and organization (calculations, protests, communication with cooperatives)</li> <li>• The federation's role as an interlocutor with the state</li> <li>• Trust in FUCVAM from part of the cooperatives</li> </ul>
The cooperatives	<ul style="list-style-type: none"> <li>• Knowing that the fight is just</li> <li>• Economic necessity</li> <li>• Common identity in cooperatives</li> <li>• Trust in the power of unity &amp; collective action</li> <li>• Democratic decision-making and continuous discourse - members feel that the fight is theirs</li> <li>• Committed participation of the people, determination</li> <li>• Discipline, being responsible (collecting the payments on a parallel account)</li> </ul>

Table 2. Overview of the reasons for the success of the strikes, as mentioned by my interlocutors

### 3. Struggles in the fields of moral economies

#### The FUCVAM's stance

I will examine the cases of the payment strikes as crisis situations during which the moral economies of housing and debt came under scrutiny. The FUCVAM's mobilization against the state's attempts to unilaterally redefine the conditions of repayment was based on a strong conviction of social justice and their expectations from the state. The federation represented the interests of the workers, who fought for control of their housing and material resources, as well as for their social rights. There is a strong common conviction in the cooperative movement that housing is a "fundamental human right" (José), therefore, the state should provide help to the people who cannot access it and protect the people from the effects of the speculative market. Housing shall be seen as use value, rather than exchange value (El Solidario, n.d.), which means that houses should be used for the purpose of living (use value), rather than being bought and sold in a speculative manner. To ensure this, the state must uphold its promise laid out in the National Housing Law of 1968 and guarantee collective property, access to loans, and lands to the people who need them.

I argue that the cooperativists' firm collective beliefs are based on the values and practices that are developed in the cooperatives. It enables the federation to struggle, to influence the moral economy of housing and debt dominated by financial rationality and the logic of capital accumulation. This leads to the demystification of the power of the creditor and reassessing the normative expectations towards to debtor (Vidal, 2018b).

The members believe that despite their class position, they have the right to decent housing.

*"For us, who do not have money, [cooperatives] are the only way to have decent housing, that all of us deserve, right?" (Virginia)*

The state has no right to make a profit on the social housing program. During *Strike 2*, various members emphasized that asking for a 5% interest rate is “*usury*” from part of the state. My interlocutors pointed out on various occasions that the people who join the cooperatives do it out of necessity. They work hard to construct their homes, acquiring all the technical knowledge, attending assemblies, conducting heavy physical work 21 hours a week for at least two years. It is already a somewhat exploitative social housing program.

*“We pay ... but not to generate profit for the state. We are workers. We make our own houses, we manage everything on our own, and we take care of the houses. They cannot make us pay the same interest rate as any private bank.” (Fermina)*

My interlocutors told me that there were times when the interest rate of the private banks was lower than the interest rate of the state loans. This was a definitive shifting point; the members found this completely intolerable, as the cooperativistas do not have the possibility to opt for the more favourable private loans, due to their financial backgrounds.

Moreover, there is a belief that people have the right to take part in decisions concerning them, to discuss issues democratically, rather than accepting unilateral decisions made from above, on the grounds of economic reasons.

*“We said that besides being an economic decision, it was just as much a political one. Because besides the numbers, it is a decision that affects a big percentage of society who don’t have another way to access housing.” (Gaston)*

The strikes build upon common values of social justice, solidarity, and the conviction that one must embrace humanity instead of the instrumental rationality dictated by capitalism.

*“There is a very strong instrumental logic that permeates everything. And then the cooperative becomes more than a mean to reach housing. It is a way to live in community, live with others, and achieve our goals together. So, well, we have to question that instrumental logic, we have to stand up against it.” (Amaranta)*

There is a belief in the strength of collective action and unity, that with committed participation, it is possible to weaken the power of the state in defining the moral economy.

*"[The strike of 2002] was resolved because it entailed a civil disobedience, which you put once and again on the bargaining table and the streets can undermine the solidity of the state ideology." (Aureliano)*

### **The state's position**

While for the cooperativists the mortgage strike seemed fair, their stance was challenged. In the struggle over defining what is 'just', the moral economy propagated by FUCVAM was in contradiction with the economic rationality represented by the state.

During the mortgage payment strike, the FUCVAM was condemned by the state for not complying with its moral obligation to pay. The legitimacy of the strike was attacked in the press. "Throughout the 20 years that the Ministry has financed the construction of housing cooperatives, there has never been one that paid the instalments as previously agreed. ..." – said an informant of the National Housing Agency in 2010 to the influential newspaper, *El País*. (El País, 2010) The newspaper referred to the loans handed out to FUCVAM as 'burned money', which will never get back into the hands of the state (Ferreira, 2011). Florentino, a worker of the National Housing Agency told me:

*"It is a problem, they never pay, they always go on strike ... But of course, the idea begins to be distorted, ... so that did not generate so much sympathy." (Florentino)*

The cooperatives were also accused of blocking resources from other cooperatives waiting for loans (Vidal, 2018b). During the strike of 2002, the FUCVAM argued that it is not the working class who should be blamed for the lack of resources. It is the unequal distribution of those resources that causes the problems, especially during the crisis when the whole National Housing Fund was used for the bailouts of financial institutions (LaRed21, 2007). In 2019, responding to similar accusations, the president of FUCVAM argued, "I think it is more than proven that we are workers and we do not intend to harm workers; they are our class" (quoted in Riguetti, 2019). The social unrest was characterized by a clear distinction between the interest



of the working class and the interest of capital. The FUCVAM emphasized that their struggle was to challenge the latter both economically and morally.

Questioning the economic necessity behind the strikes is another way of delegitimizing the fight of the cooperatives. One cooperativist told me that when they approached the housing minister of the left-wing party in 2019 about decreasing the interest rates, she responded that the cooperativists are the “new rich”, the middle class who want to use the money they save on payments to “buy themselves cars”. I visited an economist, Fernanda, a long-time employee of the Ministry of Housing, who experienced both mortgage payment strikes. She seemed frustrated with the FUCVAM. Regarding the 2002 strike, she told me, that the document on which the fair amount was calculated was never proven to be true. The 2% strike also seemed unjust to her. She argued that the subsidy system allows for those in need to pay less (only the maximum 25% of their monthly income), but the families that can afford to pay the whole instalment should do so. I looked around me. I was in her flat, on the top floor of a 9-storey building, located in one of the most elegant neighbourhoods of Montevideo. We were in a huge living room that was bigger than a whole 4-bedroom apartment in a cooperative. As mentioned before, the cooperativists I talked to bring in around an average UYU 50,000 per month in a family with two earners. For a 3-bedroom apartment the subsidized monthly instalment is around UYU 12,500. This leaves the family with UYU 37,500 per month. Averaging different available calculations, the cost of living for a family of four, excluding rent, is around UYU 100,000 (*Cost Of Living For a Family in Uruguay 2025*, 2025; *Cost of Living in Uruguay. Prices in Uruguay*, 2025; Uniyal, 2024). When I asked Fernanda if the Ministry of Housing had any data regarding the average income in cooperativist, she told me that they do not. She clearly did not comprehend the economic reality behind the strike.

The cooperatives’ conviction that there should be no profit made on providing housing is another point of disagreement.

*“We give you the loan at a reasonable interest rate ... on the market rate. ... The interest rate has to be something that should be modified over time to maintain the purchasing power of the resources that are lent.” (Fernanda, Ministry of Housing)*

Let us remember here that the loans are paid back in readjustable units, which are modified each year according to the inflation and real wages, to uphold the purchasing power of the instalments without changing the interest rate. Fernanda’s opinion is that the federation is clinging to its *“historical rights”* and *“not able to adapt to the changing circumstances”*. As *“Uruguay is not the same country as it was in 1968”*. Fernanda represents the new moral economy, which perceives the economic logic to be normal and fair, positioning itself in the narrative of modernization and the efficiency of the state.

This is a clear example of how the shift in the moral economy of housing and debt creates a field of struggle. The *“change in circumstances”* that she refers to is the change from the times of welfare provision to neoliberalism. The retreat of the welfare state and the profit-oriented logic is normalized, even in the field of social provisions. But is the struggle of the cooperatives really just about aiming to restore their obsolete, traditional entitlements? Is it a backward-looking fight? Palomera and Vetta argues, no. In their view, these struggles are very much future-oriented *“as they [partake] in the historical strife among hierarchically-positioned social groups to define entitlements and rights, forms of social responsibility and obligation, tolerable levels of exploitation and inequality, meanings of dignity and justice”* (Palomera & Vetta, 2016).

Fernanda seemed frustrated with the strikes; she told me that the cooperatives take advantage of their long-established political power. In reality, the state is powerless against them as the political cost of changing the *Housing Law of 1968* or evicting thousands of families would be too high for any government. It is worth underlining that in other contexts (see for example, the crisis of 2008 in the US or Europe), the political cost was no concern for the governments during the eviction of thousands of indebted families (Leyva del Río, 2022). Similarly, it is rare that a

housing policy stays intact for more than 50 years amidst the neoliberal restructuring of a country. As I see, what this case shows is that the prevailing neoliberal logic that is increasingly trying to define the moral economies is not unquestionable. The struggles of the cooperatives not only manage to protect the members from the changing conditions of repayment but also aim to (re)define the moral economies. At the same time, one must not overstate the influence of the mortgage payment strike. They form part of a rather particular conjuncture, defined by various factors, such as the history of the country and the rise of the left-wing *Frente Amparo* during the 2000s.

Part II explored the moral economies and the political-economic and historical particularities behind the mortgage payment strikes of the FUCVAM. Many of my interlocutors emphasized that a shared conviction among the cooperativistas, that their fight was just, contributed greatly to the success of the payment strikes. I argued that these convictions derived from the members' perception of housing as a social right, the expectations of the state, and the values of *compañerismo*. Part II provided an analysis of the ambiguous relationship between the cooperatives and the state. While the cooperatives rely on the complexity of the state to maintain their social inclusivity, this puts them in a highly dependent position. However, there is a conflictive tendency between the two actors; the state often represents the interest of the domestic and international capitalist class, following the logic and values of capitalism. Meanwhile, the cooperatives represent the interest of the working class, and follow the values and logic of the commons, contradicting that of the capital.

The payment strikes form part of these conflictive tendencies. This “most radical tool of resistance” arises at times when the inequalities of the system start to seem highly unjust or even unbearable. I argued that the moral economies represented by the state and by the FUCVAM were contradictory. The FUCVAM perceived housing as a social right, which should not fall under the logic of capital accumulation. The cooperative members maintained that

housing should be seen as use-value rather than exchange value, and that it is unjust to make a profit on housing, especially on the part of the state, whose role should be to provide housing to the vulnerable segments of society.

The FUCVAM defied the prevailing economic rationality, which defines the social perception of debt, and turned debt from a shameful moral obligation into a tool of resistance. The moral economy of the FUCVAM did not go unchallenged; the state – influenced by the political and economic elites behind it - urged privatization, financialization, and neoliberal readjustment, representing a new moral economy. The struggle for the moral economies entailed a fight over whose interests are seen as legitimate: those of the working class or those of capital. I argue that the moral economy represented by the *cooperativistas* proved to be strong. The state did not dare to evict people, modify the National Housing Law, or privatize the cooperatives. Therefore, it remained without weapons to suppress the payment strikes and had to give in to the demands of the cooperative movement. I argue that this would have been impossible without the power of the FUCVAM as a social movement and the firm values of the *cooperativistas*, anchored in *compañerismo*.

## Conclusion and discussion

The central puzzle addressed in this thesis has been the repeated success of the mortgage payment strikes of the FUCVAM. This “most radical tool of resistance” appears unique in its scale, endurance, and outcome. The strikes collectively contested the dominant narrative on debt and economic rationality - narratives that the majority of society perceives as natural and unquestionable. I arrived in the field with prior knowledge of the importance of the institutional-legal structure of the cooperative model, the political strength of the cooperative movement, and the economic necessity of the members - all crucial aspects for understanding the strikes. What I discovered, however, was the significance of shared convictions, which had a profound influence on the success of the strikes. I argued that the belief in the justness of the struggle reinforced the political strength of the mobilizations. However, this shared conviction is not self-evident - it must be formed. I argue - based on participant observation and engaging in dialogue with my interlocutors - that the particular social relations and collective set of values (re)produced within the cooperatives (summarized as *compañerismo*) contribute significantly to the formation of the collective beliefs underlying the payment strikes.

I conceptualized the cooperatives as *commons*, where social relations and values are (re)produced through solidarity, mutual aid, horizontal decision-making, and collective ownership. Different forms of learning - through commoning, collective work, and opportunities provided by the federation - contribute to the development of common ideologies and *cooperativista* subjectivities. The commons create space for the articulation of collective (class) interests, encouraging members to take part in broader social struggles. The FUCVAM provides a crucial platform for political engagement and collective organization, moving beyond housing issues. It contributes to the creation of a social movement – which I have conceptualized as a *commons movement* - that is not only able to articulate demands, but also

offers an affirmative vision pointing toward an alternative way of organizing social reproduction.

I argued that the logic and values of the commons contradict those of capital accumulation, contributing to the enduring conflict between the FUCVAM and the state, present since the movement's inception. The state's entanglement with the economic elite and the pressure from international financial institutions resulted in a neoliberal economic and ideological transformation that introduced new moral economies. During the payment strikes, the inequalities became intolerable for the *cooperativistas*, and the prevailing moral economies were called into question; the legitimacy of debt and housing inequalities came under scrutiny. The struggle was not solely about the moral perception of these issues; it was also a form of class struggle, essential in defining which groups' interests prevail at the political-economic level.

The research has shown that the moral economy propagated by the FUCVAM conceives debt as a potential form of collective resistance, rather than an individual responsibility. The movement advocates for collective property rights and housing provision, consistently representing the interests of the working class. In contrast, the state challenges the legitimacy of the payment strikes on moral grounds. It pushes for privatization and the market encroachment of welfare provisions, frequently in collaboration with the domestic and international capitalist class. However, the cooperative movement managed to assert its claims; their firm convictions and capacity for collective action contributed to their success in challenging what they perceived to be unjust.

The insights provided in this thesis contribute to the scholarly work on commoning, debt resistance, and social movements. By invoking the concept of the commons in the analysis of the mortgage payment strikes, I aimed to show that the commons are not only powerful in transforming the sphere of reproduction; they can also serve as a foundation for commons

movements. The case of the FUCVAM illustrates the potential of such a movement to tackle social inequalities through collective action. The collective interests articulated by the *commoners* can translate into struggles in the political-economic sphere, without losing sight of the importance of building social relations from below. In an environment of increasing neoliberalization, both the protection and expansion of the commons may depend on the outcomes of struggles in the realm of political economy. However, the strength of the commons lies in developing a new form of power - one that does not aim to seize “political power” and hand it to a new group to govern (De Angelis, 2014). Rather, the commons seek to cultivate a distinct form of power that fosters gradual but fundamental social change - “which therefore corresponds to the ‘dissolution’ of the old society and of the old ‘condition of existence’” (Marx & Engels, 2017 In: De Angelis, 2014) or to a transformation in the “economic structure of society” constituted by “the totality of the [social] relations of production” (Marx, 1989 In: De Angelis, 2014).

Finally, I must address the limitations of this thesis. Firstly, Uruguay is a country with a particular political tradition, a relatively stable democracy, and a history of welfare provisions. These traditions have had a significant impact on state regulation of cooperatives and the strength of the cooperative movement. The state's traditional role greatly influenced the outcome of the mortgage payment strikes. This distinguishes the case from other debt resistance movements, which are often directed against private actors. Therefore, caution must be exercised in generalizing this experience, let alone applying it to cases embedded in different historical-political contexts. Secondly, the thesis fell short in fully capturing the complexity of the state and political blocs; the interests of the capitalist class were often equated with those of the state. Yet, there are instances in which the state does not align with capitalist demands. Thirdly, in some cases, the thesis did not clearly differentiate between the payment strikes and the anti-capitalist potential of the commons. While the cooperative movement holds values that

challenge the logic of capital accumulation, the payment strikes themselves may not always articulate such far-reaching claims. Finally, it must be noted that the research was primarily conducted in the significantly left-leaning capital, which may have overrepresented anti-systemic opinions within the movement.

Given more time and resources, I would conduct further research on (1) *cooperativista* values in the more right-leaning regions of the country; (2) the complexity of class relations within the cooperatives; (3) public perceptions of the mortgage payment strikes from outside the cooperatives; and (4) the differing moral perceptions of individual-private debt versus collective-state-owned debt within the cooperatives.



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