

The Thriving Mondragon Coop Model



An advanced 50-year-old network of worker cooperatives and other integrated organizations involving more than 100,000 workers with global reach.

By Carl Davidson,
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Mondragon headquarters in the Basque Country


Types of Coops in MCC

•INDUSTRIAL	87
•CREDIT	1
•CONSUMER	1
•AGRICULTURAL	4
•EDUCATION	8
•RESEARCH	13
•SERVICES	6

•TOTAL
120 cooperatives as of 2011



The Core Principle: Sovereignty of Labor

	Power Relations Are Reversed	
	Authority: Who is in charge?	Instrument: Who is the tool?
Conventional Company:	CAPITAL	LABOR
Cooperative Company:	LABOR	CAPITAL

How Does Labor Main Its Control?

1. **Democratic ownership—one worker, one share, one vote**
2. **Distribution of all surplus value goes only to workers, the coop itself for growth, or to the local community**
3. **Low differential in income spread**
4. **Participation in decision making is required**



There's More: Ten Principles

Open Admission

Democratic Organization

Sovereignty of Labor

Capital as Instrument

Self-Management

Pay Solidarity

Inter-Cooperation

Social Transformation

Universal Solidarity

Education



The Principles Are Ordered



The illustration features the 10 Basic Cooperative Principles currently in force. The depiction makes no attempt to apply a criterion of priority, but rather sets out to establish some form of inter-relation between them:

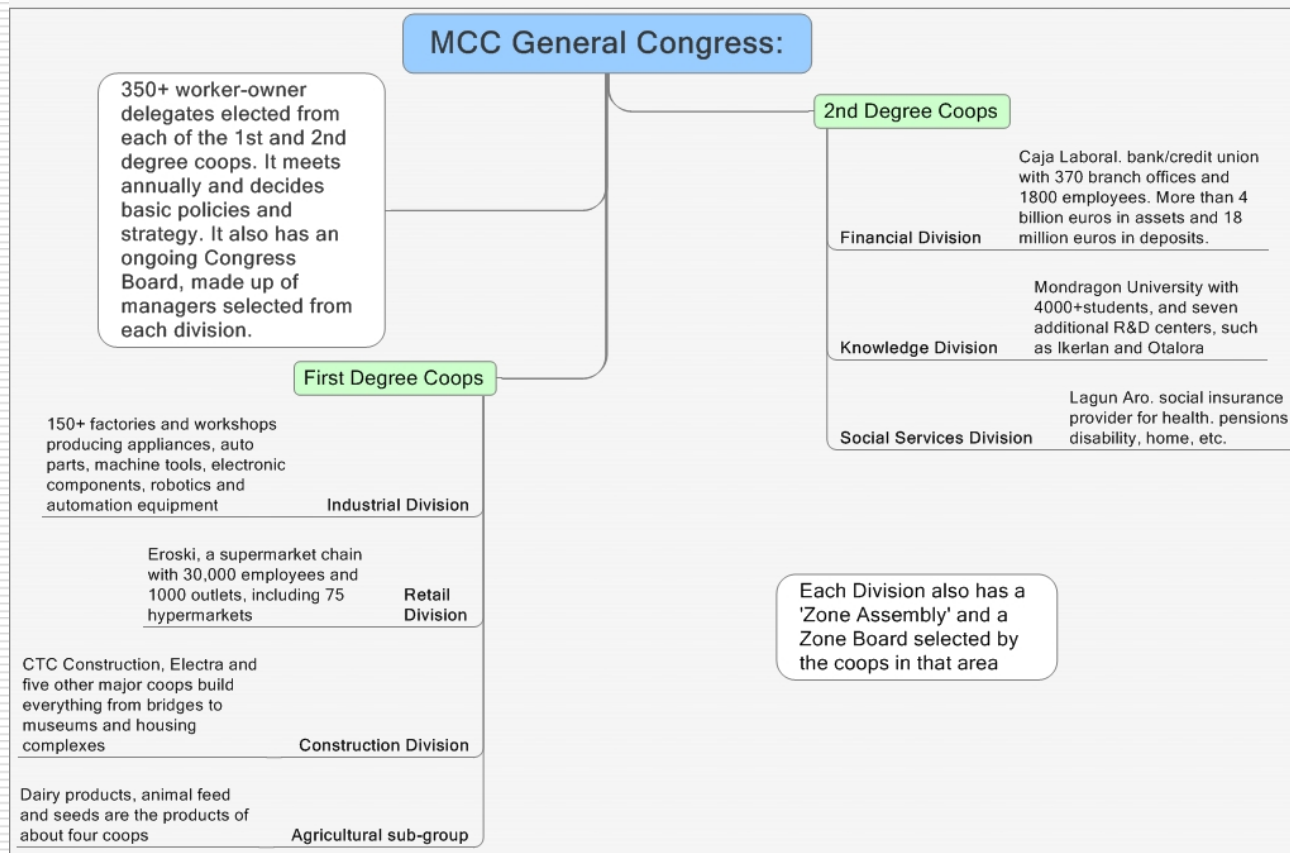
The core is occupied by **EDUCATION** as the basic mainstream principle that feeds and feeds off all the others, and the **SOVEREIGNTY OF LABOUR**, which is shielded by the other five principles of an internal nature in each individual Cooperative: **INSTRUMENTAL AND SUBORDINATED NATURE OF CAPITAL, DEMOCRATIC ORGANISATION, OPEN ADMISSION, PARTICIPATION IN MANAGEMENT AND WAGE SOLIDARITY.**

Two 'Secrets' to Success

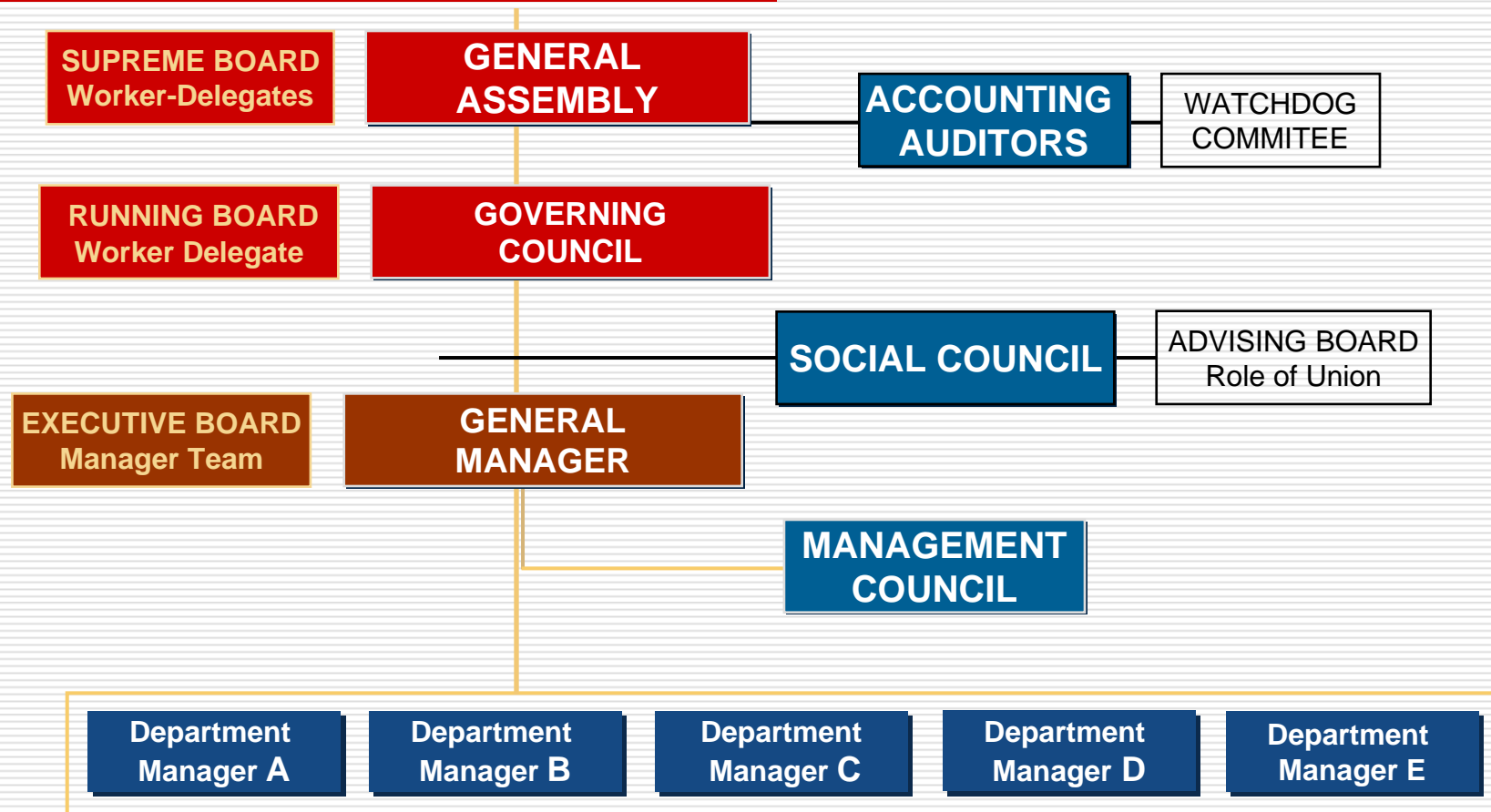
- ❑ The coop can't stand alone, but needs to be partnered with a school and a credit union, preferably also worker-owned coops.
- ❑ A worker can 'cash out' his or her share, but it cannot be sold to anyone besides a new coop member. This keeps labor's sovereignty



First and Second Degree Coops



Basic Coop Structure



21st Century Challenges

Non-Member & New Workers

In coops, 20% → 15%, but
reduced to near zero in crisis.
Shifts in culture

Manufacturing → Service, Need for Innovation
Photovoltaics, Green Energy Biotech,
Health Technology

Problems of Globalization

Need to 'cooperativize' operations,
ensure social responsibility.

Work and management in other cultures

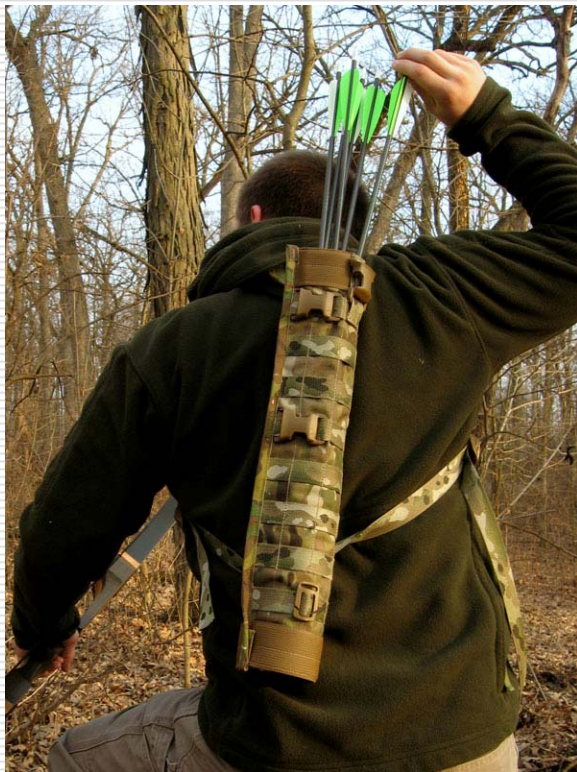


Three Things to Start...

- Workers with a desire to do it
 - Workers who trust each other
 - A good business plan
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Big Picture: Coops Are Only One Arrow in Our Social Change Quiver. Keep an All-Sided View



- Defense of Civil Rights
 - Electoral campaigns
 - Trade Union Battles
 - The War on Women
 - Stopping New Wars
 - Bringing Troops Home
 - Ending Student Debt
 - Organize the Unorganized
 - Living Wage Campaigns
 - ...Other Social Movements in the Battles for Democracy
-

***'Knowledge is power ...
knowledge must be socialized
so power can be
democratized.'***

-- José María Arizmendiarieta

***'This is not paradise and we are
not angels.'***

***--Mikal Lezamiz, Director of
Cooperative Dissemination,
MCC***



Mondragon as the Platypus, a 'Mistake'

- A final note: Critics from both the socialist and capitalist worlds are known to say Mondragon is a 'mistake,' that it can't really survive or work. But luckily the lowly Platypus doesn't know it's a 'mistake', and just keeps on thriving and reproducing. So it is with MCC.

