



Ongi etorri

CCIN

10 October 2022

THIS IS MONDRAGON



80,000

People

11,500 M€

Income



95

Cooperatives

132

Companies abroad

23

Other structures

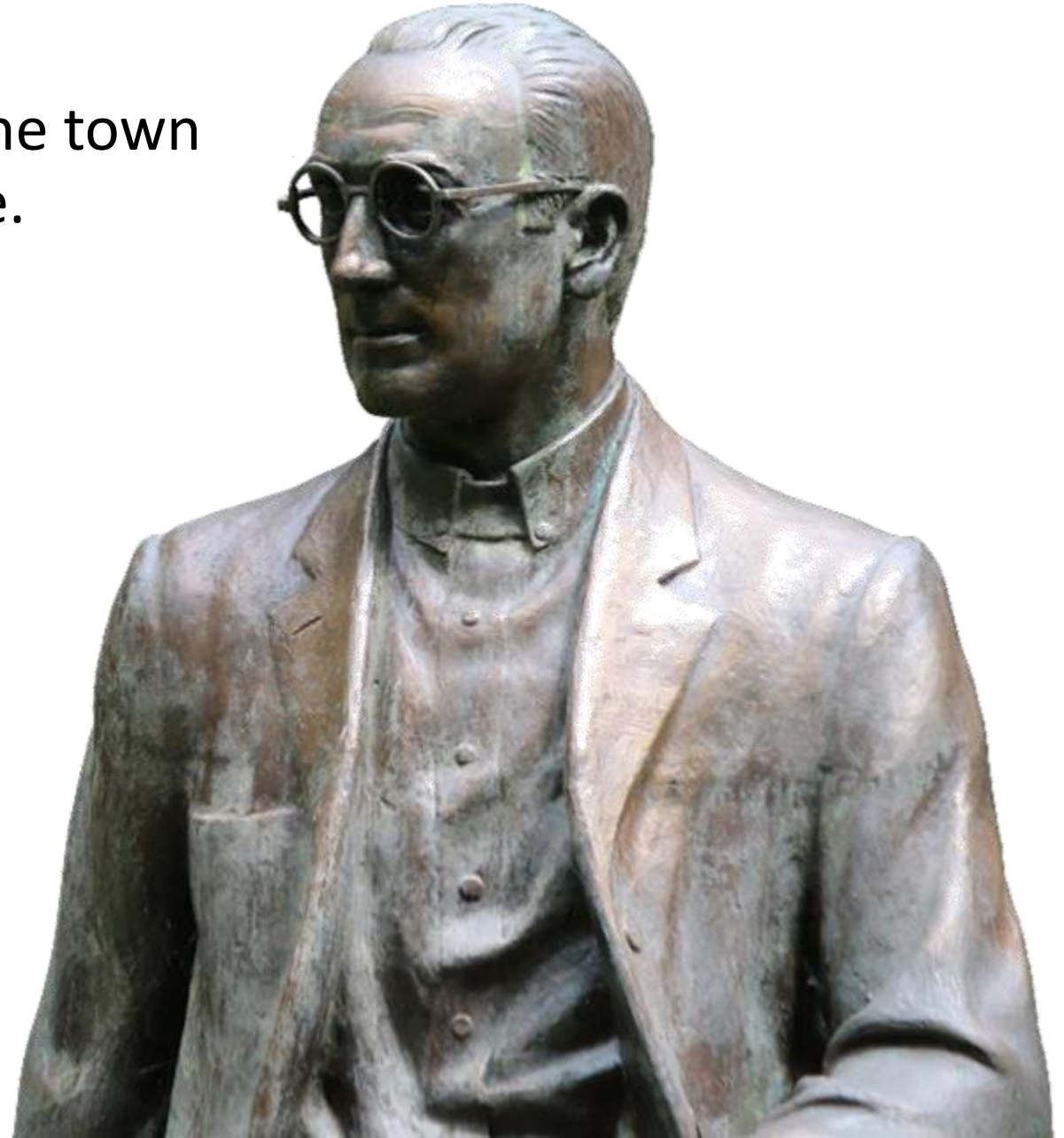
- Industrial 63
- Credit 1
- Consumer 1
- Agricultural 3
- Educational 8
- Research and Development 14
- Services (consulting, engin., food) 5
- **Total cooperatives**

95



Jose Maria Arizmendiarieta

- In 1941 he came to the parish of the town of Arrasate-Mondragón as a curate. He is 25 years old
- These are his ideas:
 - Dignity of the human person
 - Solidarity
 - Work
 - Education
- The world is in crisis
- We have to create a new person



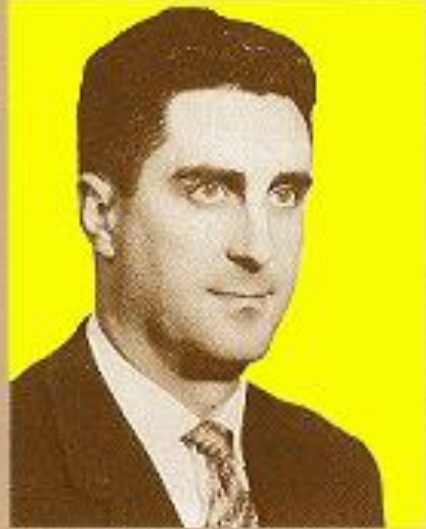
- In the town of Arrasate-Mondragón, after the war: economic hardships and social division
- He works intensively with young people organizing many activities: sports, culture and, mainly, education
- In 1943 he founded the *Escuela Profesional*
- A group of that young people studied technical engineering
- Ideological education; preaching; action



- Also action in the field of work
- They asked *Unión Cerrajera* (the biggest company in the region at that time) to distribute shares among the employees so they could have power. They did not succeed
- In 1956 five of the engineers created ULGOR



U satorre, Luis



L arrañaga, Jesús



G orroñoigoitia, Alfonso



O rmaechea, José María



oR tubay, Javier

A fairer company

Member = Worker = *Owner*

The right to vote (1 vote)

The right to be elected

Funds for the community (10%)

Narrow remuneration system



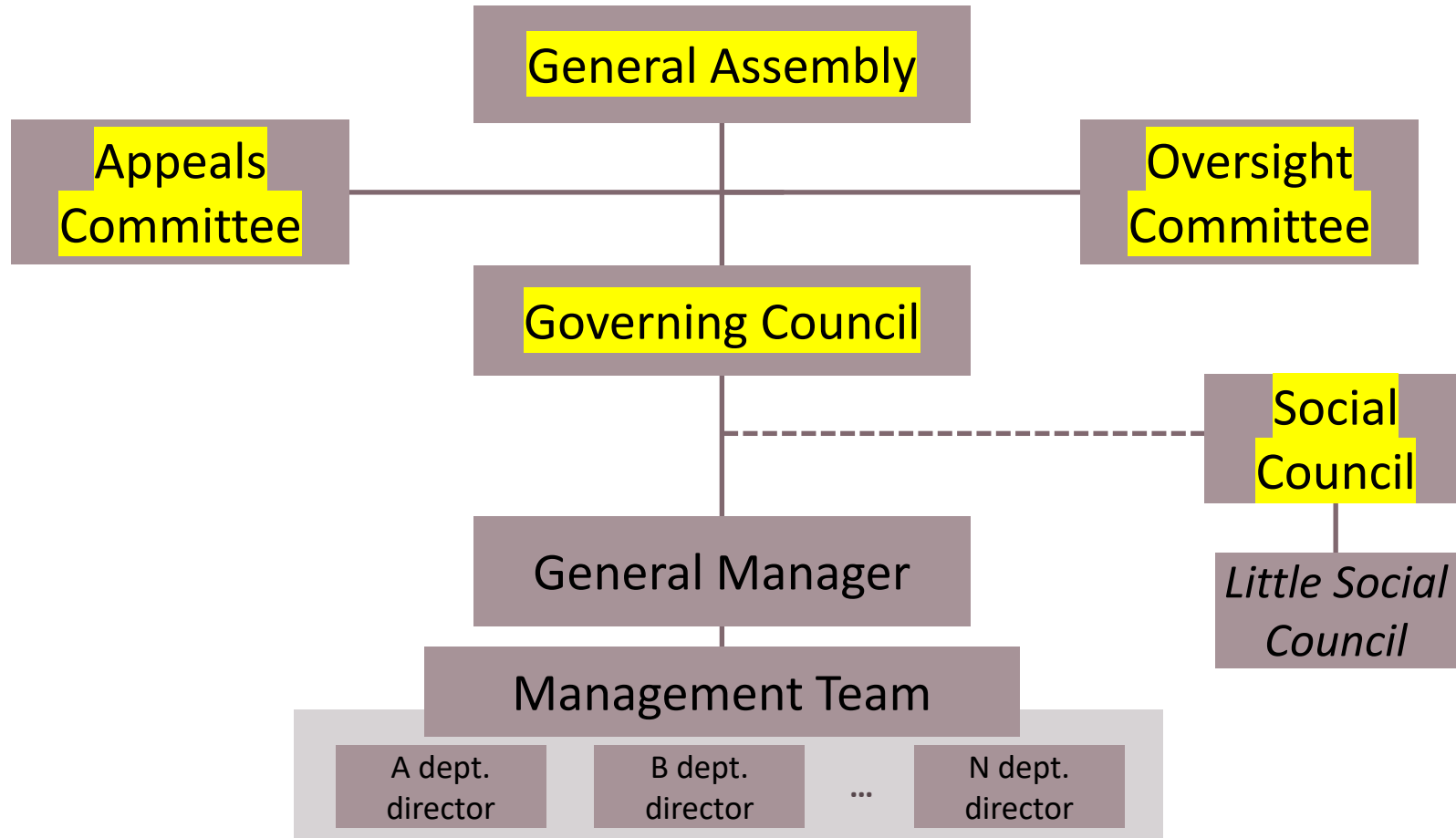
Fagor Arrasate tension levelling lines

Some of the rules in MONDRAGON

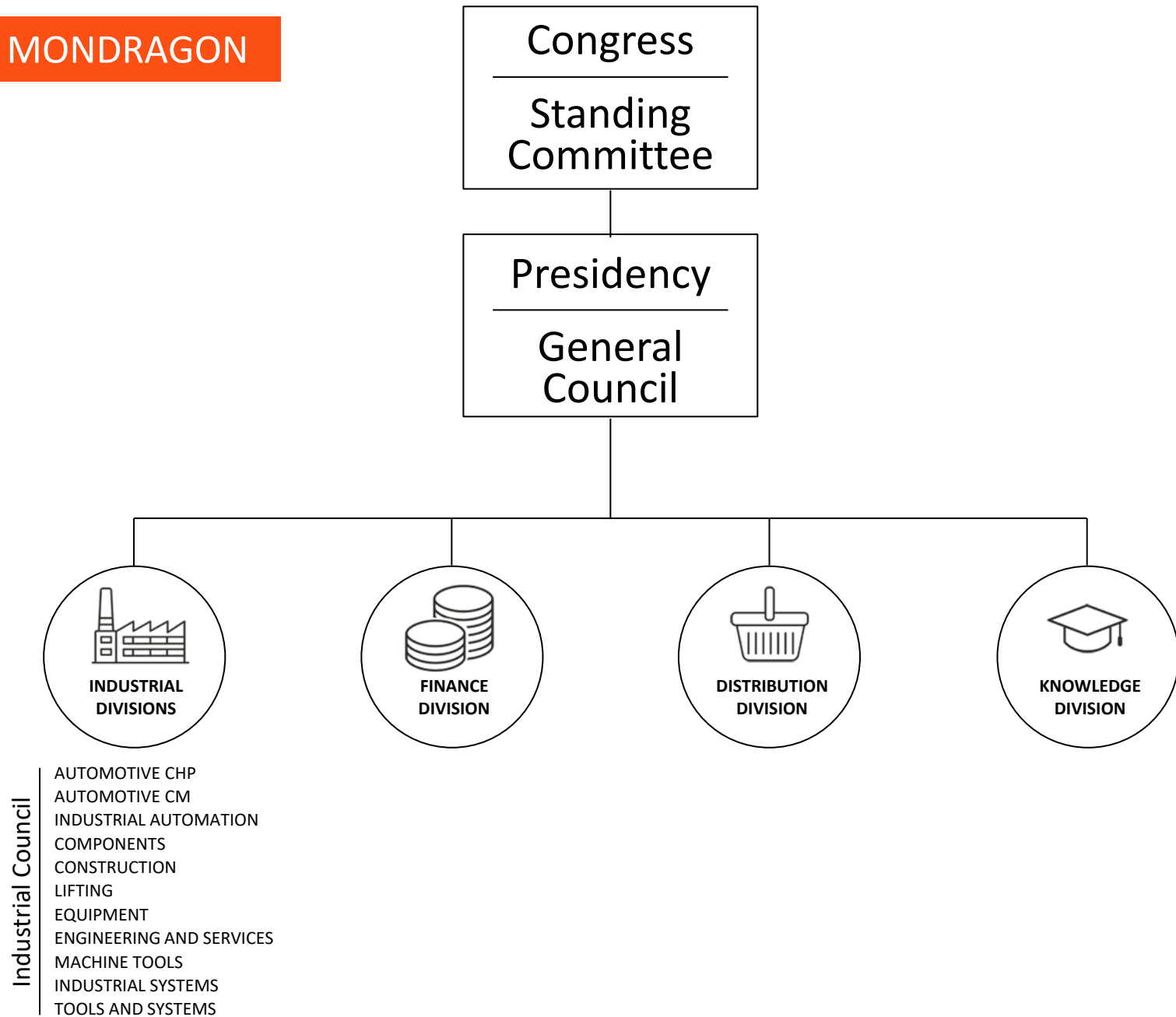
- Relocations of personnel among cooperatives
 - Not internal competition
 - Initial membership investment/contribution (€16,000)
 - Interest paid out of cash <7.5%
 - Reporting of data concerning MONDRAGON Headquarters
 - Narrow remuneration system
-
- 1st. Pooling of results (from the gross profits) within division: between 15% and 40%
 - 2nd. Then, 14% for corporative funds: investment funds 7%, aid funds 7% (education-research, compensation for losses, social projects...)
 - 3rd. Distribution of net profits
 - . 10% for education and cooperative promotion fund (law requires 10%)
 - . 60% for reserve fund (law requires at least 20%)
 - . 30% returns to workers → capitalize (members), cash (non-members)



Basic structure within a cooperative



Structure of MONDRAGON



- Strategic plan
- Corporate delegations abroad
- Purchasing Platform
- Promotion Centre
- Corporate Centre
- Laboral Kutxa
- Lagun Aro
- Education: schools, university
- Research: technological research centers, university
- Learning forums
- Shared projects
- ...

Common strategies
& institutions

Mechanisms

in good and bad times

- Pooling of profits
- Funds: investment and aid
- *Intercooperative* loans

Mechanisms in times of crisis

LAGUN ARO Employment aid

- Relocation
- Professional retraining
- Unemployment insurance
- Flexible work calendar
- Early retirement
- Compensation

2021 – 2024 challenges

- ✓ Commitment and cooperative identity
- ✓ Sustainability
- ✓ Business with a future
- ✓ Flexibility and adaptability
- ✓ Digital transformation
- ✓ Intercooperation
- ✓ Attracting and developing talent

Europa: *Next Generation* projects

- ✓ Digitalization
- ✓ Energy and electric vehicle
- ✓ Health and care for people

intercooperation is **solidarity**
and is a requirement for business **efficiency**



Some milestones

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- ✓ 1943 Arizmendiarieta sets up the Escuela Profesional (MONDRAGON UNIVERSITY since 1997)
- ✓ 1956 ULGOR
- ✓ 1959 Caja Laboral (bank + entrepreneurial division)
- ✓ 1959 Lagun Aro (welfare health mutual for members)
- ✓ 1964 First co-operative Group (Ularco-Fagor)
- ✓ 1966 Alecop (student working in a worker co-op)
- ✓ 1968 Auzo-Lagun (founded by women)
- ✓ 1969 Comerco, later called Eroski (consumer cooperative)
- ✓ 1974 Ikerlan (research center)
- ✓ 1987 I Congress: creation of Grupo Cooperativo Mondragon (GCM)
- ✓ 1991 III Congress: creation of Mondragon Corporación Cooperativa (MCC)

...

Corporate values

CO-OPERATION

Owners and protagonists

PARTICIPATION

Commitment to management

INNOVATION

Constant renewal

SOCIAL RESPONSIBILITY

Distribution of wealth based on solidarity,
and involvement in the community



Basic principles

1. Open admission and neutrality
2. Democratic organization
3. Sovereignty of labor
4. Instrumental and subordinate nature of capital
5. Participatory management



6. Wage solidarity
7. Intercooperation
8. Social transformation
9. Universality
10. Education

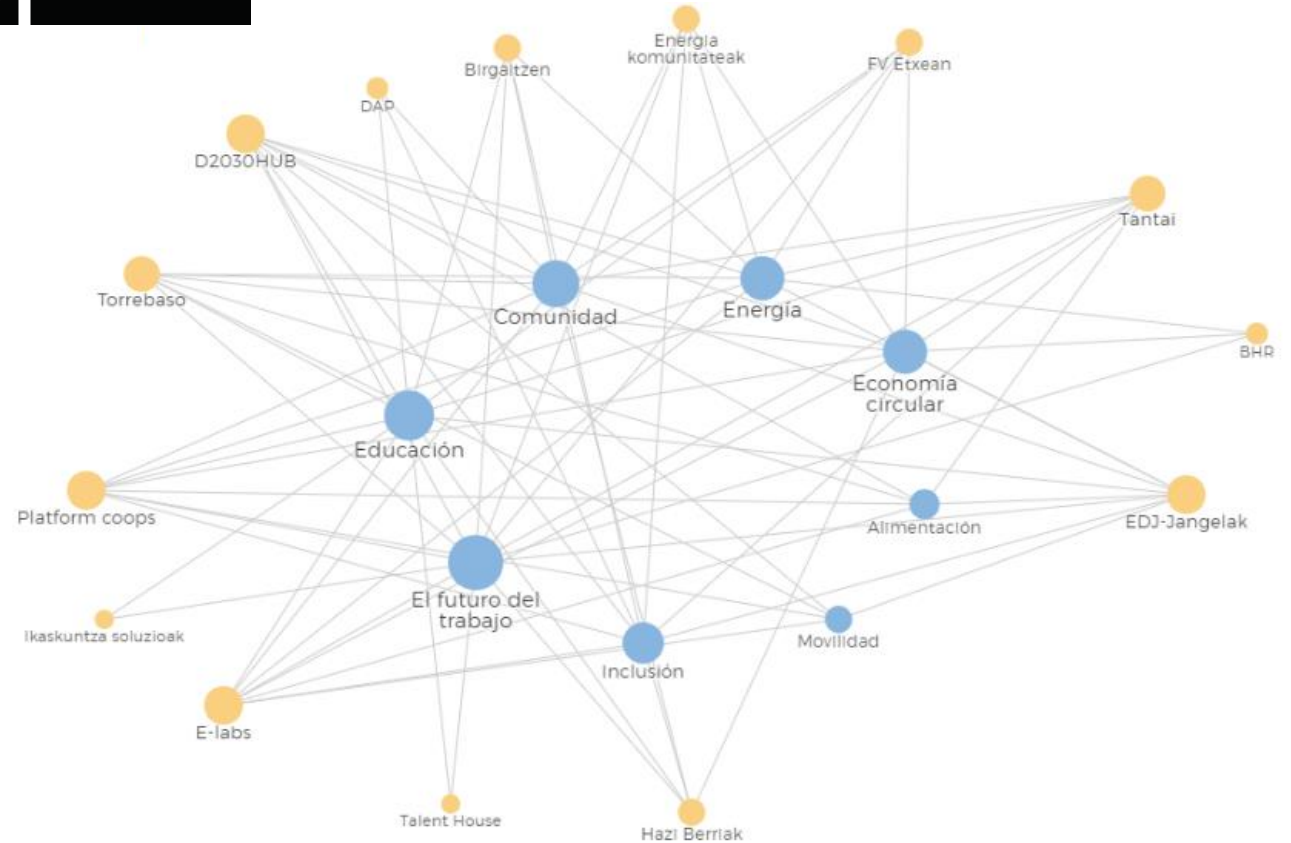
Mission

MONDRAGON is an entrepreneurial socioeconomic entity with deep cultural roots in the Basque Country, created by and for the people, inspired by the Basic Principles of our Co-operative Experience, committed to a sustainable society, to the improvement of competitiveness and to the satisfaction of customers, to create wealth and transform the society through entrepreneurial development and job creation, preferably membership-jobs in co-operatives.

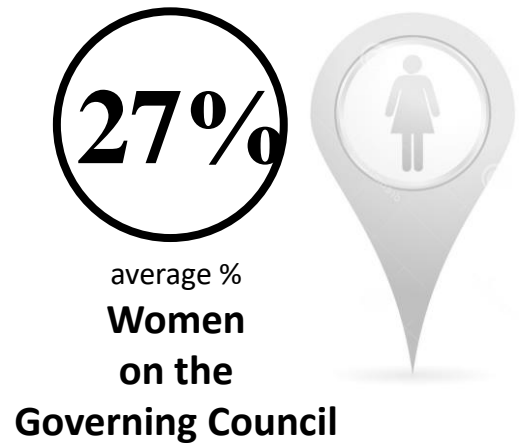
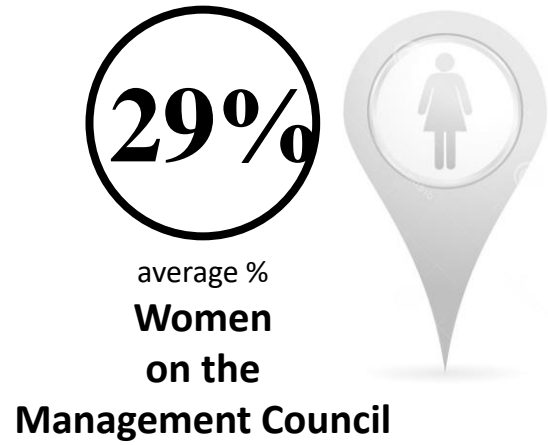


To achieve a smart, inclusive and climate-neutral Alto Deba by 2050, by deepening the community development of the territory, acting jointly with public institutions, economic agents, knowledge agents and civil society.

<https://debagoiena2030.eus/es/>



Gender equality. Data 2020



Environmental objectives

65%

Sales under
environmental
management
systems



Mission

- ✓ Based on a commitment to solidarity
- ✓ Using democratic methods (one member, one vote)
- ✓ Encourages the participation and integration in:
 - **Management**
 - **Profits**
 - **Ownership**
- ✓ Develop a shared project harmonizing social, business and personal progress
- ✓ Promote training and innovation

Intercooperation







Eskerrik asko

HUMANITY AT WORK

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