MONDRAGON
HUMANITY AT WORK
COOPERATIVES WITHIN MONDRAGON

- INDUSTRIAL: 87
- CREDIT: 1
- CONSUMER: 1
- AGRICULTURAL: 4
- EDUCATION: 8
- RESEARCH: 14
- SERVICES: 5

TOTAL: 120 cooperatives
Structure in MONDRAGON

CONGRESS
Permanent Council

GENERAL COUNCIL

FINANCIAL GROUP

INDUSTRIAL GROUP
Automotive
Components
Construction
Industrial Equipment
Domestic Appliances
Engineering and Capital Goods
Machine-Tools

RETAIL CHAIN GROUP

Training and Research Centres
## MONDRAGON DATES

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTERNAT. SALES BY INDUSTRY</td>
<td>2.699M</td>
<td>54%</td>
<td>57%</td>
<td>58%</td>
<td>59%</td>
<td>60%</td>
<td>65%</td>
<td>70%</td>
</tr>
<tr>
<td>INVESTMENT</td>
<td>784M</td>
<td>1.081M</td>
<td>1.243 M euros</td>
<td>2.548 M euros</td>
<td>1.324 M euros</td>
<td>378 M euros</td>
<td>101 M euros</td>
<td>194 M</td>
</tr>
<tr>
<td>PERSSO-NEL (full time jobs)</td>
<td>70.884</td>
<td>78.455</td>
<td>83.601</td>
<td>95.000</td>
<td>92.773</td>
<td>85.066</td>
<td>83.859</td>
<td>83.569</td>
</tr>
<tr>
<td>NET PROFITS</td>
<td>502M</td>
<td>545M</td>
<td>677 M euros</td>
<td>792 M euros</td>
<td>71 M euros</td>
<td>61 M euros</td>
<td>178 M euros</td>
<td>125 M euros</td>
</tr>
</tbody>
</table>
INNOVATION IN MONDRAGON

- 716 patents
- 144 M euro invested in R+D+I in 2010
- 14 Research and Development Centers
- 1,293 people in Research Centers
- In 2011 Participating in 76 R+D projects (42 of them internationals)
CHALLENGES IN NEW SECTORS IN MONDRAGON

• 1- New energies
• 2- Health+Food (Biotech, Biomedic)
• 3- New Inf+Com Technologies
• 4- The third age (elderly people sector)
• 5- New materials (electric car, aeronautic, railway)
Mondragón Co-operative Corporation (MCC) 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 the community, to the improvement of competitiveness and to the satisfaction of customers, to create wealth within society through entrepreneurial development and job creation, preferably membership-jobs in co-operatives.
Mission (II)

- MCC is based on a commitment to **solidarity** and uses **democratic methods** for its organisation and **management**.

- MCC encourages the **participation** and integration of people in **management, profits** and **ownership** of their companies, to develop a joint, harmonising project aimed at social, business and personal development.
INTERCO-OPERATION

EDUCATIONAL

SOCIAL& HEALTH

FINANCIAL

RESEARCH AND DEVELOPMENT (R&D)
MEMBERSHIP RULES TO ENTER MCC

• Relocation of staff among cooperatives.

• Restructuring results (gross profits).
  – Within the sectorial groups (>15%–<40%)
  – Within corporative funds in MONDRAGON (Investment 10%)
    (Education 2%) (Solidarity 2% - for compensation in Case of losses)

• Solidarity in profit distribution (net profit of each co-op)
  – 10% Fund of Education (Law 10%)
  – 45% Fund of Reserve of Co-op (Law 20%)
  – 45% Returns to workers → Capitalize → Interest <7,5% in cash

• Initial capital (15,000 euros in 2011).

• Solidarity in compensation.

• Reporting of data to MONDRAGON Headquarters.

• Not internal competition between co-ops within MONDRAGON.
Basic Structure within a Co-operative
CORPORATE VALUES OF MCC

CO-OPERATION
“Owners and protagonists”

PARTICIPATION
“Commitment to participate”

SOCIAL RESPONSIBILITY
“Distribution of wealth based on solidarity. Involvement in the community”

INNOVATION
“Constant renewal”
BASIC CO-OPERATIVE PRINCIPLES

1. Open Admission.
2. Democratic Organization.
4. Instrumental and Subordinate Nature of Capital.
5. Participatory Management.
7. INTERCO-OPERATION.
8. Social Transformation.
10. Education
STRATEGY OF MONDRAGON

1. People are the mainstay of the enterprise (twenty-first century, century of knowledge)
2. We are all owners and protagonists
3. One person, one vote (democracy)
4. The involvement of everyone in: Management, Ownership and Results
5. Self-management
6. Decentralised organisation
7. Real inter-cooperation in funds and people
8. Reinvestment of surplus
9. Social responsibility
10. Innovation: Technical/Technological, Organisational, Financial, Social
11. Balance between job creation and financial profitability
12. Internationalization
HISTORY OF THE MCC
“CO-OPERATIVE EXPERIENCE”

* 1941 - DON JOSÉ Mª ARIZMENDIARRIETA ARRIVES IN MONDRAGÓN

* 1943 - DON JOSÉ Mª SETS UP THE PROFESSIONAL POLYTECHNIC SCHOOL

* 1956 - THE FIRST CO-OP IS CREATED: ULGOR (FAGOR)

* 1959 - CAJA LABORAL (Bank + Entrepreneurial Division)

* 1959 - LAGUN ARO (Own Social Welfare System)

* 1964 - FIRST CO-OPERATIVE GROUP (ULARCO-FAGOR)

* 1966 - ALECOP (Students working in a worker co-op)

* 1974 - IKERLAN  (Research Centre)
  - Designing and Production Technologies
  - Information Technologies
  - Energy

* 1987 - I CONGRESS of co-ops: Creation of Mondragon Cooperative Group (GCM)

* 1991 - III CONGRESS: MCC, AS A CORPORATION, IS CREATED
MONDRAGON Worldwide

Corporate Delegations (9)
Production Plants (77)
EXPANSION MODEL OF MCC (2005-2008)

• INFORMATION TRANSPARENCY

• SAME STYLE OF MANAGEMENT

• 30% OF PROPERTY SHOULD BELONGS TO WORKER

• 5% OF RESULTS HAVE TO DEDICATE TO LOCAL DEVELOPMENT
MONDRAGON
HUMANITY AT WORK
MIKEL LEZAMIZ
mlezamiz@mondragoncorporation.com
www.mondragoncorporation.com