

## Part 1:

### Mission

'Mondragon .... is firmly committed to the environment, competitive improvement and customer satisfaction in order to generate wealth in society through business development and the creation of, preferably co-operative, employment, which:

- is based on a firm commitment to solidarity and uses democratic methods for organisation and management;
- encourages participation and the involvement of people in the management, profits and ownership of their companies, developing a shared project which brings together social, business and personal progress;
- fosters training and innovation by developing human and technological skills
- applies its own management model aimed at helping companies become market leaders and fostering co-operation.

### Vision

We would like to become committed people, with a co-operative identity who form a profitable, competitive and enterprising business group in a global context; who apply a successful socio-business model, offering the market integrated solutions based on experience, knowledge, innovation, inter-co-operation, strategic partnerships, attracting, promoting and generating talent; and which generates sufficient resources to provide value-added employment and sustainable development for the community.

### Values

Co-operation: Owners and protagonists.

Participation: Commitment to management.

Social Responsibility: Fair distribution of wealth.

Innovation: Constant renewal.

(Source: [www.mondragon-corporation.com](http://www.mondragon-corporation.com))

## Part 2:

### Principles

'The Basic Principles of the Mondragon Co-operative Experience were approved at our first Co-operative Congress held in October 1987. They include a set of ideas forged over more than 30 years of operation as a co-operative, and are set out below:

1. Open admission
2. Democratic organisation
3. Sovereignty of labour
4. Instrumental and subordinate nature of capital
5. Participatory management
6. Payment solidarity
7. Inter-co-operation
8. Social transformation
9. Universality
10. Education.'

(Source: [www.mondragon-corporation.com](http://www.mondragon-corporation.com))

## Part 3:

### 10 Basic Principles

#### 1. *Open admission*

The MONDRAGON co-operative experience is open to all men and women who accept these Basic Principles without any type of discrimination.

#### 2. *Democratic organisation*

The basic equality of worker-members in terms of their rights to be, possess and know, which implies acceptance of a democratically organised company based on the sovereignty of the General Assembly, electing governing bodies and collaborating with managerial bodies.

#### 3. *Sovereignty of labour*

Labour is the main factor for transforming nature, society and human beings themselves. As a result, the systematic recruitment of salaried workers has been abandoned, full sovereignty is attached to labour, the wealth created is distributed in terms of the labour provided and there is a will to extend the job options available to all members of society.

#### 4. *Instrumental and subordinate nature of capital*

Capital is considered to be an instrument subordinate to labour, which is necessary for business development. Therefore it is understood to be worthy of fair and suitable remuneration, which is limited and not directly linked to the profits obtained, and availability subordinate to the continuity and development of the co-operative.

#### 5. *Participatory management*

The steady development of self-management and, consequently, of member participation in the area of company management which, in turn, requires the development of adequate mechanisms for participation, transparent information, consultation and negotiation, the application of training plans and internal promotion.

#### 6. *Payment solidarity*

Sufficient and fair pay for work as a basic principle of its management, based on the permanent vocation for sufficient collective social promotion in accordance with the real possibilities the co-operative has, and fair on an internal, external and MCC level.

#### 7. *Inter-cooperation*

As the specific application of solidarity and as a requirement for business efficiency, the Principle of Inter-cooperation should be evident: between individual co-operatives, between subgroups and between the Mondragón co-operative experience and Basque co-operative organisations, and co-operative movements in Spain, Europe and the rest of the world.

#### 8. *Social transformation*

The willingness to ensure fair social transformation with other peoples by being involved in an expansion process that helps towards their economic and social reconstruction and with the construction of a freer, fairer and more caring Basque society.

#### 9. *Universality*

Its solidarity with all those who work for economic democracy in the area of the Social Economy by adopting the objectives of Peace, Justice and Development which are inherent to the International Co-operative Movement.

#### 10. *Education*

To promote the establishment of the principles stated above, it is essential to set aside sufficient human and financial resources for co-operative, professional and youth education.

(Source: <http://www.mondragon-corporation.com/eng/co-operative-experience/our-principles/>, downloaded on December 8th, 2016)

# Case Study Mondragon



## Part 4:

Workers appoint a Managing Director through their annual General Assembly. However, they still retain the power to make all basic decisions relating to their enterprise (eg what to produce and where). Members of each enterprise decide in partnership with all the other enterprise members on the general rules that will govern the Mondragon Co-operative and all the enterprises within it. As an example, one of the rules agreed and adopted democratically limits the pay of the top earners within the organisation to 6.5 times that of the lowest paid staff. The organisation has won numerous awards and has been held up as an alternative to 'shareholder capitalism' and 'workforce democracy'.