



MONDRAGON

HUMANITY
AT WORK

Finanzas
Industria
Distribución
Conocimiento

MONDRAGON

HUMANITY AT WORK



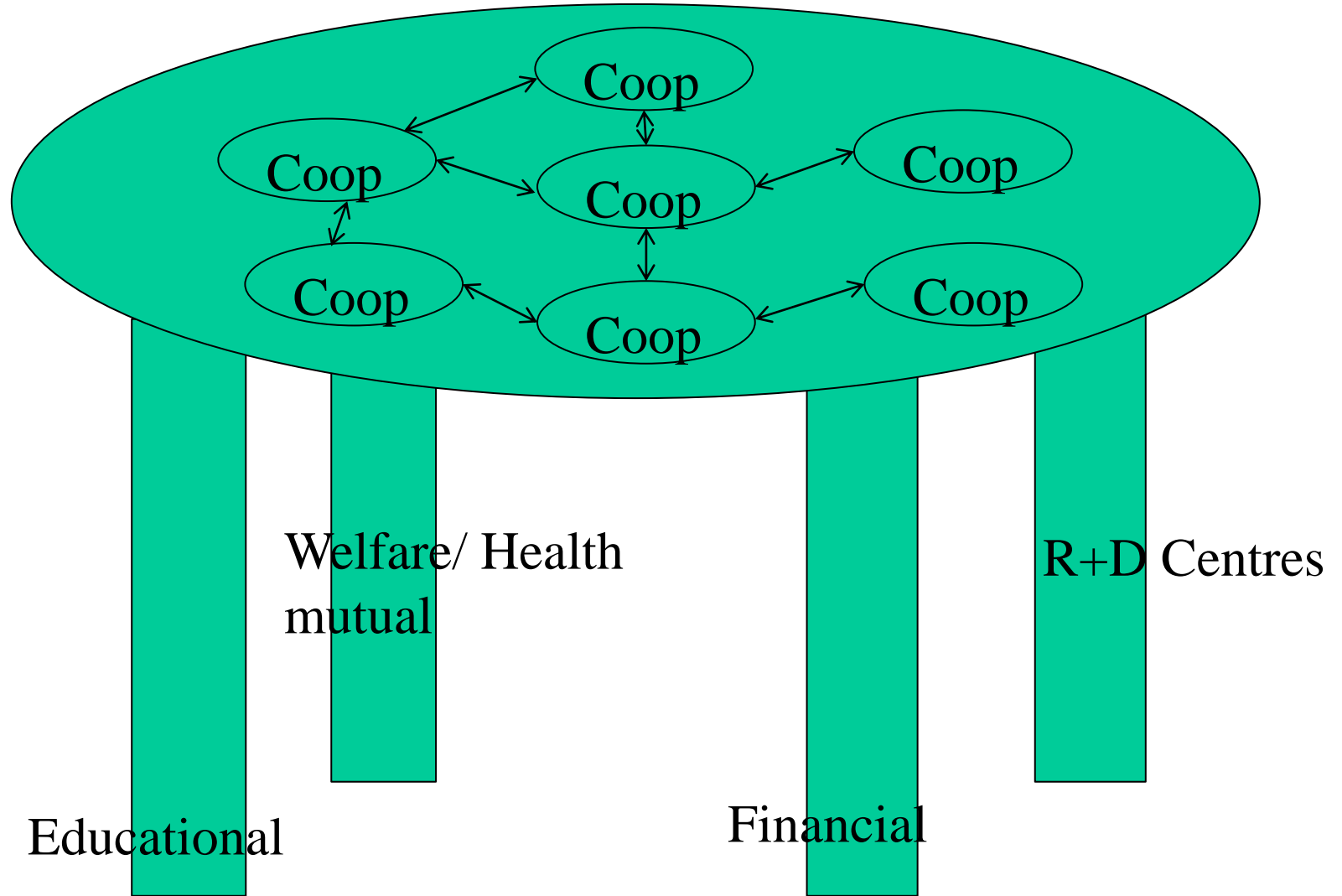
COOPERATIVES WITHIN MONDRAGON

■ Industrial	<u>87</u>
■ Credit	<u>1</u>
■ Consumer	<u>1</u>
■ Agricultural	<u>4</u>
■ Education	<u>8</u>
■ Research and Development	14
■ Services (Consulting, Engineering, Food, Insurance, ...)	5
■ Total cooperatives	120

Our Organisation



Intercooperation



MISSION

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)

- ✓ Based on a commitment to **Solidarity**.
- ✓ Using **democratic methods** (one people, one vote).
- ✓ Encourages the **participation** and integration in:
 - **Management.**
 - **Profits.**
 - **Ownership.**
- ✓ **Harmonising projects** aimed at social, business and personal development.

The **keys** corporate values

CO-OPERATION

Owners and protagonists

PARTICIPATION

Commitment to management

SOCIAL RESPONSIBILITY

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

INNOVATION

Constant renewal



The **keys**

corporate BASIC PRINCIPLES

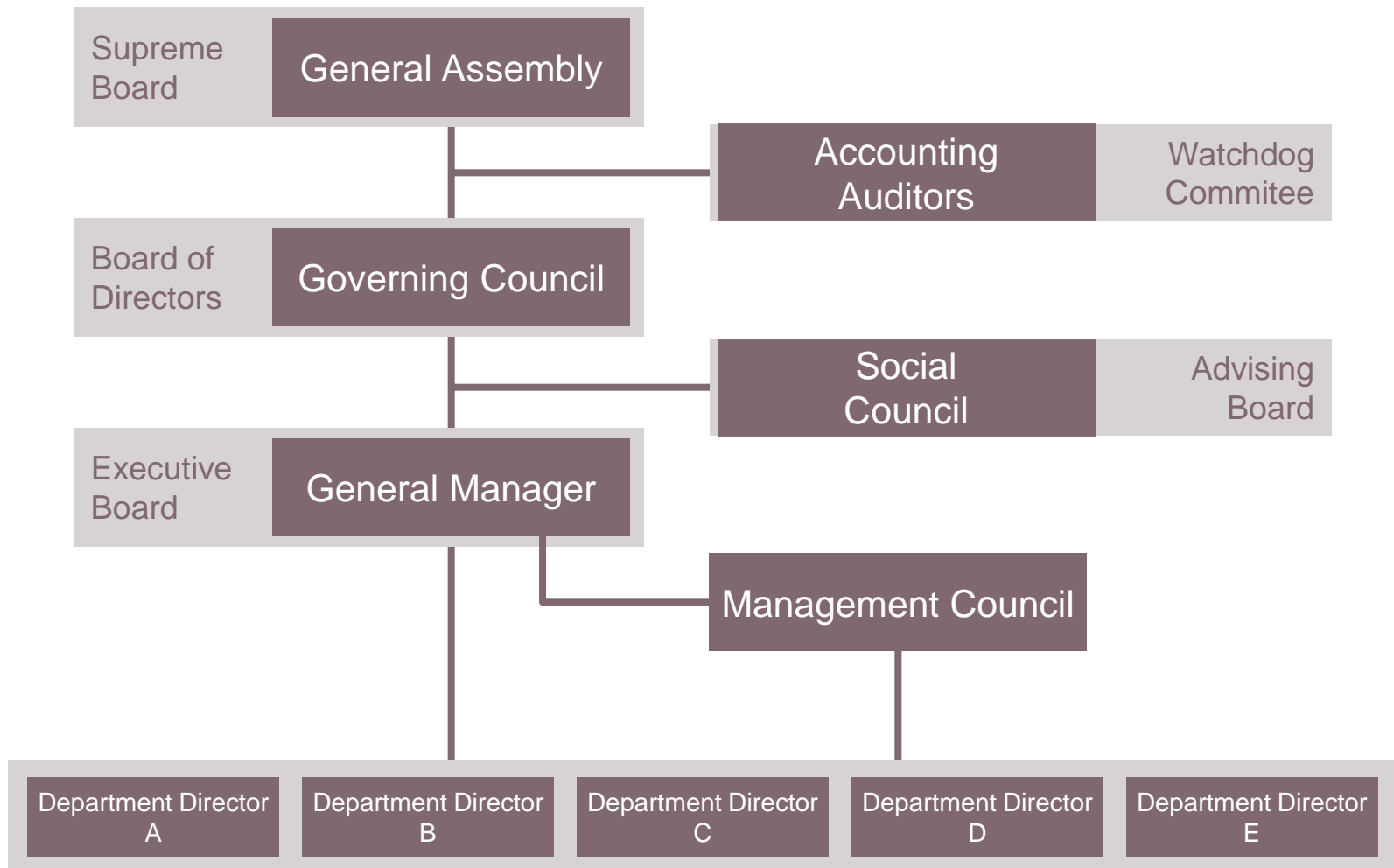


- 1. Open Admission and neutrality**
- 2. Democratic Organization.**
- 3. Sovereignty of Labor.**
- 4. Instrumental and Subordinate Nature of Capital.**
- 5. Participatory Management.**
- 6. Wage Solidarity.**
- 7. INTERCO-OPERATION.**
- 8. Social Transformation.**
- 9. Universality.**
- 10. Education**

Structure of the power

	POWER	Factor of production (Tool, Resource)
Conventional Companies (Sociedades Anónimas)	Capital	Labour
Cooperatives	Labour	Capital

Basic Structure within a Cooperative



Membership Rules to enter in MONDRAGON

- ✓ Relocation of staff among cooperatives.
- ✓ Restructuring results (from the gross profits).
 - . Within the sectorial groups (>15%-<40%)
 - . Within corporative funds in MONDRAGON (Investment Fund 10%) (Education Fund 2%) (Solidarity Fund 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 2012).
- ✓ Solidarity in compensation .
- ✓ Reporting of data to MONDRAGON Headquarters.
- ✓ Not internal competition between co-ops within MONDRAGON

INNOVATION IN MONDRAGON

716 patents

165 M euro invested in R+D+I in
2011

14 Research and Development
Centers

1.885 people in Research Centers

In 2011 Participating in **76** R+D
projects (39 of them internationals)

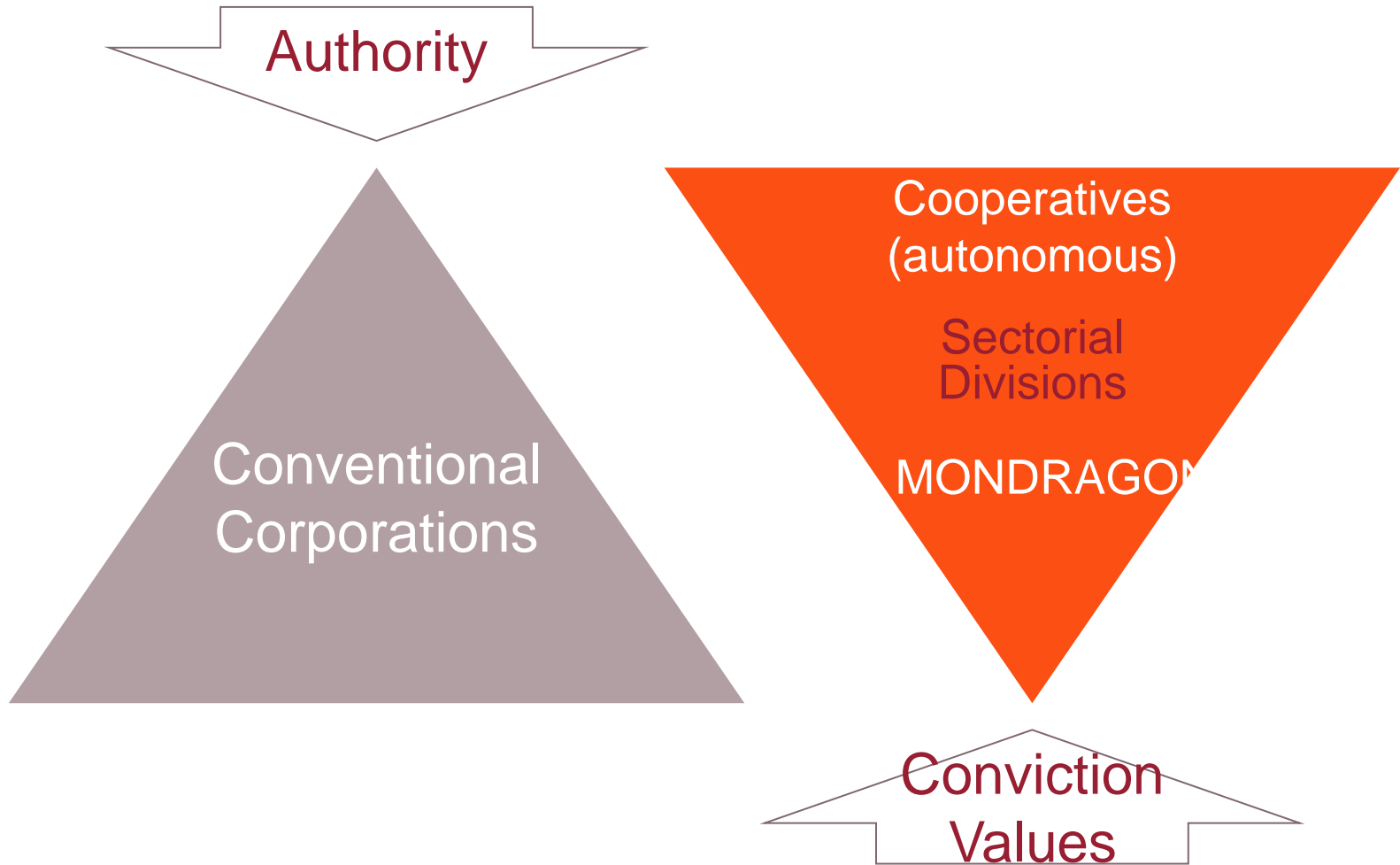


CHALLENGES IN **NEW** **SECTORS**

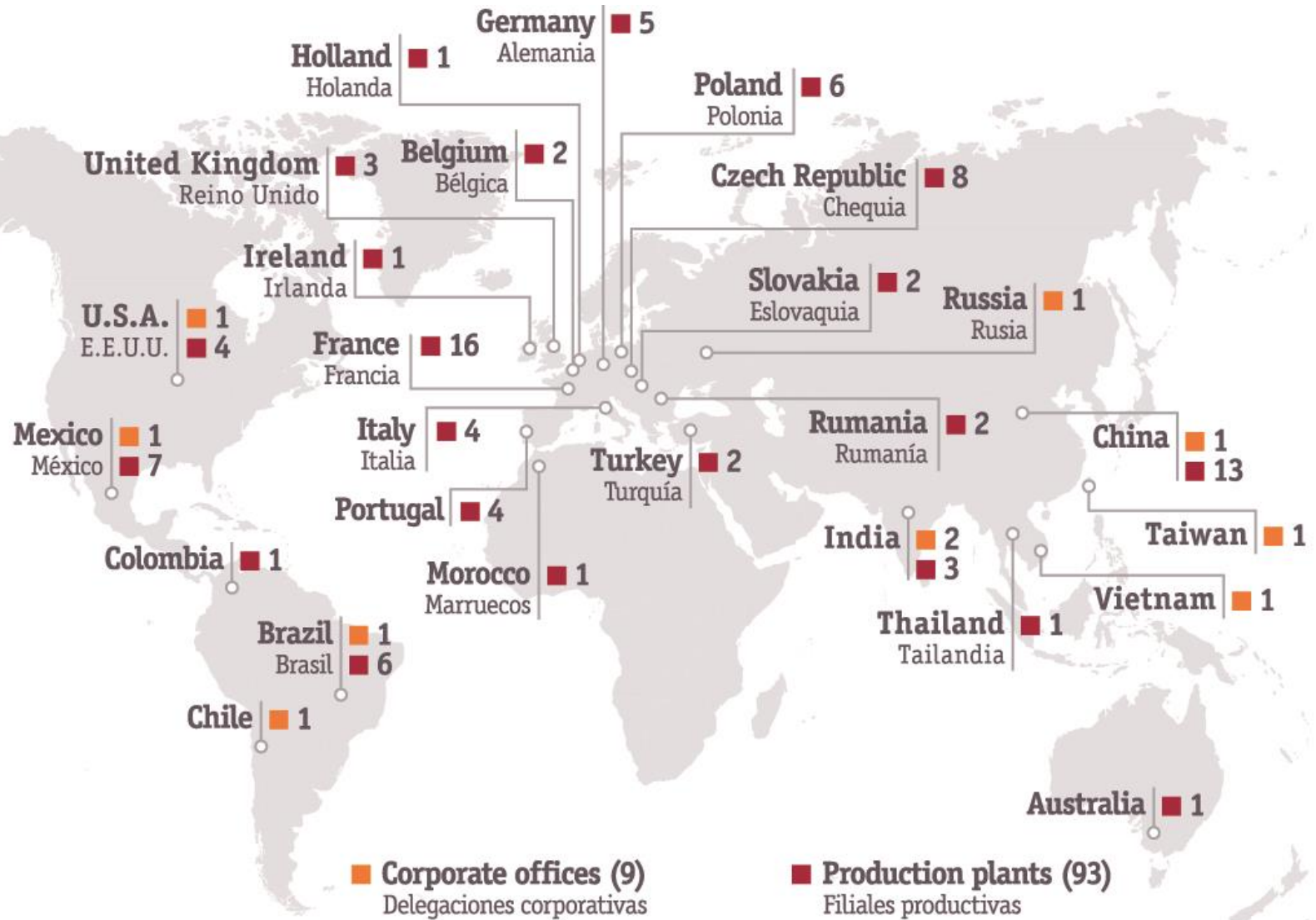
- 1- New energies
- 2- Health+Food (Biotech, Biomedic)
- 3- New Inf+Com Technologies
- 4- The third age (elderly people sector)
- 5- New materials (electric car, aeronautic, railway)



Conventional Corporation VS MONDRAGON



MONDRAGON WORLDWIDE



Expansion model of MONDRAGON (Strategic Plan 2005-2008)

- ✓ Information transparency.
- ✓ Same style of Management overseas.
- ✓ 30% of property should belongs to worker.
- ✓ 5% of results have to dedicate to local development.

History of the MONDRAGON Cooperative Experience

- ✓ 1941 Father Arizmendiarieta arrives in Mondragon.
- ✓ 1943 Arizmediarieta sets up the Professional Polytechnic School (today the Engineering School of MONDRAGON UNIVERSITY).
- ✓ **1956 First co-op is created: ULGOR (today FAGOR).**
- ✓ **1959 Caja Laboral (Bank+Entrepreneurial Division).**
- ✓ **1959 Lagun Aro (Own Social Welfare System).**
- ✓ 1964 First co-operative Group (Ularco-Fagor).
- ✓ 1966 Alecop (Student working in a worker co-op).
- ✓ **1974 Ikerlan (First Research Centre).**
- ✓ 1987 I Congress of co-ops: Creation of MONDRAGON Cooperative Group (GCM).
- ✓ **1991 III Congress: Creation of MONDRAGON Cooperative Corporation.**
- ✓ **1997 Creation of MONDRAGON UNIVERSITY.**



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