

The transformation of society at the centre of a co-operative university's mission

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Abstract

Mondragon Unibertsitatea (MU) is a young university created in 1997 whose roots date back to 1943. MU is a non-profit worker-owned co-operative university, of public interest, and a member of MONDRAGON Corporation, with a socially-orientated approach and calling. From the very beginning, MU's overriding goal has been to play a part in the transformation of society through training of young students and professionals, the generation of knowledge and its subsequent transfer to the business community. Its legal-corporate status as a co-operative and its associated values are the source of its commitment to serve society, shunning any elitist considerations. Furthermore, its decision-making and management bodies include staff, students and businesses and institutions, with equal weightings and elected democratically. In the middle of an increasing public-private debate, the co-operative university claims its public service which puts the focus on its principal values of democracy, transparency, sustainability and solidarity.

The MONDRAGON Co-operative Experience

Mondragon Corporation is a co-operative group integrated by autonomous and independent co-operatives, operating in the industrial, finance and retail sectors, with initiatives in the fields of knowledge and education. It represents a successful alternative in terms of participatory organisation, business solidarity and social commitment.

The journey that led to the current Mondragon Group began in 1943 with the creation of a school of apprentices in Mondragon, a small town in the heart of the Basque Country. This school, driven by Father José María Arizmendiarieta, founder of the Mondragón cooperative experience grew out of the conviction of the importance of socialising knowledge and education to society as a means of promoting their progress and transformation.

Since its origin, the spirit of co-operation was closely linked to the fate of the community. The dignity of a person lies and develops in the community and the attempt to create a work-community through a co-operative model is just an initial step in a more ambitious view of creating other community projects.

Arizmendiarieta's intention was initially to change the structure of the company, to make it more human, cohesive or social (Altuna 2011).

In the initial stages of the experience, after the creation of the first co-operative experience ULGOR in 1956 and from 1960 onwards with the creation of the co-operative bank Caja Laboral in 1959, new co-operatives emerged in the Basque Country. In the first two decades (1960 and 1970) 60 co-operatives were created. In the 1980s, the creation of co-operatives fell to just fifteen new co-operatives in ten years. However, the process was accelerated again in the 1990s with thirty new co-operatives.

The Mondragon Co-operative Experience is one of the most important business experiences in the area of democracy in the world. This idea is exercised by all members of the co-operative by means of the principle of "one worker one vote" in the General Assembly. The 1st Co-operative Congress in 1987 was an important milestone for Mondragon where the basic principles of its ideological expression were drawn. The principles which were approved gave consistency to the identity shaped in the Mondragon co-operatives for more than thirty years. These principles are 1) open, voluntary membership, 2) democratic governance, 3) sovereignty of labour, 4) instrumental and subordinate nature of capital, 5) participation in management, 6) payment solidarity, 7) co-operation, 8) social transformation, and 9) Education.

The distinctive features of the Mondragon Experience, which has attracted a lot of interest from many analysts, are the large number of employee-owned co-operatives operating in the industrial area, the initiatives created around innovation and entrepreneurship and the presence of educational institutions and in particular a co-operative university.

The history of Mondragon University: introduction of new schemes in response to the commitment to society

The origin of the school of apprentices in the post-civil war Mondragón was a response to the need to democratise access to technical education which was reserved to an elite in conventional companies (the Unión Cerrajera was the main company in Mondragón in the 40's).

From the very beginning, the need was seen to continue fostering training in order to provide people with a high level of technical skills for the different companies in the newly-formed co-operatives and in the rest of the industrial fabric in the area.

This led to the creation of a technical college, Escuela Profesional de Mondragon, in 1957 (later to become the Polytechnic School), the opening in 1960 of a business college, the Escuela de Empresariales (now Enpresagintza) in Oñati for the purpose of training management executives, and the emergence of a teacher training college, the Escuela de Magisterio (now HUHEZI), in 1976, to redress the shortfall in trained staff to teach in the Basque language (Euskara), banned during Franco's dictatorship.

MU was formed with three faculties corresponding to the aforementioned training centres: Engineering (Polytechnic School), Business Studies (Faculty of Business Sciences) and Education (Faculty of Humanities and Education Sciences), which with the financial and moral support of the MONDRAGON Corporation led to the creation of MU in 1997, as part of the corporation itself but at the same time open to society at large.

Legal Co-operative Structure

One of MU's distinguishing features is its legal-corporate status, as it is a non-profit co-operative.

The cooperative model provides with a unique feature in organisational terms, in contrast to other non-cooperative universities. MU has a series of management bodies, with strategic decision-making powers, made up of both members of the cooperative itself and of delegates from businesses, institutions and the student body (Wright 2011).

Within this framework, each faculty preserves its own independence, which favours its adaptation to the economic environment in which it is located and absolute flexibility for its own development.

MU's bodies cooperate within those spheres in which they contribute greater value than each one of the faculties separately or within those areas that are common to and strategic for faculties as a whole, whereas the governing bodies in each faculty focus their efforts on management and on the deployment of MU's guidelines in each one of them.

The Faculty's organisational structure, in which the supreme body is the General Assembly (GA) is formed by an equal number of worker-owners¹, student members and collaborating members. The GA meets ordinarily once per year and the members of each of the three member collectives of the GA are elected democratically.

The GA delegates the operational supervision of the co-operative in the Governing Board (GB), which has the same structure as the GA but with a reduced number of members (4 worker-owners, 4 student members and 4 collaborating members). The GB is the highest operational decision-making body which approves the appointment of the CEO/Dean of the Faculty, appointment of new worker-owners, approval of the strategic plan, annual accounts, etc.

The executive decision-making body is the Executive Board (EB) with the figure of the CEO/Dean of the Co-operative/Faculty and his/her executive team. The figure of the CEO/Dean of the Faculty is an academic who has traditionally been appointed from among the members of the co-operative.

¹ 216 worker-members in the Faculty of Engineering, 76 in the Faculty of Humanities and Education Sciences and 62 in the Faculty of Business

The Social Council (SC) of the co-operative is a counselling board composed of elected worker-owner members who debate and gather the sensibility of the worker-owners in relation to key decisions to be taken in the GB.

Similarly, students are also represented on the Student Board, an academic board which deals with academic matters. The representatives of the students on the GB report to the SB the main decisions taken in the GB which are relevant to students. Student representatives in the GB represent the interests of the co-operative and not the interests of their status as students.

This co-operative regime has meant that the body of people who make up the university project are co-participants and co-owners of the same, thereby facilitating their full involvement in the institution's strategic decision-making.

MU's organisational structure replicates the decision-making bodies (GA, GB, EB) of each of the Faculties/Co-operatives, with representation of members of each of the Faculties/Co-operatives.

The people involved in the MU project are members of the cooperative, making a capital contribution, which entails a series of rights and obligations, always within a framework of solidarity. An example of this is the salary scale, with the gap between those earning the most and those earning the least being much narrower than in similar organisations.

A flexible and streamlined organisational model

This operating model is extremely flexible as regards the decision-making process, at the same time as it ensures that we are all pushing in the same direction within those strategic areas that are common to all the university's faculties.

The very essence of the university from the start, with close ties to both the business world and the MONDRAGON Corporation, has meant that MU's DNA contains such traits as results-focus, efficiency, customer-focus, focus on and cooperation with society, etc.

Another of MU's identifying traits is the innovative approach that has been adopted from the very first.

The actual legal-corporate structure embraced by the faculties that would ultimately come together to form MU was in itself an innovation. The chosen option of a co-operative system within a context that was unusual at the time, namely, a multi-site campus arrangement, an unwavering commitment to the formation of partnerships, the possibility of allowing people to study and work at the same time, its learning model, the focus on research from the perspective of R&T (research and transfer)...are just some of its more apparent features (DG Education 2012).

The close links to the business world have meant that the university has always taken it into consideration in order to meet its needs, continuously innovating so as to adapt to its changing demands.

This dedication that MU has shown to research, always several steps ahead of the companies themselves, has led to the dovetailing of the staff's teaching and research activities, which is a key requirement for an efficient transfer of the highest quality.

This approach enables the university to deploy locally in those areas combining a series of factors, such as the presence of a major industrial community and the favourable disposition of local authorities and stakeholders, which are aspects that ensure MU deploys in these districts with a view to taking part in their transformation.

MU has also contributed significantly to foster the development of Basque culture and language (Euskara). The trilingual educational model in most undergraduate degrees, with Basque as the main language of instruction, is a consequence of the alignment of the educational model to the socio-linguistic reality of the Basque Country.

In 2011, following a long-standing claim of the most prestigious chefs in the Basque Country, MU led the creation of the first Faculty of Gastronomy in Spain and a unique project, the Basque Culinary Centre, which brings together higher education training in the field and research in the food and culinary sector and projects the Basque culinary culture to a global scale.

Mission and values

Over the past thirty years, the mission that society expects universities to perform has undergone a radical change. Today, society expects a university to be an agent and driving force for change within its geographical sphere of influence. It should ensure that the knowledge and R&D generated are transferred to society in the short/medium-term, thereby helping to improve both the quality of life in the community as a whole and the productivity of the business community in particular. This remit includes the original two missions, teaching and research, but it also involves giving greater importance to the activities the university undertakes as regards its socio-economic environment.

But probably, the values of an organisation are a key component, as they define the essential nature of the organisation, creating a sense of shared identity, promoting cohesion and developing a differentiated management approach.

Amongst the many values that enrich the co-operative, those that best define MU and are deemed to be of the utmost importance to uphold as a general guideline for the way in which we conduct ourselves are: Cooperation, Innovation, Participation, Social Responsibility and the Development of individuals for social transformation.

Cooperation

- Being owners and protagonists means that we are working on something that “belongs to us” and we look upon the university as something of our own.
- The University is seen as a whole, whereby the progress made by each one of its separate parts contributes to the overall advancement of the University in its entirety, with this progression being in turn the creator of value for its component centres.

Innovation

- Our attitude should be one of continuously seeking new options in all areas of our endeavour, as a necessary condition for progress.
- Accepting change as something necessary and central to university life and encouraging our organisations to seek and try out new solutions.
- Our ongoing advantage is based on human skills, the potential for innovation, the bases of knowledge and other services that create greater palpable value for our students, companies and organisations.

Development of individuals for social transformation

- Understanding social transformation to be the migration towards a fairer, more humanitarian and equitable society, through the instruction of individuals both in technical expertise and in competences, skills and values.

Participation

- The people at MU are the sole guarantee of success for our higher education project and for our faculties and colleges, so we rely on their commitment to participation and integration.
- Participating in business development is not only a right but also an obligation requiring shared commitment.
- Our “Common Project” requires the engagement of worker-members, students, cooperating businesses and the people who work with us, constituting a competitive advantage of a permanent nature.
- The development of participation requires flexible organisational structures and the support of communication channels and mechanisms that encourage engagement.

Social Responsibility

- The internal distribution of the wealth created, prioritising collective interests is, besides being an assurance of the survival of the entities involved, an expression of solidarity.
- The scope of our overall activity reaches out beyond the hub of the people involved in it and has a significant impact on its more immediate community, with whose advancement we feel identified.

- Conveying the know-how and expertise we have accumulated, both inside and outside the University, is another way of supporting the distribution of wealth.

Challenges for the Future

The achievements and contradictions of the Mondragon co-operativism, and the difficulties that co-operatives face to comply with the two competing agendas, social mission and profitability, give value to an extraordinary experience which has stimulated the generation of employment and wealth, and in particular, a fair way to distributing wealth.

The widespread perception interprets the recent crisis as the turning point in a situation characterised by greater uncertainty and complexity in which the ability to adapt and respond to our co-operative model will be tested again.

From the multiple learning obtained from the generalised crisis and in particularly from the analysis of the downfall of the flagship co-operative FAGOR Electrodomésticos, the question is what aspects of our co-operative model must be modified or strengthened to face new global scenario in front of us. We asked ourselves at the level of values and cooperative practices, where we should focus our energies to give the best possible response to the current and future context. We did not come to rethink our cooperative values and principles, as we understand that it is a matter of focus that rethinking.

The nuclear dimensions we understand must be strengthened lie in the substrate of our model: the responsibility associated with being co-owners of our own project, the practice of solidarity with generosity but also with demand and rigor, the ability to inter-cooperate to achieve higher collective goals, the exercise of co-operative government under assumptions of greater capacity, objectivity and responsibility or transforming vocation towards a better society. All of these are questions that arise from what was learned and look to the future.

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