

Expanded abstract

Understanding Mondragón's Industrial Cooperative Strategy: Why the European Model of Consumer Cooperativism Was Set aside in Favor of Worker Cooperatives

Objectives

From the international perspective of the cooperative movement, one of the most striking aspects of the Mondragón cooperative model is its unequivocal commitment to industrial cooperativization through the worker cooperative model. This is notable because, in the context of the 1950s -when Mondragón's cooperative founders began organizing their first experiments- the global cooperative movement was dominated by consumer cooperativism and the ideology of consumer supremacy. In that same historical context, worker cooperatives were largely discredited due to perceptions of questionable business viability and limited transformative potential.

Therefore, a key question in the history of Mondragón's cooperative experience is the following: In a seemingly adverse context, what are the reasons that led the founders of Mondragón cooperativism to choose the worker cooperative model? Despite the extensive literature on the origins and evolution of this cooperative experience, no complete answer to this question has been provided. Additionally, it is worth noting that the first cooperative promoted by Arizmendiarieta -leader and ideologist of Mondragón cooperativism- was not an industrial cooperative but the San José consumer cooperative. However, we know very little about the role the founders of Mondragón envisioned for the consumer cooperative in those early stages of their experience.

This article addresses gaps identified in the scientific literature. First, it analyzes the role that the founders of Mondragón assigned to the San José consumer cooperative, and second, it explains the foundational philosophical and conceptual commitments that led the founders of Mondragón away from the consumer cooperative model and the ideology of consumer supremacy.

Methodology

The analysis was carried out using historical-qualitative social research methods, specifically documentary analysis. In this case, the sources or documentary materials analyzed are texts produced by the founders of Mondragón cooperativism. They are classified into three main types: a) The direct voice of the founders, including texts attributed to or signed by three of

the founders: Arizmendiarieta, Jesús Larrañaga, and José María Ormaetxea. In addition to these sources, Arizmendiarieta's testimony is drawn from the works of Azurmendi (1984) and Molina (2005); b) The official voice through communication channels: the San José Consumer Cooperative Bulletins (CSJ_Bol_), available in the Eusko Ikaskuntza archives (www.eusko-ikaskuntza.eus), and the journal *Cooperación* (Coop_), available at <https://www.tulankide.com/es>. c) The narrative gathered in minutes, statutes, and reports of the San José Consumer Cooperative (CSJ_), also available in the Eusko Ikaskuntza archives.

Findings

The San José consumer cooperative was one of the initiatives promoted by Arizmendiarieta in his broad project of social and community development. Together with members of the Mondragón community, he fostered the creation of the consumer cooperative in 1955. Analyzing the texts from the San José cooperative reveals a strong influence from European consumer cooperativism, particularly the Swedish model. In addition to following the operational principles of the Rochdale model, the cooperative aimed to tackle the challenge of wholesale trade by opening branches in different neighbourhoods and federating with cooperatives from nearby towns.

However, the founders of Mondragón, contrary to the prevailing European example, did not choose consumer cooperativism to cooperativize the industry. There were practical reasons for this. Mondragón was a town with a strong industrial tradition, and the reform of capitalist enterprises was one of the main goals of the social and community promotion process in which Arizmendiarieta and his collaborators were engaged, even before the creation of the first industrial cooperative.

Beyond practical motivations, there were also conceptual perspectives that distanced the founders of Mondragón cooperativism from consumer cooperativism. As we have observed, the founders' conceptions of work and the person led them away from consumer cooperativism and toward a more natural connection with worker cooperativism.

Work is seen as a mechanism for personal self-realization, the main pathway for social and community promotion, and a means to achieve full citizenship, full personhood. The transcendent dimension of work in this conception is reflected in the belief that it is through the role of the producer and the responsibility of working that a person responds to the trust God has placed in them and can live with dignity. The cooperative vision of Mondragón's founders emphasizes the central role of work, not consumption, as the means for the emancipation of the working class. Work is the determining factor in the development of societies and the means to harmonize personal aspirations with the promotion of the common good.

Moreover, work is inseparable from the integral nature of the individual who performs it. As Arizmendiarieta and his collaborators insist, through work, people seek not only to meet their material needs but also to fulfill their aspirations for personal growth and development by realizing their full potential. Thus, the cooperative project must enable human beings to unfold as intelligent, collaborative and responsible individuals, which is only possible through full participation in the enterprise-meaning participation in both ownership and management.

This is the vision of the worker-member, far from the idea of membership in consumer cooperativism, which kept workers as employees without meaningful participation in the capital or management of the cooperative.

Limitations

This study does not address the formation of Eroski, the consumer cooperative within the Mondragón cooperative experience. This case is highly relevant because, founded in 1970 through the association of various local consumer cooperatives, Eroski incorporated workers, along with consumers, as members in the project. In doing so, Mondragón's cooperativism found a creative solution to the opposition between consumer cooperatives and worker cooperatives. The development of Eroski is a process that, due to its significance, warrants further attention but falls outside the scope of this article. It remains a subject for future research.

Practical implications and original value

This article addresses aspects not sufficiently explained in the scientific literature regarding the emergence of Mondragón cooperativism. Its value lies in analyzing the birth of Mondragón cooperativism in relation to the historical evolution and ideological context of the cooperative movement. This approach has allowed for a focus on previously overlooked aspects, such as the role and vision of the San José consumer cooperative as conceived by Arizmendiarieta and the other founders, and the philosophical and conceptual reasons that, contrary to the dominant European example, explain their decisive preference for the worker cooperative model.