Abstract:

This essay showcases how members of the renowned Basque worker cooperatives in Mondragon extend their workplace ethos into local and regional communities in the form of general economic and community development which yields work as multiple geographies of power. This is an anthropology of work not yet found in the literature on these cooperatives or in the literature on interpretive anthropology because this form of anthropology stems from an integration of the two, as a “philosophic anthropology.” A philosophic anthropology provides insights into the social and communicative systems of a community using a theory of text (Ricoeur 1997, 128). The value of a philosophic anthropology is that it derives from an ethics perspective on the study of communities and cultures, in that it views culture as a text which its members create. Philosophic anthropology provides the basis for the general way to address the significance of social relations in enabling us to move from being individuals to being members of a community – to emphasize that work committed to community well-being strengthens social bonds. A case study of one cooperative, Irizar, illustrates the essay points.

Introduction

The Mondragon cooperatives in the Basque country reflect a commitment to balancing members’ interests as both workers and owners. The cooperatives account expressly for the ethical significance of work in meeting community, regional, and societal needs. Studying these cooperatives illustrates how a narrative theory approach to the study of work can expand typical geographies of power from local/regional into regional/national and then into national/international geographies as a calculus (Abascal-Hildebrand 2000a). Although this orientation is not found in the literature on these cooperatives, on the geography of power, or on interpretive anthropology, narrative theory can unify interpretive anthropology to more deeply explore the geography of power. In particular, I propose studying the cultural organization of these cooperatives as text. Paul Ricoeur, a philosopher and theologian interested in an ethics approach to narrative theory, urges the study of culture, politics, and economics as a textual unity and refers to such an approach as “philosophic anthropology” (1997, 128). He is particularly concerned about the way in which concrete historical communities (1997) might more consciously form attitudes about economics and politics to serve a community’s culture rather than to assault it.

Rationale for a Philosophical Anthropology of Work

First, an anthropology of work can be grounded in the local geography of a specific workplace, since a specific workplace nurtures the meaning systems that develop across time and from within patterns of related ethos. Second, a study of work becomes more fully anthropological when it acknowledges the community that surrounds a workplace, especially the community’s traditions, expressions of power relations, and language systems. Third, attention to a community’s complexities can explain rather than confuse the way in which elements of work comprise and express a set of meaning systems in narrative terms as sets of intricacies among a system of intricacies. As this complex organization of cooperatives demonstrates the advantages inherent in forming culturally coherent and localized workplace practices, the cooperatives also show how their work ethos emerges from and is committed to communal attitudes, workplace principles, and local/regional/national economic development.

Furthermore, now that these 110 or so cooperatives and their more than 58,000 worker-members have a small but growing international presence (6 percent of the worker-members are now located internationally, with a projected 20 percent being international by 2005), their success has captured the attention of others who seek to adapt MCC principles across cultural contexts (McLeod 1997). Their international expansion challenges them to find ways to...
adhere to their social principles in the face of the pernicious nature of power and competition expressed in megamergers and rampant globalization (Cheney 1999, Huet 1997).

Culture as Text

Cultural contexts are textual because their interrelated elements tell a story; anthropologists refer to cultural stories as meaning systems. Since a story can be told and retold using various interpretations of a culture’s meaning system, and since a story is depicted according to the way in which the cultural elements are plotted around one another, varying approaches to anthropology yield various depictions of meaning systems. Functionalism yields one sort of story; structuralism yields another; approaches that were more or less void of theory yield another; and interpretivist approaches yield yet another (Goldschmidt 2000).

Therefore, a textually organized anthropology of the Mondragon cooperatives offers insights for culturally minded practitioners interested in the anthropology of work and community-based economic development. Theorizing a community as a text is particularly useful because the idea of a text promotes a conscious attempt to draw together complex cultural elements with complex historical elements, not to simply restate culture or history, but to refigure a cultural system.

A narrative theory approach to interpretation can evoke a more conscious stance about a broad set of historical conditions regarding a place and its space across time, a contribution Goldschmidt (2000) claims anthropology has made to philosophy. Likewise, as shown in this essay, philosophy is in a position to make contributions to anthropology regarding theories of interpretation.

Research Activities

I conducted seven field study visits from 1995 to 2000, some on my own and some with small groups of students, colleagues and area professionals gathered from my activities at the University of San Diego and the University of San Francisco. The data were developed from a series of participant observations, visits, and research conversations held in the cooperatives, the town of Mondragon, and in the surrounding region (Abascal-Hildebrand 2000b).

Additionally, reports to several anthropology meetings have helped me sort through the various insights gleaned from the study visits (Abascal-Hildebrand 2000c, 1999b, 1998, 1997, 1996). We also reviewed related literature (Abascal-Hildebrand 2002; Cheney 1999) and other published sources of information as well as video materials on these cooperatives. We expanded our analysis of the field study data with a philosophical theory of narrative which enabled us to arrange the various elements of the field study to in order understand them from a variety of perspectives and so connect and reconnect our understandings of the various elements of the larger MCC narrative (Gabriel 2000).

We presented our various analyses in public radio formats (Abascal-Hildebrand 2001b; Perez 2001b) and in papers presented at a 2001 conference we designed for the University of San Francisco entitled, “The Good Workplace” (Abascal-Hildebrand 2001a; Coates 2001; Graves 2001; Hoffman-Marr 2001; Kasmier 2001; Lorenzo 2001; Newcomb 2001; Olsen 2001; Perez 2001a; Ramirez 2001; Savard 2001; Schultze 2001; Simmons 2001; Tulley 2001; Wolf 2001; and Zaricznyj 2001). We showcased MCC’s social principles and illustrated the way they portray MCC worker-members’ conceptions of geography, power, and work.

Geography, Power, and Work

Mondragon members’ approach to power is constrained, moderated by communal commitments to worker dignity and the realities associated with confronting the ideal they hold. Members believe they must be vigilant about the finances of the company not only to protect economic activity to serve their needs as owners but also to provide for their needs as workers. Both sets of needs are interrelated. Members of the cooperatives refer to one another as socios (associates), and they express their commitment to associate with one another by balancing the operative elements of their association. They refer to their conception of balance as equilibrio, which derives from a cultural commitment for solidaridad (solidarity) in both the workplace and in the community. In reviewing proposed
policies, for example, they routinely seek first to assure that their decisions will also aid the economic well-being of the community itself, not merely advance the MCC organization or protect the worker-members apart from others in the community.

**Solidaridad** is a significant element of the communicative patterns found in Mondragon and is described by Cheney (1997, 72) as taking many forms. He explains eight solidarity forms, seven of which are productive while the eighth is destructive. The first seven solidarity response forms are oriented not only toward a particular cooperative but also toward wider community and regional needs:

- **Interpersonal**: One-to-one employee assistance and support;

- **Remunerative**: Maintaining a narrow salary range as required by statute;

- **Intra-firm**: Character of employee relations and work climate in the organization as a whole;

- **Inter-firm**: Shared resources and expertise, especially in light of fluctuations in performance;

- **Local**: Ties to and investments in the immediate community;

- **Ethnic/national**: With Basque language and identity;

- **International**: With “cooperativism” and the cooperative movement;

- **Inauthentic or Misguided**: As “cover” for incompetence or poor performance.

Textual solidarity can unify the seven productive forms. A critical interpretive philosophy of text foregrounds historic conceptions of culture and its relation to a geography of power and work.

**A Cultural Geography of Power and Work**

The cooperative group retitled itself in 1993 as the Mondragon Cooperative Corporation (MCC) to refer more particularly to its origins. The corporation’s name reflects its historical and projected purpose in three ways. First, its new name continues to ground it to its geography of origin, Mondragon. Second, it is a corporation that governs itself as a cooperative. Third, MCC is a cooperative corporation, a type of holding company organized to enhance the relationships among the member cooperatives and position the group to support even more responsive economic development both in and beyond the Basque region.

The Basque country consists officially of three provinces in Spain (there are three more Basque provinces in France) which form one of Spain’s seventeen autonomous regions, providing their own education, judicial, law enforcement, and transportation systems even though the Spanish government also provides those same systems. A fourth province, Navarra, is not officially a member of the group owing in part to Navarra’s Carlist history, but it still benefits from Basque sensibilities.

*Mondragon* is the Spanish place-name for the town that numbers more than 80,000 residents. Mondragon grew from a village founded in the 11th century; *Arasate* is the Basque place-name for the village. The provinces are known also by their Basque name, *Euskede* (the land where Basque is spoken). MCC has chosen to retain the Spanish version of the town’s name. *Mondragon* is written by the Basques with no accent on the final syllable; this essay follows that practice.

Because of their physical geography, Basques on both sides of the border between France and Spain have observed myriad passages of peoples over many millennia. Before the Romans the Goths, the Moors, and others criss-crossed the remote mountain passages of the Pyrenees, bringing to the Basque their social, political, and cultural influences. The most pivotal influences may have been the 16th century development of the monarchy of Ferdinand and Isabella, the relative industrialization of northern Spain, the political aspirations of dictator Francisco Franco that ushered in the Spanish Civil War, World War II (which added to the dictators’s power), and the aftermath of both World Wars (Kurlansky 2000).

While cooperatives are not new to European or world landscapes, the Mondragon cooperatives developed as they have partly as a
response to the period of poverty known as the Great Hunger (Lezamiz 2000) and the catalyzing influence of a quietly charismatic priest. José María Arizmendi Arizmendi (informally known also as Arizmendi, or Don José Maria) was sent to Mondragon in 1941 and opened a village school in 1943 that provided both technical and academic education. That school became the precursor to the Mondragon Corporation’s joint focus on humanities education and industrial development.

Furthermore, in geographical and cultural terms, the Mondragon group and its Basque region reflect a people bound together by deeply rooted associative instincts and traditions that uphold work as a dignified activity. This attitude is a long-cultivated one embedded in Basque social and political history. Some say the Basques emerged from this region, that they did not come from beyond the Caspian Sea as did most Europeans – that they may even be Europe’s first people. Paleolithic cave-dwellers in the region are thought by some to be connected to the Basques as Europe’s first people. Basque DNA is distinctive and the language, too, is like no other (Kurlansky 1999).

Some say, too, that the Mondragon cooperatives’ uniqueness could only have emerged from this particular geography, prompted by these particular people, at this particular moment in time and space (Bealman 2001). Others agree that while the conditions were unique, many of these ideas can be developed elsewhere with enough attention to creating integrated workplace practices (Whyte and Whyte 1991) that reflect the concrete historical meaning systems of a community (Abascal-Hildebrand 2000b).

Work practices in the MCC illustrate the cooperatives’ unique relationship to history, culture, and power. In the case of these socios, power is the capacity to generate, not the ability to dominate. The socios believe they are obligated to develop economic power as a means for living as, not merely in, a community. The socios’s community acknowledges a common ethos, emerges from a common history, and embraces a shared set of morés to form a civic sensibility within the geography/ies it shares with neighboring communities to contribute to a wider well-being (Abascal-Hildebrand 2001b).

Basque history is full of references to such morés, known as derechos humanos (human rights) and fueros (rights to self-governance). An example of the Basques’ expression of such cultural norms was their response to imposed taxation by Ferdinand and Isabella at the turn of the 15th century. The Basques thought it was unfair for royalty to claim exemption from taxation just because they could prove their lineage. The Basques proclaimed, en masa, at a gathering held in the then-capital of Gernika, under its symbolic oak, that they, too, could prove a lineage and thus were also noble. They, too, were hijos de algo (the sons of someone), and would henceforth pay no taxes to the emerging monarchy. Furthermore, they believed they ought to be able to govern their own work, as work was their tie to creation, an expression of their family and community ties, and not merely a means for others’ purposes. Thus, taxation could also not be imposed upon them.

It is an interesting contradiction that these Basques claimed an elitist position in order to express democratic impulses. A morphology of the phrase hijos de algo is instructive: the term became conflated as hidalgo, and was used as an honorific, “honorable,” only later to become a surname. Also later, a binary honorific, Don (for men) or Duena (for women), overtook hidalgo and is still applied widely.

MCC is unique because worker-members have been able to develop their norms into social principles that guide this large corporation of highly sophisticated and integrated organizational mechanisms. The mechanisms are a weave of shared organizational and local power relations, social principles, and sophisticated economic development theory applied in both regional/national and national/international settings.

MCC is also unique, perhaps in the world, because its accomplishments are evidence that principled workplace mechanisms can produce complex successes – despite the claims of those who believe only conventional business forms can provide large-scale economic results. While there is no organization comparable to MCC, even staunch empiricists would acknowledge that studying a unique case is vital to better understanding the general case.
Studying the cultural hallmarks of the MCC illustrates the problems in conventional work and economic forms (Abascal-Hildebrand 2000b). Studying this cooperative can guide those seeking insight about what constitutes a “good” workplace (Lorenzo 2000) that advances the democratic promise of work as a major conduit for social change (Boyt and Kari 1994) and offers shared ownership as a reasonable way to forge more sustainable regional, national, or even global development (Gates 2000).

Conventional economics promote competition as the first order of enterprise regardless of the effect it has on the most vulnerable and those whose labor supports the enterprise. Such competition is a conventional Darwinian notion based on brute survival of the fittest, which is different from survival based on adaptation, especially cultural adaptation. Conventional competition is also based on the principle of non-satiation, from Milton Friedman’s brand of economics, which promotes survival-at-all-costs competition as central to economic practice. Friedman’s stance is that the algebra of a business must be fiercely competitive as there can never be enough profit, enough manipulation of a workforce, enough advantage to management, and so on (Heilbroner 1997).

MCC’s organization, however, has a different algebra when it comes to power and competition. Its economic mechanisms derive from a set of social relationships designed to communally seek creative ways to develop advantages for the work that goes on within each cooperative and to organize the workplace so it also meets the needs of the workers as well as the surrounding communities (Abascal-Hildebrand 2000b). In short, MCC’s approach to competition reverses Friedman’s assertions (Rahman 1997). My field studies confirm how MCC bases competition within its social principles as the pursuit of more quality jobs for members plus economic development for the region, more creative financial strategies to serve its own growth and the banking needs of its neighbors, more intricate work-support processes for members as well as for the businesses it incubates and sends forth into the various communities in the region, and as more educational opportunities for those who seek them, whether they become associated later with the cooperatives or not (Abascal-Hildebrand, 2000b).

Mondragon’s Social Principles As Ethos-in-Action

MCC’s weave of social principles and economic development is ethos-in-action, designed to elevate the quality of work and address the complexities of ownership. Both sets of needs are considered in tandem, but members’ needs as workers come before members’ needs as owners. While this may stymie conventional development enthusiasts, there is a dynamic purpose to worker sovereignty; workers themselves are the progenitors of the policies that allow for a dynamic balance. The socios themselves shift the two priorities back and forth in making decisions about work and resource allocation. Accordingly, equilibrio is governed within a set of cultural morés the socios enact to achieve balance, again not for themselves as individuals, but for their communal commitment to one another’s well-being in solidaridad. Thus, solidaridad is what enables worker-members to achieve equilibrio between what might otherwise be seen as competing needs for profit generation and quality-job creation. The socios point out that forging a communal good is actually what enables each member of a community to prosper—which is the opposite of the individualistic stance toward prosperity.

The basic MCC organizing precepts are social principles (Ormaechea 1994). They enable each cooperative, as well as the MCC group itself, to pledge allegiance to each principle separately and protect the interdependence of the principles. The principles are premised on both rights and responsibilities to embrace management as well as develop quality jobs. First the five rights, then the five responsibilities, follow:

- Open Membership: Membership is open to all men and women regardless of political, ethnic, or national membership otherwise who demonstrate the capacity to learn the jobs MCC is able to create. This principle is the expression of the right of workers to associate;
- Democratic Organization: Each member has the same status as any other member because “one person equals one vote.” Status is not related to job or seniority, but is based on democratic organization. This principle is the expression of the right of
workers to participate fully in developing an organization;

- Sovereignty of Work: Persons are the main agent for transforming society and producing its products – products are not viewed as what transforms a society. Each person deserves a fair distribution of any wealth produced. This principle is the expression of the right of each worker to have contributions recognized equitably;

- Capital as Instrument: Capital is merely an instrument of those who labor to produce it, and it is merely necessary for business and community development. Paying for social capital with financial capital is accomplished through quality work that produces quality products and services. This principle is the expression of the right to designate investments that assure quality jobs;

- Participation in Management: Authentic participation includes progressive development of self-management and self-managed units where workers and management jointly share in governance. This principle is the expression of the right to self-govern.

Not surprisingly, in Mondragon rights are seen as companions to responsibilities. Accordingly, the remaining principles are responsibilities:

- Wage Solidarity: Earnings distribution is based on each cooperative’s profits and on mechanisms they design for sharing gains and risks equitably. This principle is the expression of the responsibility to govern so that both individual and group benefits;

- Cooperation among Cooperatives: Members search for linkages and synergies that come from within the larger group, the pooling of profits for a variety of needs such as social security, and the transfer of members across the various cooperatives to preserve the right to decent work. This principle is the expression of the responsibility to preserve the interdependence of work and life;

- Social Transformation: The creation of new, quality jobs and the support of community development initiatives depend on the reinvestment of profits in workplace development. This principle signifies the responsibility of members to defer the personal use of portions of profits so that designated portions of profits can be used to enhance community development;

- Universality: Members are supportive of all who work for democracy, social well-being, and peace and justice. This principle illustrates the responsibility members accept for recognizing local as well as distant communities as equally deserving of citizen action;

- Education: This principle serves as the nexus for the foregoing principles, since it illustrates members’ dedication to creating sufficient human and economic resources for cooperative education, personal and professional development and training opportunities across the life-span from preschool through retirement. This principle illustrates the responsibility members accept for retaining education as the principal means for economic and community development.

In solidaridad the MCC socios share in both risks and rewards. Solidaridad governs their commitment to spread the risks and the fruits of their labor more equitably across the cooperatives and into the communities in which they live. These risk-management mechanisms are linked intricately with one another and are found throughout the MCC organization. To understand the mechanisms it is first necessary to understand the structure of MCC.

MCC: Organization and Culture

The cooperatives are organized as a type of holding company which differs from other holding companies in that each cooperative can maintain autonomy yet get support for and subscribe to the social principles across the 110 or so cooperatives. The group’s membership totaled more than 53,000 in 2000, up from 42,000 in 1998 and 46,000 in 1999, a 50% gain over projections for the two-year period. The actual number rises and falls with additions and divisions or mergers even though over the
group’s 46 year history very few have voted to leave the group to organize themselves as separate entities. Only one cooperative failed, and that was due to a complex set of circumstances. Even then, not one of the members of that cooperative lost work—they were integrated into other cooperatives. Each was protected by the social security system they created themselves that enables them to transfer to jobs in other MCC cooperatives. In fact, one of the functions of the MCC social security system, known as Lagun Aro, is to serve as a clearinghouse for available positions for those who wish to move among the cooperative group so that all workers and cooperatives can benefit. The cooperatives have never laid off even a single worker since the company’s inception in 1956 (Fernandez 1996).

Indeed, the organizing idea of the social mechanism system is that no one is ever without work. While the specific job may change, work itself is guaranteed because of the mores associated with the Basque culture whereby quality work is seen as fundamental to human dignity. A plaque in the lobby of MCC’s training center, Otalora, announces the nature of this credo: Solus labor parit virtutem/Solus virtutem parit honorem (only work gives birth to virtue, and only virtue gives birth to honor). At the nearby shrine of Aranzazu, murals depict the creation of Eve from Adam’s side and Christ’s procession to Calvary witnessed by workers wearing hardhats and work shirts with rolled-up sleeves to portray the ethos of the Basques that work bears witness to both creation and salvation.

Work is conducted in a wide variety of arrangements. Cooperatives range in size from Unekel, whose nine members operate a rabbit-breeding operation for retail food markets, to Eroski, the 25,000-member multilevel retail and consumer cooperative that operates supermarkets, grocery, and convenience stores throughout Spain and France. Even the largest cooperatives are formed around sets of units. Each unit is composed of no more than 500 members to maintain MCC’s unique communication network (Olsen 2001). This policy developed from an anthropological study that Davyyd Greenwood of Cornell University and José L. Gonzalez (1992) conducted after MCC’s famed 1973 “strike.” Greenwood and Gonzalez organized, led, and analyzed roundtable discussions in the largest cooperative, Fagor, to uncover what might have led to the strike. The analysis pointed to rapid growth in the size of units as the main contributor to the breakdown of the communication that had been the group’s major organizing feature.

Communicative activity is a hallmark of the Basque region. It is said among MCC members that there are meetings, and then there are meetings in Mondragon. This adage illustrates the colorful and discursive nature of language exchanges typically found in the culture and manifested throughout MCC sessions. In large part, the socios believe in creative dissensus as the basis for consensus, reserving, as they say, a place at the table for the “green dog” (the one who has the disparate view). Another adage illustrates why they avoid settling into a narrow view of either structure or process: “el maestrillo tiene su librillo” (the mediocre teacher has a small book, or the mediocre thinker follows but one viewpoint). Following the 1973 strike, the pervasiveness of solidaridad, even toward the newcomers who had called for the strike, was revealed. Of the seventeen who led the strike and were voted out as members, all were invited to return within a year.

MCC’s activities are generally divided into high tech manufacturing; domestic appliance production; research and development; retail services for groceries and goods; insurance and other consumer services; banking; social security and insurance; property development and management; business consulting; training and development; construction (MCC’s metal structure division, Urssa, built, among many other major metal structures, the Frank Ghery-designed Guggenheim Museum in Bilbao); farming; publishing; and education. Education is still the nexus of the MCC group and embodies Arizmendi’s idea that education is the first enterprise of a people (Azurmendi 1999). The Politeknikoa is the expanded version of the education enterprise and continues to collaborate with various MCC entities including the Engineering School of the University of Mondragon (Unibertsitatea Mondragon).

The education sector offers opportunities from preschools, elementary and secondary schools, the polytechnic school, to a four-division university which grants degrees in engineering,
foreign languages, teacher education, and humanities-based business and enterprise development. The members of MCC believe that worker-members in the cooperatives and the students who study in their schools and colleges must be universally educated in the humanities as well as being technically competent. The members believe it is vital that they have skills and attitudes necessary to fulfill social principles for both the functional and political aspects of enterprise and community life. A visit to Vitoria, the political capital of the Basque provinces, provides some subtle evidence: in a section of the old city visitors can see that the Provincial Office of Education and the Provincial Office of Economic Development share the same building and are identified on the same brass plaque.

As further testament to the group’s expansiveness and economic acumen, MCC ranks 8th among Spain’s pillar companies in terms of gross revenues posted. Furthermore, MCC is the most productive company in Spain – twice as productive as the second-ranking company. Productivity is defined by economists as the ratio of sales and service revenues produced per worker. If MCC were a U.S. company, its 2000 revenue figures ($7 billion U.S.) would situate it at #217 among the Fortune 500. Also in 2000, MCC’s credit bank, Caja Laboral, administered assets of more than $7 billion U.S. (MCC Annual Report for 2000). The Caja is one of the world’s 100 most solvent banks, patronized even by depositors not associated with the cooperatives because it offers .5 percent higher interest rates – Spanish law provides such an advantage for banks owned by worker groups.

MCC’s Community Economics

Besides contributing banking acumen to the Basque and Spanish economies, MCC has consistently supported the general economic development of the Mondragon community, its region, and beyond as the corporation becomes more and more international. MCC has reported job gains each year since 1973 in the face of a persistent 22 percent unemployment rate in Spain (Spain’s national rate did lower in 1999 to 17 percent). While Spain still struggles with massive unemployment, as do other European nations, the three provinces known as the Basque country, together with the nearby Navarra province to the East and Cantabria to the West, post about half as much unemployment, steady at about 9 percent. In 1999, MCC added approximately 12,000 new jobs throughout its local, regional, and national/international network. Seventy-five percent or so can be credited to the wide-scale geographic expansion of the consumer cooperative, Eroski (Lezamiz 2000).

There are three major reasons that Mondragon’s Guipuzkoa province posted less than 4 percent unemployment: MCC’s advances; the successes of fledgling businesses MCC launches from its enterprise incubator, Saiolan, in both conventional and cooperative forms; and the successes of other area enterprises that benefit secondarily from the general economic influence of MCC. Another reason is MCC’s unique orientation to affirmative action whereby applicants who seek blue collar jobs (the largest sector of the three which include technician and management sectors) and score more or less equally on aptitude tests earn an additional point in the hiring process if they are the only wage-earner in a family.

As an aspect of their ethos, before they distribute the profits among themselves and as a donation to the various communities in which the cooperatives are located, MCC members contribute 10 percent of aggregate profits yearly. Furthermore, the corporation sets aside another 10 percent for education benefits for members and reserves yet another 10 percent for its three research and development labs and its new Garària Center for Innovation, Centro de Innovación Garària. The Center will open in 2002 to bring together all of MCC’s technology and organizational development cooperatives, welcoming researchers from universities and innovation centers around the world (www.otalora.mcc.es). Community commitment is the basis of MCC’s economics; its geographies of power extend outward from the cooperatives themselves into a network of considerations concerning the well-being of the worker-members and their communities.

The Story of Irizar

The Irizar cooperative illustrates how the deeply acknowledged principles of community ethos are embedded in MCC’s
organization.

Tianjin Irizar Coach is an MCC cooperative that produces buses. Irizar entered the decade of the 1990s with myriad production and organizational difficulties owing to its chassis design, how it managed its enterprise finances, and how it embraced the participative needs of its members. Irizar socios and MCC socios in general were aware something had to be done. However, simply or abruptly shutting the company down to stop its bleeding was not an option. The cooperative and MCC’s Congress would not close the company and put members out of work even though it appeared the company’s needs had become complex.

I first learned of the company’s story early in the November 2000 seminar session at MCC’s training facility, Otalora Centro de Formación. Both Mikel Lezamiz, MCC’s chief Otalora sociologist and his socio, Inaki Idiazabal, Director of Program Development at Otalora, described the company’s history, development, and complex problems. Early in Lezamiz’s report one seminar participant asked, “Why didn’t you just shut it down?”

Lezamiz stepped back, clutched his chest, looking somewhat startled, and explained, “Because then the members would not be able to feed their families, and their neighborhoods would suffer.” Simple. Clear. No complicated explanations. No points about how mitigating, organizational factors made shutting down the cooperative less desirable than coming to its rescue. No abstract depictions. Instead, Lezamiz expanded the story by pointing out how the MCC group marshals its resources to solve organizational problems, not escape from them or blame them on mere economics or such “external” conditions as market competition and so on. Lezamiz described how the social principles were put to work within Irizar to illustrate how equilibrio and solidaridad relate. He described in detail the coherent response of the other cooperatives that followed the invitation from Irizar, how the autonomy of each of the cooperatives made it necessary for Irizar to invite wider MCC participation, the way the company was designed to draw together to enable a member cooperative to benefit from MCC resources, and how the cultural system’s capacity to analyze problems carefully so that an enterprise can succeed in ways that furthered MCC’s social principles and guaranteed that no member would be out of work. No one considered layoffs to “downsize” Irizar, nor was “workforce-streamlining” via technology an option. In MCC, technology is embraced by workers because they know it makes work better; it is not developed to take the place of workers but to make jobs better in order to advance the capacity of an enterprise to develop (Abascal-Hildebrand 2001).

The MCC credit bank, Caja Laboral, which had been designed to oversee the cooperatives and respond to their capital needs, had been redefined so that its administration of the cooperatives’ funds was less directly involved, freeing the bank to develop its own organization, respond to the regular banking needs of ordinary depositors, and advance overall economic development in the region. However, the Caja is still attached to the cooperatives through its incorporation within MCC, and it is readily available for research and development support. The Caja was called to consider providing funds for redesigning the bus chassis and studying marketing and sales needs so that Irizar might respond better to competition in an ever-expanding market for buses in Spain and the European Union. The Caja’s own social principles and mechanisms call for reduced loan rates for troubled companies, rather than the typical, elevated rates found elsewhere when companies seek capital to weather troubled times. The Irizar redesign involved research and development cooperatives, notably MTC, Ideko, and Ikerlan. MTC conducts research and development of automotive assemblies, while Ideko specializes in product development and production improvement. Ikerlan provides research and development for the technical design of production systems.

At the same time, Lezamiz explained, if Irizar were to survive as a bus-manufacturing enterprise it would also need resources to provide new training for its managers, technicians, and factory workers. Retraining came from a variety of resources such as MCC cooperatives Eteo, which trains business administrators, and Lea-Artibai and Txorieri, which provide technical education, and Otalora, which provides responsive organization development and education and training sessions of a more
holistic nature. These cultural expressions and mechanisms of solidaridad served well as the foundation for the culturally based organization mechanisms. Not only is Irizar still in business producing redesigned buses, but its socios have exceeded the goals they set for themselves over the last several years. The successes were further recognized throughout the European Union; Irizar was awarded Europe’s prize for the most successful redeveloped enterprise (Lezamiz 2000). The greater prize, however, is what Irizar gave the Mondragon community: the preservation of jobs held by its worker-owners and the renewal of their capacities to organize themselves in collaboration with socios from other MCC groups. By collaborating to serve Irizar, the socios had also contributed to the overall development of MCC and the community by protecting the worker-owners whom they regard also as neighbors and vital members of the community. The cooperatives’ responses derive from each of the social principles and illustrate an orientation to widening geographies of power. The joint activity enabled the various cooperatives to evoke their social principles in a coherent way and contribute to their larger network and their community by strengthening one in need. While the set of responses may appear to have only a localized effect on Irizar or MCC, the net effect was that the company’s redevelopment benefitted Irizar families, families of their neighbors, other businesses and services in their neighborhoods and towns, and so on. The national/international effect is seen not only in the award but in the relative enhancement of the Irizar cooperative itself and of MCC in the eyes of the European Union in general.

The responses integrated into a geography of power because they are based on a set of social principles which yield social mechanisms and because the problem was seen as an interrelated community problem. This integration enabled MCC worker-members to envision work systems as community systems, assuring that the well-being of the community was protected in the process of revitalizing Irizar (Lezamiz 2000).

This story functions as an introduction to the detailed analysis that philosophic anthropology would provide. Such an anthropological report would present detailed dialogue exchanges illustrating the intricate alignment of ideas that comes together in what is referred to as the “play” of a conversation. For an example of such an analysis of “play,” please refer to my narrative theory analysis of Thai economic development (Abascal-Hildebrand 1999d).

**Philosophy for Analysis of Anthropological Text**

This analysis is textual because it unifies sets of stories into a narrative. It is a narrative because it weaves the interconnections and the subtleties among the stories into a complex whole. A philosophical interpretive anthropology heightens the interconnections within a narrative because it enables a three-part analysis. It sharpens a community’s historical sense, its sense of the present, and suggests future action (Abascal-Hildebrand 1999a). In the case of Irizar, a philosophical anthropology enables those involved in the interpretation to realize the cultural relationships among the various cooperatives that acted together to aid the ailing Irizar. Furthermore, a philosophical anthropology allows for a recasting of Irizar’s history through detailed conversations with participants, letting even a taken-for-granted history be reframed while participants acknowledge their capacity for solving dilemmas.

A narrative analysis of work allows for a continuous integration of new story elements whereby small stories explain as well as help in the understanding and application of what is learned from a larger story. Written text and social text become integrated within the interpretive theory of philosophic anthropology because interpretive theory is also an ethical theory of history – history expanded by a sense of what ought to be (Kemp 1992; Ricoeur 1997). New story elements add both text and texture to an existing story because they refigure it to reflect new insights and new relationships from former insights and relationships which then emerge as a new narrative.

A philosophic anthropology is particularly suited to the ongoing study of complex conditions, such as those of the Mondragon cooperatives, because narrative theory encourages the reploting of sets of events again and again. Insights engender new insights as various disciplinary approaches provide additional viewpoints. The events of any story...
revolve around a central point but can be rearranged as newer understandings of the central point develop; while any one arrangement provides for an analysis, it also allows additional insights to relate to each other and shift to form variations, a spiraling of analyses that enable a story to carry various nuances and metaphoric arrangements.

In other words, our data analysis depended not on one story of Irizar, but on a story of stories about MCC, a set which draws on and embraces much larger realms of understanding about the MCC context than if the stories were told individually or through description. Thus, a narrative theory of text opens new vistas and draws together varying approaches to understandings of work – such as culture, power, and geography. The pivotal point is that the textual character and its action-oriented profile reflect myriad facets which, when assembled, weave a more complex social fabric of the culture of work.

The case of Irizar provides the opportunity to interpret how the Mondragon worker-members embodied workplace principles to guide the cooperative in reframing itself. The history of the entire cooperative group and the socios’ ongoing portrayal of that history come together to explain why the socios are not strategically motivated entities who redesign organizations or render workers into victims by dismantling an enterprise under the guise of trying to save it. Bringing in outside advisors is certainly not a new organizational phenomenon, but these MCC advisors are not outsiders, nor are they motivated even as insiders to cut a cooperative down in order to shore it up. They see themselves as socios who redevelop a cooperative for its own sake and the sake of its worker-members, the larger company, and the community.

In Irizar MCC worker-members recognized that retaining social mechanisms and educating for on-going enhancement are as important a set of artifacts as are buses, or robots, or metal structures, or anything else. Indeed, one of Arizmendi’s key pensamientos (reflections) is that a community that does not work for its future is destined for ruin.

Importantly, because a philosophical anthropology focuses on action – the characters of the plot – narrative analysis promotes interpretations of their actions to ground their capacity as persons and put them center stage in relation to the problem at hand. Therefore, the narrative preserves as well as projects the characters’ role as narrators. Narrators portray and resolve their own lives – they do not wait for some mysterious player or players to manipulate them from offstage. Thus, a philosophic anthropology provides for a network of understandings about the socios’ action because it highlights the way in which they engage to discern their capacity for organizing their own conditions of work and for developing action plans that preserve their concrete historical community (Abascal-Hildebrand 2000b, 1999c).

Narration about MCC also depends on concrete elements. A complex narration cannot only be about abstract concepts. Therefore, narrative analysis extends understandings about the way assessment of work topics can be applied and how they can serve as models for other related applications in the spirit of quality job creation and community economic development. Hence, the analysis allows for the extension of applications into neighboring geographies to portray how people in other ordinary circumstances might act to rebuild even complex socioeconomic lives. The analysis provides a fluid model for how a community can account for its members’ humanity while accounting for their capacity to control an economy and align with whatever political or social history they might otherwise seek to acknowledge.

Conclusion

The cultural aim of a community of workers can be understood within its geographies of power. The MCC socios believe that one way for a people to control an economy so the economy does not control the people is through an integration of worker ownership, worker governance, democratic processes, solidarity in pay and benefits, lifelong education, and job security (Lorenzo 1998). The socios believe that men and women share in their own humanity most closely when they work together to preserve and promote dignified work as power. Thus, work is not viewed as a punishment but as an opportunity to be fuller members of a community. For the socios, economic justice is
not only distributive in the way that they work to share equally, it is commutative; they take communal pride in the way their work unfolds and benefits their fellow workers – what I gain in my work so, too, do you gain, and vice versa (Lorenzo 1998).

Lorenzo writes of the societal significance of seeking economic justice through solidaridad; “to work and live in solidarity is no more than a recognition of the communal origins of the human person, and a recognition of the embeddedness of people in their community,” (1998, 75) in keeping with Ricoeur who points out that “the whole of society can be a cooperative to . . . the extent that it practices distributive justice” (Ricoeur 1992, 200). Lorenzo explains why Ricoeur distinguishes between society and community in his analysis of MCC whereby he acknowledges Ricoeur’s point that a society is an economic mechanism and a community is the form in which economic exchanges are marked by its history, morés, and customs (Lorenzo 1998, 98).

Work in any enterprise is never neutral or local to just that enterprise; work enables a community to change, and work's artifacts are some of the most significant means by which people can define themselves as a culture. However, work's artifacts destroy values when a people allow the artifacts they produce to symbolize who they are rather than the process they undertook to produce them (Ricoeur 1975). Boyt and Kari (1994) emphasize the capacity of work to serve as a major conduit for social change.

The social commitments conceived and explored within an anthropological framework have larger implications. MCC members conceive of them as commitments neither beset by borders nor isolated by ideologies (Goldschmidt 2000). Because the social commitments of work extend throughout the members of the group, they enable the members to live community lives enriched by work rather than shielding their private lives from intrusion by hostile conceptions of work. Once the community is an element of the workplace, the relationship of the workplace to more distant communities is also enhanced because communities are made of persons whose sense of place is relative to where they live.

In other words, in the MCC conception of work communities have no boundaries. Work practices that intentionally draw members of a community together also draw in related communities to form larger and larger geographies. This is why MCC’s social mechanisms can be adapted by those in other geographies who seek to promote dignified work that will reflect their own cultural systems and enable them “to sleep well at night” (Perez 2001b). The socios of MCC demonstrate how an anthropology of work can illustrate work's connectedness to life as an communal artifact. Work enables a particular kind of attention to community life as a form of geography of power.

Notes

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