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Modernity and Co-operativism A look at the meanings and cooperative culture of Mondragón

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The Mondragón Cooperative Experience (MCE) represents one of the most relevant experiences of business democracy in the world. Its economic success arouses the curiosity of many analysts, who see this experience as a real possibility to constitute another form of running and forming a company, which is different to the norms of the conventional capitalist company.

Mondragón cooperativism has experienced many achievements and successes. It has been an important driving power in self-managed community development, an active area in the creation of employment and wealth, and, above all, an experience that has impelled a highly equal distribution of the wealth created. At the same time it is the history of cooperativism with business success. If the goodness of a model for running and forming a company is measured, on the one hand, by its capacity to generate wealth, and on the other, by the way this wealth is distributed among the members of the society, the Mondragón Cooperative Experience constitutes an important element.

The Mondragón Cooperative Experience has constituted a dense network of people committed to a particular ideal. It was created from a promise: to

transform the company (internal democracy, service to the community and equal wealth distribution) in order to transform society. Its dream pointed toward the civic autonomy of the company and of other areas of social life (education, social provision, health, etc.).

At the same time, it is an experience that is not free from contradictions. Over the last few years, it has experienced an expansion as regards its turnover and the number of workers that are part of the experience ¹. Together with this, it is experiencing a deep process of transformations, which on the whole have to do with the attempt to respond to an economy that is becoming increasingly more open and globalised. Among these transformations, the cooperative values and the actual juridical-organizational metabolism are experiencing structural changes.

In this document we aim to throw some light on this process and the direction it may be following. We seek to concentrate on what has become of the dream and the network of meanings that gave rise to this experience and which was the base for an option of life based on community ethics.

The steps we will take are as follows:

- Firstly, we will situate cooperativism in the heart of the sociological reflection around modernity.
- As a second step, we will talk about the collective meanings that covered the cooperative action at the beginning.
- Thirdly, we will refer to the transformations that Mondragón cooperativism is currently experiencing, and we will defend the fact that it is experiencing a certain crisis of meaning.
- Next we will attempt to point out some key points in order to be able to understand such a crisis.
- We will talk about the different responses to the crisis.
- And finally, we will propose a response model based on the deep renovation of cooperativism.

1. Modernity and cooperativism

Let's take a closer look at the cooperative phenomenon from a specific viewpoint. One way of understanding the cooperative idea is by referring to the balance between two rationalities: an *economic-instrumental rationality*, whose objective consists of converting the business action into success, where the aim is the functional adaptation to the market rules; and another

¹ At present, Mondragón Cooperative Corporation (MCC) is made up of one hundred companies from different sectors (distribution sector, industrial sector and financial sector) and more than 60,000 workers. This data, along with the data that refers to the turnover, are given in more detail at: www.mcc.es.

is *evaluative rationality*, from which we aim to conjugate the aforementioned economic rationality with a humanity base, to harmonize it with values, democratic principles, economic ethics based on the service to the community and community ethics. Starting from this second rationality, cooperativism represents a *community with meaning*, a business action introduced in a wider vision of a person and a good society, a business reality with a social and transforming vocation.

Therefore, the cooperative company is a modern type of institution that echoes and consciously assumes the tension that is characteristic of modernity, which can be understood in Weber's thought. Max Weber explained modernity as the permanent tension between a type of *formal rationality* (rationality in accordance with aims, which orientates the human action in terms of effectiveness) and the *material-evaluative rationality* (rationality in accordance with values, which provides the human action with meanings and of the latest "why's" and "what for's")².

It is well known that the Weber diagnosis talks about the progressive removal of material rationality (of the last values that guide human action) from modern social life. He talks about the rupture of capitalist modernity with the finalism of the moral and religious spirit that promoted it, the rupture between economy and morality³. The process of "disillusionment" that modern societies are experiencing causes a movement of instrumental rationalization, and this movement undermines the social base of autonomous individuals, because it produces the growing implantation of a model of formal rationality in all spheres of human activity. Therefore, it breaks the possibility to develop an evaluative material rationality. The integration of the economic activity in a holistic vision becomes impossible in a *societal project*.

Jürgen Habermas includes this reading, and even in his reformulation he offers a more optimistic future horizon than the one offered by Weber (and much more so than the vision of the first generation of the School of Frankfurt). His diagnosis on modernity follows a very similar line: the main pathology of capitalist modernity points toward the progressive *colonization of the world of life* by instrumental rationality; i.e. the progressive

² "We use *formal rationality* as economic management to the degree of calculation that is technically possible and that is actually applicable. On the other hand, we use *material rationality* to the degree where the supply of goods within a *group* of men (whatever their limits are) takes place through a social action of an economic nature guided by certain *value postulates* (*whatever their class*), which is lucky that the action was, will be or can be contemplated, from the perspective of these value postulates. These are diverse in extreme" Max Weber, *Economy and Society*, FCE, 1994, pg. 64.

³ It is well known that according to Weber, first capitalism is not characterized by the profit motive without any limit. The "spirit of capitalism" is not characterized by an incessant and uncontrolled acquisition of wealth, but by a rational economic attitude: a diligent, wise and respectful attitude with legality, as well as an austere way of life based on rational asceticism. Therefore, first capitalism does not consist of a economic attitude that is detached from all ethical principle, on the contrary, it has a certain connection between economy and morality. Max Weber, *The Protestant Ethics and the Spirit of Capitalism*, Península, Barcelona, 1999.

annihilation of the world in which the symbolic communication and the production and socialization of values is produced. This is a process by which the world of life is progressively subordinated to economic and bureaucratic rationality, i.e. to systemic imperatives of the market and the state ⁴.

It is commonplace in sociology to find the analysis of the development of modernity as a process that brings with it the liquidation of global visions of the world and the legitimating meta-accounts, the drying out of the sources of meaning and values. Somebody pointed out that with neo-liberalism commercial centres are built instead of communities. From this perspective, modern capitalist civilization has offered unprecedented material development, but at the price of the drying out of the soul; in Weber's words, *the case becomes empty of spirit*. The global balance talks about the sense of loss, because evaluative rationality no longer co-governs the action, and this becomes a merely pragmatic action that follows imposed interests and objectives. It imposes human rationality and a type of mentality and attitude inclined towards the functional aspect, and the human dimensions that aim to provide meaning are repressed.

A similar analysis of modern capitalism is made by the so-called "neo-conservatives: Daniel Bell, M. Novak, I. Kristol or P.L. Berger. First capitalism, linked to a moral conception and lifestyle (puritan ethics limited sumptuary accumulation, but not capital accumulation), has dug its own grave and has failed in the face of its own success because it has progressively dried out its evaluative system. The ascetic *ethos* characteristic of first capitalism, so intelligently analysed by Weber, disappears and a modern lifestyle is configured, which is centred on the consumerism and hedonism. They follow Weber's warning in the sense that the increase of wealth leads to ethics of consumption that will substitute the religious motivations for utilitarian considerations. In the opinion of these authors, the contemporary crisis is, therefore, a fundamentally spiritual or moral crisis, as a "transcendental bond" does not exist to provide "supreme meanings" and give stability to the system. The solution that they suggest goes through religion. The structural need for meaning that is characteristic of human societies can only be covered by religion, and not by any utopia of another nature ⁵.

We understand that the *fundamental tension* that crosses the cooperative idea also has something to do with this: the tension between the two rationalities mentioned and the difficult balance between them. Therefore, to talk about cooperativism and its possibilities to be carried out is to mainly talk about modernity, its paradoxes, ambivalences, contradictions and future

⁴ Jürgen Habermas, *The Theory of Communicative Action*, vol. I and II, Taurus, Madrid, 1992.

⁵ For a more in-depth analysis of these authors: José M^a Mardones, *Capitalism and Religion*. The neo-conservative political religion, Sal Térrea, Santander, 1991. The analyses that talk about the loss of meaning in contemporary societies also come from ideological positions that are very different to those mentioned. An example of this is C. Castoriadis, who talks about the in-significance of current capitalism.

possibilities. It is to talk about the possibility of a company and society model, and an action and human identity model that can conjugate economy and ethics, formal and material rationality, economic effectiveness and values, economic growth and social cohesion, economic reason and solidarity reason, instrumental rationality and ecological-social rationality, profitability criteria and democracy criteria ⁶.

Therefore, on a small scale cooperativism represents the search for an integral rationality, a balance that constitutes, in the opinion of authors like Alain Touraine, the great promise of Illustration and the greatest problem in modern society and culture: the difficulty in harmonizing the characteristic *effectiveness* of instrumental systems (technocratic and mercantile), with the personal and collective *meaning* that us humans require ⁷.

There have been and there still are many people who are worried about the evolution of cooperativism in different parts of the world, worried about upsetting the balance between the two rationalities. Such an upset can be produced in two directions: on the one hand, the configuration of brilliant cooperativism in its ideological foundation, but unsuccessful in a business sense ⁸; on the other, the successful cooperativism that slides towards terrains of pure economist pragmatism and the loss of ethical-moral substance ⁹.

The MCE is located in this modality of successful cooperativism, which, in the opinion of many observers, could be upset on the values side ¹⁰. In the VIII

⁶ Weber considers that all socialist movements maintain that supreme values exist (justice, the common good, civic welfare, etc.) that cannot be subordinated to the market and its formal rationality. Therefore, they represent movements that defend the primacy of a material-evaluative rationality that should lead the political practice: "Material and formal rationalities (in the sense of exact calculability) are completely separate from each other in a wide and unavoidable way. This fundamental and insoluble irrationality of the economy is the source of all "social problems" and especially all socialism" (M. Weber, *Economy...*, op.cit., pg. 85). Later definitions of socialism follow this same line (K. Polanyi, *The Great Transformation. A Critique of Economic Liberalism*, La Piqueta, Madrid, 1997; A. Gorz, *Metamorphosis of work*, Sistema, Madrid, 1995). Despite the important differences that exist between them, we consider that the different kinds of cooperativism also constitute this attempt to combine and harmonize the economic and social aspects.

⁷ In Touraine's opinion, the subject is the way to find a solution to such a problem, understood as a communications network between the two universes of objectivity and subjectivity: "[the subject] affirms their freedom and defends it against the instrumentalism of the open society and against the closing of the community, because they both threaten a freedom that implies the association of an inherited social and cultural language with new technical and economic objects, the combination of words and things, of symbolic and instrumental aspects", A. Touraine, *What is democracy?*, Temas de Hoy, Madrid, 1994, page 278.

⁸ It is well known that there is a long list of cooperative and social economy experiences that have succumbed throughout history due to their business inefficiency.

⁹ It is also important to perceive that, in fact, the history of cooperativism is the history of a permanent sensation of the loss of cooperative values. See the Swiss sociologist, Albert Meister's work: *Cooperative systems: democracy or technocracy?*, Nova Terra, Barcelona, 1969.

¹⁰ Some people have already signed its death certificate: "As a cooperative experience created with the objective to transform, it has failed, because in practice it has abandoned the attainment of these objectives and the ethical code that supported them. This failure does not have a solution. There is no room for a regeneration of the cooperativism of Mondragón Cooperative Corporation because, as we have seen up to now, it is not compatible to pursue the economic effectiveness measured in the conventional parameters of the capitalist system and to comply by cooperativism principles. The expected evolution of the MCC is the greater and greater integration in the globalised

Congress of MCC held in May 2003, this reflection was launched from its official instances:

It is quite frequently heard about the absence of cooperative debate in the heart of the Corporation and of the presence of an increasingly pragmatic meaning that is further from the cooperative principles that we approved in the I Congress. A kind of a slide towards aspects of a lucrative nature, towards topics that are not aligned with our real signs of identity.

However it is evident, on the other hand, that the balance between our principles and values and the economic treatment of the capital and work that was approved in 1987 and 1991 has not had relevant modifications... (...) The German theologian Juan Bautista Metz said that in present day Europe it is not religion that transforms the bourgeois society, it is more the bourgeois society that reduces and detracts from the best part of the Christian religion.

Could something like this be happening to us as regards our principles? (...)

Are we moving away from the original purpose of the experience, which was to model a more cooperative and caring type of person?

Are we forgetting the great force of the education, to nourish and water these principles that inform about our cooperativism?

Would it be useful to be able to articulate a debate from this perspective of the ideas?

The (feeling of) loss, the de-functionalising or disintegration of the values and meanings usually constitutes a painful process for those that are part of the human community where it is produced. However, the most worrying matter is not simply the more or less anomic situation that people experience when they perceive that their world of meaning and ownership appears to disintegrate in the freezing waters of a bare instrumental rationality. What is at stake goes even deeper: the actual possibility of human autonomy. The real possibility to build different socio-economic experiences on the base of consciously chosen values is at stake. We need to know whether the progressive expansion of the capitalist economy imposes on the individual and the different human communities an itinerary for action that does not admit any objection, a process to make human action uniform, thus usurping what belongs to humans: their own autonomy, freedom and the possibility of self-orientation. What is at stake, therefore, is the possibility of self-directing our lives according to consciously chosen

economy of capitalism, with the consequent loss of some differential signs that it still has with the companies of capitalist juridical system" Iñaki Uribarri, "The other cooperativism", *Hika* magazine, No. 59, July-August 1995, Bilbao.

values, and tackling against the single-dimensionality of instrumental and neo-liberal reason. We are looking at whether we are able to build the future, and to what extent, on the basis of the specifically human quality: the quality of creating meaning and directing our existence according to it. We have to tackle the hard sentence that C. Wright Mills launched in 1959, pointing out that, at what could be the end of the Modern Age, “the actual shape of history at present surpasses the ability of men to orientate themselves in accordance with preferred values”¹¹.

The question of the loss of values, therefore, brings us up against a crucial question, also in the cooperative company environment: the possibility and need to create a resistant subjectivity, that creates values and is self-regulated; a model of subjectivity, identity and personality that can be based on the rational service for a cause with meaning, and that it will know how to find ways of suturing the imperatives of adaptation with the self-determined action.

2. Mondragón Cooperative Experience. Social meanings in times of genesis

Certain idealistic and markedly moral conceptions of cooperativism have opted for the subordination of the business aspects to utopian constructions of different nature¹². However, the cooperative culture of Mondragón is impregnated from its origins with a strong pragmatism. It is characterized, among other aspects, as having readily assumed the formal rationality inherent in business action. This means that Mondragón cooperativism assumes that the principle of business effectiveness is the priority, the fundamental premise to achieve the cooperative social project. As a result of this, it breaks the apparent antinomy that for many exists between social sensitivity and business sensitivity. An alternative is not formulated between the two, but a complementary relationship and mutual need¹³.

¹¹ C.W. Mills, *The sociological imagination*, FCE, Madrid, 1993.

¹² There are many examples of this type of cooperativism. Here is the reference of one of the many: a model of a self-managed romantic experience, with ideological revolutionary tones, but a failure in the business sense, the experience carried out in Burgos, in the CYFISA factory, at the end of the convulsive seventies (Fernando Ortega and Néstor Cerezo, *By the heat of self-management CYFISA: the utopia experienced*, Hilo Negro, 1996). We also recommend a look at the difficulties of such an emblematic experience as the Kibbutz in Israel, from a small journalistic report: Ramy Wurgaft, “Kibbutz, another dream that dies”, *El Mundo*, 1st October 2000.

¹³ Following Weber’s theoretical orientation, we believe that what distinguishes traditional cooperativism (model of cooperativism that starts from an antinomy between economic and moral aspects) from modern cooperativism (that that does not start from such an antinomy and in which the Mondragón experience is included), is not the “profit motive” (which does not exist in the first one but does in the second) or the degree of this motive (which exists less in the first one than in the second). However, it is the model of ethical-moral regulation that distinguishes them. In traditional or more politicised cooperativism regulations exist, but they are mainly negative: moral limits are established for the business activity. However, what the modern cooperative *ethos* means is that the acquisitive economic activity is regulated, positively, and this regulation generates a lifestyle systematically directed at “profits” on the basis of calculation and market opportunities, with the finalist objective of serving human and community promotion. The contributions made by Weber on the definition of the modern economic *ethos* - the “spirit of

This culture is not apprehensive of the economic-business activity, but rather it assumes it in a natural way as its own. This cooperative *ethos* is one of the keys points of the culture of Mondragón and its business success¹⁴. For this reason, this cooperativism would represent the first rationalizing wave of the cooperative phenomenon, through which the action inscribed in the economic environment is granted its own *legality*: the laws of the company constitute and autonomous legality and must be abided by.

However, the strength and success of the Mondragón cooperatives' business action is not derived from its dissociation from any other criterion that is not merely instrumental. On the contrary: Mondragón cooperativism has been sustained on the link between company and meaning, on a mysticism and on the commitment with "limiting concepts" that, in some of its main figures, actually reaches points of a *society project*. A cooperativism, therefore, that defines itself and understands itself to be the bringer of an account with a vocation to improve and transform reality, the bringer of a narrative for a different company, and, in its most ambitious formulations, also for a different society. Mondragón's business-cooperative action was successful from its beginnings because, among other reasons, it found the evaluative anchoring that provided a collective meaning to the professional and working activity, it legitimated the business (cooperative) development and it conceived it as a project that was in itself good and desirable. It had a *body of meanings* and an ideological legitimation that successfully impelled and coordinated the effort of a human community. This way, the business action was integrated in a determined collective vision and narrative.

In other words: the cooperative action that we are dealing with here, owes great part of its success to the *basic socio-cultural consensus* that legitimated, justified and protected the business project. The business-cooperative action was morally anchored. The *inter-subjectively shared and morally linked meanings*, those cultural components with which it tuned the economic action and which co-governed this action, fed a specific vital

capitalism' vs. economic traditionalism - can be summarized in the following text by Yolanda Ruano: *Rationality and tragic conscience. Modernity according to Máx Weber*, ed. Trotta, 1996, pg. 198.

¹⁴ In any event, there are many, complex and varied keys to Mondragón's business success. Here are some of the ones mentioned by Alfonso Gorroñoigoitia, currently retired founder member, leader, director and direct collaborator of the maximum inspirer, Arizmendiarrieta: a) the successful establishment of the first cooperative was fundamental, because the subsequent development depended on it; b) such a good part of the success was due to the economic circumstances of the Spanish State in the fifties, an autarchic market, which was therefore closed to external competition; c) the solid and visionary leadership of Arizmendiarrieta; d) a demanding moral code was developed: in the task of creating a new type of company in accordance with the fair demands of the working world, the moral impulse became more important than the actual technocratic conditions; e) a complex institutional architecture is built, composed by a multitude of norms and operative structures, and a demanding legal system that is permanently updated is built ("good statutes and regulations are not enough to make a good cooperative, but bad statutes make such a task impossible); f) business associationism (supra-structure entities that enable common and effective responses: CLP, Lagun-aro, the university, regional and sectorial groups, etc.); g) total capitalization of results (they follow the maxim of "work hard and consume little", in order to be able to prioritise the community rights); h) demanding salary solidarity (scale from one to three).

attitude, an *ethos* and a particular moral code. A lifestyle was configured that was based on the professional dedication, work and the resulting business success. Mondragón's cooperative culture and the subjectivity of its pioneers have been strongly impregnated by values such as work, personal effort, savings, community service, rigorous self-containment in material matters, and self-discipline ¹⁵.

¹⁵ Special attention should be given to the high ethical-moral value given to the work. The MCE is based on a working world view and a deep-rooted work ideology, which in many of its main figures reaches transcendent meanings. For its main inspirer, José María Arizmendiarieta, work is a fundamental form of service to the community, the path for personal self-realization, and the way of collaborating with God in the improvement of the world. His vision of the person is based on the *homo faber* characteristic of the industrial society.

These aspects are all fundamental for the configuration of a functional collective subjectivity to the requirements of the company, and an effective mode of conduct in the field of action constituted by the market ¹⁶.

Perry Anderson affirms that Marxism looks for “subjective agents capable of effective strategies to displace some objective structures” ¹⁷. These words are applicable to the cooperativism of Mondragón: a collective subjectivity is built, which effectively transforms the organizational structure of the capital company and builds a self-management experience for the working class. The configuration of this subjective agent is given through a long educational process of approximately twelve years ¹⁸.

Mondragón’s cooperative culture is based on the successful marriage and the continuous feedback between the two types of rationalities, the formal-instrumental rationality and the material-evaluative rationality, far from the antinomy that was perceived by many of the cooperative experiences of economic traditionalism. The relationship between economy (economic rationality) and ethics (democratic-social rationality) has been, in other words, *mainly symbiotic*: the more you advanced in the business aspect, the more you advanced in the democratic project of collective self-management and community development.

The body of social meanings that protected the business action in times of genesis, roots its main intuitions in the thought of the person who was the main inspiration of the cooperative experience that we are dealing with here, one of the most important figures in modern Basque

¹⁶ This body of meanings in effect fulfils the function of anchoring in accordance with values of the business action and, through this, it creates the personality structures and the subjective conditions that are necessary for an effective performance in the market. However, the ethical project of cooperativism is not a pragmatic device that tries to achieve a successful adaptation to the conditions of the market. It is social ethics that grants a high degree of moral meaning to the working, business activity, and it covers with meaning the existence of those who participate in it. Therefore, not meeting the requirements of these ethics would probably have led to the failure of the economic activity, however, in many of its main figures, above all it would have meant an infraction of their ethical duty.

¹⁷ Perry Anderson, *Following the footsteps of historical materialism*, Siglo XXI, Madrid, 1986, pg.132.

¹⁸ It is frequently highlighted that Mondragón’s experience was essentially created from a long integral educational process: spiritual, sociological education (Arizmendiarieta created a Social Academy for the study of thought and the society of his time), technical education, and practical education in the social commitment. Many years passed before the first cooperative company was created.

history: Arizmendiarieta ¹⁹. This line of thought became a *multidimensional social transformation project*. His frantic activity of social priesthood searched for the moral and material elevation of a society that had been destroyed by the war (the Spanish civil war), in which he had actually lost. Arizmendiarieta's starting point was the awareness of living a moment in history that would be subjected to the most severe analysis and would radically pass it. The two world wars, and the Spanish civil war, were undeniable realities of a deep social crisis, a crisis of western civilization and capitalist modernity, the crisis of liberal reason. It was necessary to advance toward a "new social order" and a "new man". The popular classes had to demonstrate their maturity and adult age through their self-governing capacity, in a time of repressive dictatorship where on the other side of their cultural and material dependence there was not even a glimpse of an alternative. In this situation, cooperativism represented the possibility of self-government in the company environment. Like other thinkers in the cooperative idea, Arizmendiarieta defined cooperativism as an *economic movement that uses educational action, or by altering the terms, as an educational movement that used economic action*.

We will only note three fundamental ideas of Arizmendiarieta's community-orientated thought, and as usual, he shared an ideologised minority with his close circle of collaborators:

- On the one hand, the cooperative social action proposed to *transform the structures of the capitalist companies* used, like practically all industrial cooperativism, because it considered them to be characteristically unfair. They wanted to completely turn around the metabolism of power that was characteristic of the modern capitalist company, to create a new type of company in accordance with the fair demands of the working world, in order to situate the working class in a qualitatively different human and political situation. Cooperativism was viewed as a reactive element against capitalist business structures that were experimented as characteristically unfair exploiters and as the main source of heteronomy that the popular classes suffered.
- A second idea. The MCE did not only want a substantial change in the power relationships inside the company. Arizmendiarieta's line of thought clearly points towards the *transformation of the*

¹⁹ This Basque priest took from very diverse ideological sources: the social doctrine of the Church, the personalism of Mounier and Maritain, cooperative thought, socialism (especially English labourism and the Basque-Eibar socialism of Toribio Etxebarria), and Basque social tradition. At the same time, he followed the intellectual contributions of critical thinkers of his time, such as the pedagogue Paulo Freire and the philosopher Herbert Marcuse (one of the fathers of the Critical Theory, member of the first generation of the School of Frankfurt and ideological soul of May 1968). On Arizmendiarieta's thought see: Joxe Azurmendi, *The cooperative man. Arizmendiarieta's thought*, Astaza (Otalora), 1992. A summary of Arizmendiarieta's community-orientated thought in Basque in N. Agirre, J. Azkarraga *et al*, *Arizmendiarietaren eraldaketa proiektua*, Lanki, Eskoriatza, 2000.

actual conception and social function of the company. The company was conceived as a fundamental agent for social justice and community development, of the human and social promotion. The company should integrate elements of democracy towards the inside (changes in its internal metabolism), and towards the outside, it should look at itself as an agent to serve the community, the collective good, and not merely the individual good. This transformation of the company in its two dimensions (inside and out) was considered to be the lever for a global social transformation, because the capitalist company was seen as the source of a good part of the wrongs suffered by the Basque and western society of the time.

- A third idea. Arizmendiarieta's thought and the ethical dimension of the cooperative project did not only look in the direction of transforming the company towards the inside and toward the outside. At the same time, it also contained intuitions of a *societal project*, not just a business project. It aimed to take small steps towards *a new model of human coexistence and a new model of society that was increasingly self-managed and self-established*; the road from hetero-nomy to auto-nomy, in order for the popular classes to make firm steps towards the self-regulation of their existence, based on their own law. In more up-to-date terms, it was a conception of society in which civil society is the main figure that is responsible for its own destination, in a difficult but necessary coexistence with the two social institutions that characterize modern times: the state and the market ²⁰.

²⁰ The social doctrine of the Catholic Church has always been situated between individualism and collectivism. We will follow the researcher and theologian Hans Küng to highlight two fundamental principles which this "communitarism" responds to: the principle of solidarity (the promotion of the common good and the political-social balance must be prioritised against the particular interests), and the subsidiarity principle (what the individual can do on his/her own initiative should not be carried out by the community, and what a lower community can do should not be carried out by a higher community or the State). Hans Küng, *World ethics for the economy and politics*, Trotta, Madrid, 1999, page 212.

- The aim was to promote civic self-government experiences not only in the company but also in other environments of social life: education, health, free time, retirement, etc. This is the highest level of meaning, a *level of supraordinal meaning*, which as we have already pointed out, aimed towards a *project of society based on a vision over the good society* ²¹.

The aforementioned social meanings have adopted different forms, or in other words, the cooperative commitment has been covered with ideological adhesions of a different nature:

- Religious adhesions: Christian commitment based on the traditional backing of the social doctrine of the Church in favour of cooperativism as the formula to resolve the so-called *social matter* ²²;
- Adhesions to secularised formulations with socialist roots (Arizmendiarieta referred to Mondragón cooperativism as the main reference in Basque socialism);
- And adhesions to the construction of the country.

Therefore, Mondragón cooperativism revolves around the three main bases that have sustained the identity of people in the framework of first modernity: religion, class and nation ²³. Christianity, nationalism and social progressivism, and all of this together with business pragmatism, constitute the ideological constellation and the basic impulses of this peculiar cooperativism. This ideological constellation has constituted the base of its legitimation, and a

²¹ We have taken the concept “supraordinal meaning from the work by P.L. Berger and T. Luckmann, *Modernity, pluralism and crisis of meaning*, Piados, 1997.

²² The Christian motivation is explicit in the first internal rules of procedure of the ULGOR cooperative (later to become the emblematic FAGOR), in which it speaks of “Christian solidarity”. Both the social statutes and the internal rules of procedure are published in facsimile reproduction format: “Mondragón. ULGOR Cooperative”, School of Cooperative Managers, Zaragoza.

²³ On many occasions, in the symbolic universe of its main individual figures the different narrative keys and ideological motivations mentioned (religion, class, nation), cohabit at the same time, but in different degrees according to the individual cases. On the other hand, the cooperative experience considered as a whole, has not been immune to the historical and ideological changes that have occurred in its environment, and as a result of this, the relative weight of the different ideological motivations has been different throughout its history. In some people’s opinion, it would have passed from a mainly religious motivation in the early times, to another type of motivation where the commitment with the country or the socialist-rooted commitment prevail. At the present time, according to some observers, it would be experiencing hegemony of pragmatism.

sure framework of meaning, action and orientation for its main figures.

The specific weight of each of the aforementioned impulses has been different throughout history, in accordance with the ideological evolution of the actual society in which the cooperative experience is inserted. Are we currently experimenting a historic time mainly characterized by the progressive movement towards pragmatism?

3. Current day, a time of structural transformations and crisis of meaning

At present the MCE is experiencing a period of important transformations as regards its objective social structure, and as a result of these transformations its juridical-organizational physiognomy is being altered. We refer to structural tendencies such as the following:

- A remarkable deceleration (or paralysing) in the creation of new cooperatives.
- The increase of the percentage of temporary workers and non-members.
- Opening of the salary interval.
- The business expansion and internationalisation process in non-cooperative format (constitution of a kind of a cooperative metropolis and capitalist periphery)
- The cooling-down, in certain cases, of democratic participation

However, the important transformations that Mondragón's cooperative network is experiencing do not only affect their objective social structure. Also in the subjective plane, in the structures of awareness that sustain it, important processes are being produced which we will refer to with special attention, because it is the cooperative *culture* of Mondragón that we aim to analyse here.

We have already pointed out that in the foundational context of the MCE certain social meanings shielded the business activity. Let's dwell a little more on this fact.

Without aiming to make an idealized and romantic interpretation of the past, we can affirm that in its genesis, and in a good part of its later evolution, Mondragón cooperativism was something very similar to a *cause* in which many devoted militants participated. A cause that for many offered something close to the participation in humanity's redemption in exchange for a good dose of daily sacrifice, austerity, discipline and the renouncing of individual interest. An experience was sought for community development and equality, in which, following the conceptualisation designed by P.L. Berger, the concept of development did not simply mean the goal of rational

actions in the sphere of the economic-business aspect. It also meant, at a deeper level, the centre of the hopes and expectations of redemption ²⁴.

In the foundational context it was the religious motivation which sustained this vital commitment and which mobilized a good part of the cooperative energy. There was a cooperative passion that governed the behaviour of its initiators and later leaders. This passion was linked with a holistic conception of its own *mission* on earth and a solid faith in the redeeming possibilities of the cooperative idea. In its Christian version cooperativism structured an entire option of life in quite a few first generation actors. It was a *source of meaning* capable of supporting a project of life committed to the society of its time. The cooperative ideology was built on a reference to conduct and life. Cooperative hope and promise existed.

Therefore, in the genesis period there was a final rationality capable of administering meaning, a *transcendental link* capable of founding the business activity according to certain values and a substantial vision of the good life and a good society. This way, this activity was converted in a "cause", and in the centre of the existence of many of its main figures. A good part of the members of the first generation cooperative members represent a model of subjectivity that incorporates a substantive rationality, and they form part of a particular route of life and culture (early religious education, Christian commitment in their youth, etc.). This is a model with integral meaning, in which people have built and structured their lives based on the moral-Christian code that underlies cooperativism.

However, especially in the opinion of some retired members of the experience, they are no longer any "strong emotions in being a member of a cooperative", the ideological dimension has been eroded and the militant identities weakened. Taken to an extreme, the diagnosis is disturbing: a general loss of faith and beliefs (both religious and cooperative), and as a result of this, a tendency for the relative dissolution of the cooperative idea.

This line of argument, marked by the feeling of loss, is especially found in some members of the first generation, although it is important to point out that this line is capable of coexisting in the internal jurisdiction of these members with other lines of argument and highly positive perceptions with regard to the historical trajectory and present situation of the cooperative experience. From the perception of loss, a good part of the idealism, the romanticism and the sense of solidarity from other times would have been watered down. It would be a process in accordance with the general tendency of a society that loses references and develops behaviours in which individual motivations gain ground to the detriment of the community commitment. A time of individualism, of little "militantism" and less cooperative fervour. The money and wealth created by the cooperatives

²⁴ P.L. Berger, *Pyramids of sacrifice. Political ethics and social change*, Santander, Sal Térrea, 1979, pg. 30.

would have broken or reduced the dimension of solidarity, as good results promote egoism. The social existence of the average cooperative member nowadays would be more characterized by material welfare and individualism, and under these conditions their moral behaviour seems to feel the effect. The austere, sacrificed and committed way of life would have given way to another more consumer-orientated and hedonist way of life, plagued by material possibilities and which tend to produce the breaking of the commitment with the cooperative values and principles. The cooperative *ethos*, together with the mentality and vital attitude that it represents, seem to belong to passed times. This perception, partially installed in members of the first generation who are now retired, is the main cause of a *crisis of meaning*.

On the other hand, it seems that the different pieces of the above-mentioned ideological puzzle (religious motivation, socialist-rooted secular motivation, and construction of the country) are living times of a certain structural wasting:

- The secularisation of Mondragón cooperativism (the loss of the “transcendental link”), and of the whole of the Basque society, is a reality that is difficult to refute.
- The socialist-rooted motivation also seems to be going through a period of ebbing and deep disorientation, on a world scale, as it is still the victim of the chimes that announced the “end of history”; the different ethics of liberation have experienced a considerable historical setback with regard to their credibility, social legitimation and transforming potential.
- In turn, the motivation of building a country has been changed: it appears to be suffering a serious shove in the face of the global opening of markets and the internationalisation of the cooperative experience. This causes a process of relative *de-territorialisation* or *denationalisation*, through which their identifying-territorial loyalties may be being watered down and the Basque ownership environment transformed, to progressively become a *transnational business community*, and therefore, without any territorial assignation (or with multiple assignations). The internationalisation process also considerably questions the viability of the cooperative social organization, because for this process cooperativism in its traditional juridical-organizational expression seems to be having serious difficulties.

However, in addition to all the aforementioned, it is important to point out that the idea of development has experienced a profound transformation in western societies. It has changed from being the centre of the hopes and expectations of redemption, to being seriously more problematic and linked

to the idea of risk (ecological, social, cultural, etc.). The end of the 20th century has led to becoming aware of the *limits of the development*. This new awareness hits the same waterline as the development economic-business cultures and also of the Mondragón cooperative culture. Georges Balandier expresses this idea in the following way:

“The seventies are, firstly, the years of doubt; the enchantment has been broken. Progress brings with it “disillusions”. The society is “blocked”. Economic growth no longer has all the virtues, and some propose to put an end to it. It is the prelude to the crisis that appeared half-way through the decade and is still going on.”²⁵

It is possible that Mondragón cooperativism, as regards many of its main figures, is still sustained on the aforementioned ideological legitimization, however, what we would like to say is the following: this legitimization is more qualified, and is weaker and more problematic than in earlier times.

Due to all the above-mentioned, we could be witnessing a business action that has seen how the fount of *supraordinal meanings*, which once fed it, is now problematic and experiencing a certain *drying up* process (or perhaps transformation). It may have been the actual economic action that has decided to do without an evaluative cover that it no longer needs, because the institutionalisation of behaviours and cognitive-instrumental styles that the economic-business rationality requires has already been settled. By following this thesis given by Weber, the traditional values would have changed from being functional elements, to being unnecessary or directly dysfunctional. In other words, the business mentality and lifestyle that are required in order to guarantee the successful adaptation to the conditions of the market (profile of an applied worker and a culture of effective management), are reproduced mechanically, without the need for any ideological legitimization or a substantive axiological root.

From this hypothesis, once Mondragón cooperativism has been consolidated, the survival of this business network could be detached from the ethical-religious conceptions and the secular conceptions that have promoted its development. Under these conditions, the ethical-moral anchoring would no longer be so necessary; at least the regulatory formulations in a strong sense would not be necessary, i.e. those that integrate elements for a different society. Economic rationality would rise with a greater strength than ever against all attempts of interference from the logics that escape the “rational” considerations of profitability and successful adaptation to the market, to brand them as “irrational” considerations that can only exist in the private and subjective environment of its main figures. It would be a

²⁵ Georges Balandier, *Magazine littéraire*, No. 239-240, Paris, March 1987, pg. 25-26 (Taken from the work by Eugenio del Río: *Modernity, post modernity*, Madrid, Talasa, pg. 64).

historical process, a kind of “silent revolution”, through which victorious cooperativism breaks away from its old ideological pretext.

Whatever the reasons, the cooperative action appears to experience a certain wear of the elements of *supraordinal* meaning that have characterized it throughout its history. Certain sectors of the experience perceive a sliding towards an economic pragmatism that is detached and no longer covered by the clothes of meaning that the cooperative action possessed in other times.

However, under the new historical conditions marked by globalisation, the business world appears to need a new legitimating rhetoric. There seems to be an attempt to “re-enchant” the company and to connect it with elements of meaning, starting from the base of a new business culture. The MCE could also take the same route. In which case, maybe we are not so much up against complete nudity, but a new suit: new ethical clothing, fed by the new proposals of *modern management*, *the post-Taylorist company* and *the new business culture*. We will come back to this matter.

As a result of all this, one of the questions which the MCE must answer at present is the following: to what extent is a second wave of rationalization, which causes greater autonomy of the economic-business rationality, being split with regard to a plot of meanings, values and a substantial vision that up to now have accompanied the business action, besides an inability to produce new meanings and to renew its cooperative identity in the face of the new historical time marked by globalisation. Such a process would be at the base of the crisis (latent) of meaning that in these moments, we believe, numerous sectors linked to the experience are suffering. From this point of view, the contemporary crisis of Mondragón cooperativism (a high-intensity, globalised model of cooperativism) would therefore be a fundamentally cultural crisis or a crisis of meaning, as there is a weakening of the “transcendental bond” and the secularised bonds that have provided “supreme meanings” and have given stability to the system.

4. Some key points in order to understand the crisis

We will now mention some key points that will help to understand the crisis of meaning that in our opinion is being experienced by some of the main figures of the experience. Without going into a deep explanation.

4.1 Social changes in historical perspective

Firstly, we will have a look at the social changes that have occurred in the Basque society from a mid-term historical perspective. We will try to discover how these changes have affected Mondragón cooperativism ²⁶.

In 50 years of cooperative experience many things have changed, and the changes at a *macro* level have influenced, as is predictable, the actual cooperative reality. Below we will briefly mention some of the processes that have influenced the experience we are dealing with:

- Change in the *economic context*. The period of dictatorship under Franco was a period of autarchy in economic terms: the limits of the state-nation marked the scene for economic action, a closed framework that was characterized by a very discreet level as regards the competitive demands. In this context, the margin of success for business projects was relatively high whenever matters were carried out correctly, and as a result of this, the margin for rationalities of another nature to co-govern the economic action was wider. Nowadays, the scene of business action is made up of a world market with high competitive pressures that cause the constant activation, development and unfolding of the economic reason of the cooperative subject ²⁷. The area for rationalities of another type suffers an important reduction. Material-evaluative rationality loses positions in its pretension of co-governing the economic-cooperative action.
- The political change in the Spanish State has led to the installation of a relative welfare state, which means the strengthening of the public aspect. As a result of this, the field of community action has been reduced. Public intervention has been progressively extended and has become responsible for a good part of the social problems that were once in the hands of civic action and the mutual help networks. From a historical perspective, the margin of self-managing action has been

²⁶ Firstly, a brief observation. Some of the opinions about the supposed loss of cooperative values point towards certain responsible parties: in some people's opinion it would be the actual cooperative elite in recent times and the technocracy which, as a result of their weak ideological commitment, have made cooperativism slide along the path of in-differentiation with regard to other business methods and practices, and the consequent relative loss of identity. In our opinion, this line of argument should be kept in mind, but it is weak in explanatory capacity. Therefore, we are concentrating more on analysing the social and historical changes which the cooperative experience has had to face, and starting from there we will try to explain its evolution.

²⁷ In the process of adaptation to the different socio-economic scenes three main stages can be distinguished: 1) 1955-72 creation of the cooperative group, creation of the supra-structure entities and accelerated development time; 2) decades of the seventies and eighties: deep industrial crisis in the Basque Country, and elaboration of new organizational formulations for the adaptation to the European single market (in 1986); 3) adaptation to the globalised market in the decade of the nineties. For the analysis of this last stage you can find detailed reading made by José María Ormaetxea, one of the founders, leaders and main characters of the Mondragón experience, in the following recently published work: *Didactics of a business experience*. Mondragón cooperativism, Otxola, 2003.

reduced, and to a certain extent, we can talk about a loss of social functionality of the community logic ²⁸.

- Alteration of the *sociological context*. The cooperative action in its foundational context constituted an effective device to respond to the local society (of Mondragón) at the time, a post-war society marked by deep social needs. The social functionality of the cooperative social action was highly guaranteed. In fact, the cooperatives are created and are indeed developed throughout history on the base of social needs. However, what happens when these needs are substantially covered? What happens in a context of social welfare and material abundance like the one we are living at present? A question arises that affects the actual reason of being, justification and legitimation of today's cooperativism: how and why make cooperativism in a context of abundance and wealth that was previously unknown ²⁹. This sociological change causes the transition from one cooperativism model to another: we have changed from *need cooperativism* to *welfare cooperativism* (or abundance cooperativism) ³⁰. The transition from one model to another requires the relocation of the meanings from the motivational key points of the new generations: what does carrying out cooperativism and being member of a cooperative imply in today's rich societies (in the material aspect).
- Important changes have been produced as regards the *ideological-cultural climate*. The ideological romanticisms appear to have weakened, there is less militant heroism, and an individualized human figure seems to be imposed with high pragmatic overtones.

²⁸ It is yet to be seen where the current dismantlement of the welfare state will go, and therefore, if we will be able to talk about (or if we should talk about, and to what extent) of a historical re-strengthening of civic initiatives in the construction of a welfare society.

²⁹ We are not in a post-war context but in a context in which the social structure of the Basque environment has experienced substantial objective alterations, with a large middle class installed in the welfare. The social question, which is one of the objective bases on which the struggle of modern industrial cooperativism rests, has experienced a deep mutation. It is true that Mondragón cooperativism has found a fundamental anchoring today (as regards its social functionality) in the creation of wealth, but above all in the creation of employment, in a western society in which the problem of the employment is a high-priority matter. However, at the same time, from a historical perspective its transformation programme has been reduced, which at beginning aimed very high and was the bringer of an epic of commitment and social transformation. In addition, a good part of the social sectors identified with a perspective of social change, detach the employment problem from the economy environment, proposing political solutions that include the distribution of employment or the installation of a universal civic income.

³⁰ In these two models there are two important different aspects: on the one hand, the dramatic load of what requires a solution (a problem of shortage and poverty, and the attempt to solve the historical conflict that crosses the industrial society: the social matter; or an employment problem, also bearing in mind that there are many who have already detached the solution to the employment problem from the merely economic environment); and on the other hand, the epic and utopian-motivational load of the transformation agent is also different.

- The meta-accounts are absent from social life, and a weakening of social meanings, the systems of interpretation and consistent identities has been produced ³¹.

4.2 Institutionalisation of the meanings

From the perception of some of those that participated in the founding of the Mondragón cooperative movement, the meanings that they attributed to their collective action have undergone a certain evolution: the accumulation of beliefs, hopes, feelings and ideals have experienced what we have called the *institutionalisation process*. In other words, the system of meanings, the values and principles change from being elements that are present and vivified in daily activity, to constituting a conglomerate complex of institutionalised technical and bureaucratic procedures, further from the real experiences of the actual members of the cooperative.

The meaning that the founding action held is water down as the historical moment in time of the action goes further into the past. The emotional and romantic load of the collective action that gestated the experience has cooled down, giving way to a state of things in which there is a clear reality that has already been consolidated, objectified and treated as an object, which has institutionalised its motivational bases and system of meanings. The character of dynamic social movement that the experience could have in its origins has given rise to an objectified system of meanings, and therefore, further from the daily subjective network of each main figure. The concretion of the cultural elements (values, ideas, symbols) has been produced in certain norms of institutional action, and properly classed procedures.

The general value of solidarity, by way of a paradigmatic example, is institutionalised in procedures, codes and perfectly defined institutional norms of practice. The direct, personal and essentially vital experience of the solidarity opens the way to a bureaucratically administered solidarity. From the perspective of loss, this institutional solidarity is perceived as not true, in as far as it does not demand a attitude of personal commitment and effort. In our opinion, the fact that they have institutionalised codes of conduct and behaviours that guide the institutional network along paths is no less important. Some people believe that there has probably never been so much solidarity.

³¹ The loss of values and strong commitments seems to be a phenomenon that occurs in a good part of advanced modern societies. There are several social studies that refer to this base orientation. We will settle with pointing out one of these studies: the diagnosis carried out in 1998 by the French political expert Françoise Subileau on the systems of French socialist militant values. In this study he identified the erosion of the ideological dimension and the weakening of militant identities. These factors, together with the ageing of its members, accompanied the changing of the party from the opposition to Government socialism. His work can be found on the Net: Françoise Subileau, Colette Ysmal and Henri Rey, 'Les Adhérents Socialistes en 1998', <http://www.cevipof.msh-paris.fr/publications/ps.html>

Nevertheless, according to the testimony of an outstanding member of the first generation, "evidently there is an institutional solidarity that is easy to meet", and through which large quantities of money are channelled in many directions (in the form of social responsibility and commitment with different social causes); in addition, the money is distributed in accordance with the work that each person carries out and the choice is made by following the maxim "one vote for every person". However, "the spirit of cooperative solidarity is a much deeper appeal"; "solidarity has to cost something to your soul or your pocket", and this solidarity experience (individual effort and acceptance of personal limitations to the benefit of others) has lost strength. This "cost" is the what is not experienced today, or it seems to be experienced with more difficulty. The sacrifices would be carried out by the institution. It would be, in Lipovetsky's words, a painless solidarity, different from the old sacrificial ethics of the Judeo-Christian culture or the socialist tradition. An entire moral language based on the duties towards others would have been substituted by a language that mainly understands rights.

The new generations that have not experienced the ideological and motivational heat of the beginnings have found a reality that has already been made, constituted and institutionalised. Under these conditions the experience is a long way from what it was for those who took the first steps. The loss of historical perspective with regard to the context in which it fertilized the founding and the system of meanings that accompanied it, added to the objectivity of being integrated in the cooperative experience when it is already a consolidated reality, deeply transforms the experience with regard to the it. The warmth of emotions in a context of close relationships will be substituted by the indifference of a great business conglomerate. We will try an explanation of this evolution from two classics of sociology: E. Durkheim and F. Tönnies³².

From the cooperative community to the corporative association

In its beginnings Mondragón's cooperative world formed a small community in dimension and close in its social relationships. At the present time, the cooperative experience that we are dealing with here presents a degree of complexity, social differentiation and a very superior organizational architecture. The dimension of the cooperative society has constantly grown throughout its almost 50 years of life, changing from a community composed of a few dozen workers and a single cooperative, to a complex social network that has over sixty thousand individuals and a complex cooperative group of more than a hundred companies. Its geographical concentration in a relatively small town, Mondragón, opens the way to geographical dispersion, which that with the internationalisation of the group reaches various points of the planet. The social structure has been

³² E. Durkheim, *The rules of the sociological method*, Akal, Madrid: F. Tönnies, *Community and association*, Península, Barcelona, 1975.

differentiated, the social functions are highly specialized, and with all of this, the social relationships have taken on another profile. They are fundamental transformations, both in quantitative and qualitative order. In its growth and complexity process the MCE has become a large-scale social attaché ³³.

The cooperative experience and the model of sociability of the start of the experience corresponded to a social structure that was closer to that of *community* (Tönnies), or in other words, to that of *mechanical solidarity* (Durkheim). Later, the growing differentiation of the social structure was accompanied by a transformation of the social bond, of the model of social relationships, and as a result of this, of a greater institutionalisation of the meaning.

The cooperative company, from its beginnings, was fundamentally a social organization with an societal nature (Tönnies). However, the community component was powerful in the first phase of its vital cycle: the base of shared beliefs and common visions constituted a somewhat more consistent base for everyone, under the solid leadership of Arizmendiarrieta. In its evolution the societal tendency or organic solidarity tendency has been reinforced.

³³ The community of people that forms the original cooperative society is more compact and closer to the primary group, despite the fact that it is a company, and therefore, a formal organization, in which the “face-to-face” relationships are an important part of the social interaction and mutual knowledge is a relevant factor. The characteristic conditions of a small and close community are what makes a certain model of social relationships, in which social distance is smaller and human contact is more intimate. Under these conditions the moral norms and guiding principles of the experience required less formalization. A less complex network of interdependences allowed a more informal social cohesion, in which elements like the trust in people close by, constituted important factors of cohesion. The closeness of social relationships was fundamental in the beginnings, among other things, to raise the necessary money from the local community, with the aim that with the first promotion of experts that arose from the popular classes, who would later be the directors of Mondragón cooperativism, they could create the first company.

The group cohesion and the common cooperative project would have change from being based on a more or less common set of beliefs and feelings, to find itself above all established on the functional interdependence that is implied by the growing division of work. In its evolution, and due to the growing density and volume of its social structure, spontaneous and community solidarity (or group cohesion) gave way to a solidarity of a different nature: a solidarity that was not so much based on the force of collective conscience and but more on the functional need of its parties. Taken to an extreme, this perception is in fact the institutionalised norm that keeps the cooperative idea alive.

From this focus, it is the actual transformation of the social structure that motivates a different type of social relationship, and as a result of this, another form of the norm and the cultural idea (values, significances, meanings, etc.). It would have changed from a solidarity-orientated culture characteristic of a simpler and closer social structure, to another more institutionalised solidarity-orientated culture that corresponds to a more complex and more fractional social organization. In our opinion, we would not be talking so much about the relative dissolution of the cooperative feeling through neglect or negligence of its elite or its social body, but rather that this feeling is faded into the daily feeling as a result of the transformations that have occurred in the actual social cooperative structure. In other words: it would have changed from a type of cooperative culture characteristic of a certain social structure (*community* or *mechanical solidarity* society), to another type of cooperative culture that corresponds to a different configuration from the social cooperative reality (*association* or *organic solidarity* society). Therefore, when it reaches the current complexity, the cooperative experience is less close and more institutionalised. The human and experience temperature is different.

This transformation process of the social structure is essential to understand the feeling of loss and the anomic situation (loss of the world of meanings that at one time structured an option of life) that a sector of Mondragón cooperativism is experiencing (especially its first generation), where the diagnosis essentially speaks of the loss of values and cooperative essences.

The important organizational transformation that took place in the nineties falls within this tendency: the Mondragón cooperative group changed from being organized on the base of a sociological-regional structure to a different business-sectorial structure, with the objective of efficiently responding to the economic-business challenges that were outlined by the integration in the European economic environment. The business optimisation of the cooperative experience imposes restrictions and limits to the "natural" social networks where symbolic communication is produced. This way, the communicative processes that would facilitate the adhesion of wills and the consensus around collective meanings are partially substituted by non-verbal means. The needs of the productive process cause structural interferences in

the communication channels, and, therefore, in the areas of production and socialization of values. It is important to keep this in mind because in the opinion of authors such as Habermas only an effective advance in the level of communication would enable the social pathologies to be overcome today and therefore lead to an advance in moral progress.

The tendency towards the institutionalisation of collective meanings can also be understood as a process through which the areas for symbolic communication and the reproduction of collective meanings are brought closer. From a historical perspective, it could be said that the *administrative regulation* of the cooperative experience is progressively intensified. There has been a reduction in the *world of life* within which the values are reproduced and socialized from the cooperative pedagogy, the area in which the cooperative contact and debate are produced, the territory in which the communicative exchange is produced and the collective identity is redesigned. It is a historical process that tends to depersonalise social relationships, to cause structural interferences in symbolic communication and to subject cooperative life to the impersonal logic of administrative-bureaucratic systems and their systemic logic. Continuing with the concepts of Habermas, the communicative action that is characteristic of the *humus* of the world of the life (the type of action in which the main characters aim towards the mutual understanding of norms and values, and not only means) tends to be disabled and progressively substituted by another type of administrative, institutionalised action. This historical tendency mechanizes cooperative life and deprives it of meaning ³⁴.

³⁴ An example of this tendency is the transformation of the long meetings at the beginning. The testimony of the founders reveals a modality of business meetings, or assembly meetings of workers which, on the one hand, lasted many more hours than the quick and effective meetings of today, and on the other, helped the continuous recreation of the cooperative values. What it is more, all cooperative meetings were firstly understood as an area for cooperative pedagogy and the reproduction of the experience's evaluative rationality. Nowadays, however, the actions that try to be orientated in the same way are valued, in the best case, as overnight actions that do not have a place in the sensitivity of new times, and in the worst case, as indoctrination attempts that harm the individual integrity of the people. All of this points towards a relative de-functionalisation of the cooperative imagery.

4.3 Transformations of the capitalist company, identity crisis

To all the factors that we have pointed out we must also add another factor of great importance: the *alter ego* of the cooperative company, the conventional capitalist company, has also experienced base transformations. New kinds of rhetoric have broken through, with its new practices. Under the new historical conditions marked by globalisation, the business world seems to need a legitimating rhetoric that transforms the company into an area of implication, participation and cooperation, which is linked to the common good, far from the representation that is characteristic to Marxist thought that defines the company as the natural area of conflict among the different class interests. Therefore, there is an attempt "to re-enchant" the company covering it with other logics, new purposes and elements of meaning.

In fact, in these times of open economies the competitive advantage of companies is located in the field of human "resources". In the current development phase of modern companies, the company is defined as an *affective environment* in which it is necessary to mobilize the intelligence of everyone, in which culture seems to want to substitute technocratic rationality, *voluntary adhesion* substitutes coercion, and in which it is necessary to change mentalities and "modify individual's relationships with themselves and with the group, and produce creative wage-earners, capable of adapting and communicating" ³⁵. Besides all of this, the social and ecological responsibility of the company is demanded; we will be told that *without ethics there is no business*. It is, therefore, a new culture that aims to connect the business activity with overlapping meanings that point towards the "common good", social commitment, and other concepts.

"From this perspective, its hegemony and functional (technical) or institutional-political (administrative) order would no longer be imposed, but rather the communicative rationalization of the world of life. From which it is expected that a "communicative social integration" will emerge, based on the "community of meaning" (consensus) and that is not merely functional which, on the other hand, a business culture and a communicative *management* would promote in the company." ³⁶

As a result of these new moulds many things are changing. Among others, the historical conflict between capital and work is experiencing a mutation of historical scope. The new model of company defined as a an area of cooperation and personal self-realization brings the *coup de grâce* to the

³⁵ Adela Cortina, *Company Ethics. Key points for a new business culture*, Trotta, Madrid, 2000, page. 92.

³⁶ Jesús Conill, 'Ethical-economic framework of the modern company', Adela Cortina *et al.*, *Company Ethics. Key points for a new business culture*, Trotta, 2000, 66 orr.

Marxist vision; it could mean the historical realization of the end of the Marxist era in the company world. The *class* factor loses ground in the configuration of social identities, whereas the *company identity* gains ground. The new post-Taylorist company wants to internally generate a *sense of belonging*, it wants to articulate a culturally compact business community, which bring together around the business project a solid and homogeneous identity capable of fight in an open and increasingly competitive market. This new culture can constitute the new axiological anchoring of the company in general, and in particular of Mondragón cooperativism.

In fact, for many of the current directors, the new business culture gives cooperativism its historical reason, because its concepts (participation, implication, commitment with society, etc.) would be in the actual base of the cooperative genetic code. From this extremely optimistic perspective, these new conceptions offer a future horizon in which to resolve with solvency the harmonization between ethics and economy that cooperativism has always proposed. It is a new narrative that has entered into the culture of Mondragón with remarkable force. However, and although it may appear paradoxical, what seems to be the historical confirmation of the validity of the cooperative vision, can imply, at the same time, the disfiguring of its own identity and outline. That is to say, we may be up against a process of in-differentiation of cooperativism with regard to capitalist companies, and hence, up against a relative identity crisis. We will now look at this point in more detail.

Up until the present time, the contours of both cooperativism and the capitalist company have been well profiled, their importance was easily identifiable, and therefore, the differences between them were more evident. The historical process of growing in-differentiation may be caused from two main movements: on the one hand, the capitalist company has put aside its more bizarre expressions and importance, and aims to come closer to more democratic assumptions in its internal relationships and more ambitious assumptions in its aim of serving the community (at least in the rhetoric); on the other hand, cooperatives have found the need to incorporate many non-cooperative practices (relatively high rates of casual employment, increase in the percentage of non-members, creation of non-cooperative companies, etc.) and therefore, they lose part of their differential nature. These are two movements that push both realities (the cooperative company and the capital company) to an area that is being increasingly shared, causing a process of growing in-differentiation that blurs the identifying contours of other times.

The decline of the highly hierarchical company and of proud capitalism, has converted the script of traditional cooperativism (a certain, clear script, full of certainties and clear references) into a problematic script. Normal everyday people are finding it increasingly more difficult to find a clear

support that differentiates a cooperative company from another company that is not. Due to all of this, at the present time we are experiencing a more complex historical situation, a situation that no longer admits a black and white interpretation: the capitalist company is not a demon and the cooperative company is not a paragon of virtues.

Therefore, under the new historical conditions, the important points of cooperativism are levelled out as a differential fact, and there is a loss of steam in the social perception that is understood by the cooperative company as a reactive reality and a nominalized challenge to the rationality and characteristic nature of the conventional capitalist company. In addition, if we maintain a historical perspective, MCE has changed from being an experience that brings codes and alternative practices to the established business culture, to be constituted in a important reference of the dominant business codes and rhetoric of today.

This process brings elements that lead to a *crisis of identity*, in so far as the definition of the *cooperative us* and the account of our own differentiability become more and more difficult and lean more and more towards the nuance. Please do not misunderstand this point, we do not mean that the cooperative difference has stopped living, but rather that the collective identity built on clear and concise bases, gives way to an identity based on overlaps that are less and less defining and more and more diffuse. The thickly outlined cooperative identity opens the way to a shaded cooperative identity.

4.4 Educational deficit

We will end this analysis with a brief reference to a structural tendency that is characteristic of Mondragón cooperativism, which we believe has a direct relationship with the weakening of cooperative values. We are making a reference to the educational deficit that has been experienced in recent times, that is the lack of systematic planning of the (re)production, transmission and renovation of cooperative meanings. No experience that aims to propose anything different to what is established can maintain its identity in time if it does not permanently feed its own vision of things and the way of looking at itself and understanding itself.

5. Answers in the light of perplexity

Mondragón cooperativism is experiencing a truly complex moment. What should we do? As is natural, the actual members of the cooperative have different answers. Below we will highlight three modalities of answers ³⁷:

- a) The first one we could call *cooperative traditionalism* or the *essentialist position*: MCE should continue being what it has been up to now. It is the retrenchment in tradition, in the traditional cooperative values, principles and practices. From this position it is aimed to preserve the “people’s society” and the most coherent practice possible with regard to the cooperative principles. However, this discursive position clashes with the need to efficiently respond to an increasingly globalised economy with the coercive power of the market. That is to say, the need to respond to an increasingly competitive market forces the cooperatives to make greater use of casual workers and employees; it forces the cooperatives to carry out practices that are not coherent with their ideological principles. Are these mechanisms used excessively? Or in other words, are they used more than is strictly necessary? It is possible, but in whatever form, the *people’s society* feels the effect, in as far as the *work contract* (a merely economic bond) is gaining ground over the *society contract* (an essential differentiating fact of cooperativism). In addition, internationalisation is being produced in a non-cooperative format, and unless we opt for non-internationalisation, the alternative is not easy. As a result of all of this, the old cooperativism and its traditional juridical structure are being seriously affected in an open economy that to a great extent makes it difficult to maintain not the expansion, but the traditional socio-juridical cooperative structure. In the light of this tendency, this discursive position shows strong resistance. However, the extreme defence of cooperativism in its traditional format does not appear to offer a feasible alternative. Is it possible that the essentialist positions are to a great extent the bringers of a conception of tradition (cooperative) understood as the *illusion of permanency*?
- b) The relativist or post-modern positions, which see the possibility of building a base of common meaning difficult nowadays. It is, as Berger and Luckmann would say ³⁸, the proposal of maintaining the meaning basically at a functional level: i.e. the *objective meaning* of the economic action - the profitability and business efficiency - is the main (and practically only) “common meaning” that can cohesion Mondragón cooperativism nowadays. The reasons of this proposal can vary: resignation, fatality, or convincing. Beyond the minimum community of meaning, a base of common interpretation is not possible. The business

³⁷ The answers that are given below are “ideal types” that in reality are expressed in different proportions and not in their pure state. In most of the cases, if not all them, the individual characters that make up the experience mix statements that correspond to the different models of answers that we will point out. Therefore, most of the members of the cooperative interviewed have brought, in some degree or other, the different discursive positions that we will show.

³⁸ P.L. Berger y T. Luckmann, *Modernity, pluralism and the crisis of meaning*, Piados, 1997.

action could be carried out with certain ethical inclusions, or the creation of certain enclaves for evaluative action, whenever they do not refute the opening up of instrumental rationality and the type of action that characterizes it; i.e. whenever they reinforce it and shield it. There is no hope of the possibility of inserting the business action in a global system of meanings, let alone the foundational modality of meaning in which, in certain versions that have already been pointed out, the cooperative action would acquire a transcendent value that is closely bound to the commitment (religious) that guides an entire conduct of life and a global commitment to society.

- c) Lastly, a vision that we could describe as of *jingoistic perspective*. This perspective, as we would expect, acquires greater importance among people who hold management positions, and who consider that the economic success achieved by Mondragón cooperativism, together with the important contribution that it has made and is making in the society (mainly by creating wealth and creating jobs, whether they are cooperative or not), represent the essential fact to bear in mind. In addition, the new business culture and the new models of participative management give the *historical reason* to the cooperativism. Therefore, it is an absolutely optimistic vision that perhaps accepts the crisis of cooperativism as regards its traditional juridical realization, but that does not accept a crisis of meaning and identity, but completely the opposite: it is affirmed that it is carrying out more and better cooperativism than ever, because the cooperativism is more and more defined in the experience plane and in the participative idea (not in its organizational-juridical realization). These aspects would have been seen substantially improved in recent times, from a post-Taylorist business organization, in which some of the Mondragón cooperatives are pioneers at a European level ³⁹.

In our opinion, all the answers are partly right, and they all provide some truths. All the answer modalities offer a partially satisfactory solution. However, they all have weak points that we will briefly explain below.

A brief note with regard to the first modality. In the essential aspect, this position aims to build a barrier composed of the assumptions and practices of traditional cooperativism, and to resist the attack of a market that threatens to destroy its most intimate essences. It is more than possible that the cooperative model can give more (the possibility of using smaller rates of casual workers, creation of more cooperatives, etc.), therefore, the search for greater levels of coherence with regard to the traditionally cooperative practices is a necessary leading light in the cooperative area. Whatever it is,

³⁹ The following are some of the cooperative companies integrated in Mondragón Cooperative Corporation that have stood out for their excellence in business management: Irizar, Copreci, Fagor Cocción, and Caja Laboral. Please see the magazine *T.U. Lankide*, n. 467, April 2002.

the past and tradition should be enough for us to build a future, and not to jeopardize it. In other words: excessive traditionalism can be self-destructive.

In the face of the second answer modality, we are radically opposed, despite the fact that maintaining the meaning in a basically functional level is in itself a powerful level of meaning. We believe that post-modernism is not built. On the contrary, whoever leaves all paradigms behind is prepared for all the adaptations and for the rejection of all the affirmations of meaning (not instrumental). They are prepared for the acritical adaptation to what really exists. This position is the same negation of the possibility of a self-determined action based on consciously chosen values; in short, it would mean the acceptance of the death of the cooperative subject.

The third answer is probably the one that is more likely to be proclaimed victorious in the future, and it is the one that, on the other hand, is managing to monopolize the re-reading of cooperativism in the face of the base changes it is experiencing. Therefore, we will detain ourselves on this point somewhat longer.

Indeed, what we have called *jingoistic perspective* maintains a position of singing the praises of some attractive and well defined cooperative muscles, the result of the years of cooperative exercise and accumulated business success; and as a result, at the same time, of a relatively advanced and successful incorporation of new post-Taylorist assumptions. There are many objective influences for an optimistic reading of the journey made by Mondragón cooperativism, and the new moral language of the post-Taylorist company appears to offer new pretexts.

However, perhaps the good health in terms of business profitability does not allow us to see that it is possible that the anatomy of cooperativism is suffering on the inside, in the deep plane of its identity and meanings. It is possible that the link between "cooperative identity and total quality" is not capacitated to see that there are deep currents that are mining the wealth of accumulated historical meaning. Beyond the muscular appearance, and especially with regard to the new generations, the heart of the cooperative body does not seem to beat with the same strength and vitality as in the past, nor does it seem to pump the flow of meanings as in other times. It is possible that the cooperative lung has found oxygen through the new masks distributed by modern management. However, maybe we should ask ourselves whether it is really a formulation with the capacity of founding individual identity (we should not forget that these are formulations that lead to the capitalist company) and with a transforming vocation.

Behind a reality of stability and economic success, what we have already mentioned may be silently hiding: the progressive breaking up of the bases of historical legitimation, of the socio-cultural consensus and the self-

definition of the MCE; and the new fashionable formulations do not seem to possess the power required to compensate for this break up.

Regardless of the good will of its guardians, the new business rhetoric may consist mainly of covering the business action with essentially utilitarian ethics, with an exclusively functional nature as regards the interests of the economic-instrumental rationality and exclusively orientated towards meeting its requirements. The new business culture may constitute, to a great extent, the attempt to constitute an economy *as if people were important*, i.e. a purely instrumental action covered with a new pseudo-moral foundation.

However, with this we do not mean that this new culture does not hold interesting concepts, practices and potentialities. Beyond angelical conceptions and beyond the good will of many of its defenders, we have to see its evolution, sincerity, degree of implementation, binding forces and transforming capacity. Even more so, in times in which emblematic companies of neo-liberal capitalism (Enron, WorldCom, Adelphia, Arthur Andersen, etc.) and numerous mega-corporations and multinationals (Nike, GAP, etc.) show a very different face, and let's not forget that they all defend spotless ethical formulations in the rhetorical plane.

In any case, it is clear that to speak of values and business ethics nowadays is a question that is decisive and very topical, which should not be underestimated. Therefore, this new wave in favour of the re-moralization of the business activity can offer, in our opinion, valid support points, it could be a kind of threshold for the real *transforming ethics of capitalism and an ethical transformation of economic rationality*⁴⁰; or in other words, it can create a "springboard effect" for more ambitious cooperative formulations that sink their roots into their own vision: critical humanism and (truly) community ethics.

6. For a renovation of the meanings and identity

6.1 An autonomous vision

Let's suppose that an axis of values exists that goes from less to more: on one side of the axis, we have instrumental action in its purest expression, which is, the complete nakedness of evaluative anchoring; on the other side, the *cooperative home* full of meaning and orientation, starting from a commitment to create wealth and the equal and solidarity distribution of this wealth, for the conformation of a increasingly self-established society (self-

⁴⁰ Concepts that Jesús Conill uses, 'Ethical-economical framework of the modern company', in Adela Cortina, *Company ethics. Key points for a new business culture*, Trotta, Madrid, 2000, 51-74.

governed or self-managed). The two extremes are fictitious situations and, therefore, they are difficult to find in reality.

However, between the two points there are several possibilities and intermediate formulations. One of which refers to the already mentioned new business culture that is basically an attempt of evaluative anchorage which, in our opinion, is running a serious risk of exploiting the ethical aspect and placing moral reflection on a base that understands more about cosmetics than a transforming project in which it aims to inscribe Mondragón cooperativism.

It is very possible that this new business rhetoric is the new cultural force that is the backbone of the cooperative social movement, the new “ethical model of meaning” that is the base of it. If this was the case, we would be seeing a cultural transformation of some magnitude: the old models of meaning are being displaced by other models that are closer to this New Business Culture. Following Lipovetsky again, we ask ourselves whether this process of change represents a movement of cooperativism based on *sacrificial ethics* (characteristic of the Judeo-Christian culture or the socialist tradition) to a kind of a *painless altruism* cooperativism, more characteristic of post-moralist societies (societies in which the individual affirmation and a basically individualistic narrative prevail).

In our opinion, the new business culture at the present time has important limitations that make it insufficient. Through these assumptions it is possible to build a cooperativism that leads tendencies of modern management, in an attempt to make the traditional values of cooperativism take part in new organizational practices. However, we believe that this cooperativism would be basically lacking the elements capable of configuring a transforming project and a differential identity. The new business culture is very weak in its attempt to understand itself in a societal project, and much less in a deeper cooperative and self-managed vision. Cooperativism would lose the possibility to represent itself in a paradigm and a wider vision of the self-management and self-government of societies.

Therefore, rather than adopt the new culture and the moulds of the new, modern ways of business management, or together with the adoption of these tendencies, we believe a new vision needs to be built for the cooperativism of the 21st century, an individual, autonomous vision.

We believe that the MCE and other forms of social economy that aim to continue building socio-economic experiences that mark a substantial differential idea based on values of solidarity, democracy and social justice, should undertake a deep collective reflection on what the differential practices are that they want to use to constitute their own collective identity. The members of the cooperative have to answer basic questions again: who are we, who are we not, what do we want and what can we contribute, etc.

A new approach to cooperativism is necessary that asks about the idea that the cooperative society has of itself and for its contribution in the face of the *changing times* that we are experiencing; in short, for its self-definition and self-representation in a historical period that is different from the period that witnessed its creation.

For this purpose a *change of outlook* is necessary, a new vision in the direction of activating an *individual, autonomous language*. An individual language that builds a world of autonomous meaning, composed of the "extreme concepts" characteristic of the traditional cooperative idiosyncrasy and of the "extreme concepts" that social and ecological responsibility demands today: democracy, social justice, ecology, community ethics, community and sustainable development, etc.

Rather than carry out an acritical adaptation of the formulations that come from the outside, it is necessary to mobilize the actual analytic and conceptual tools. The idea is to open a debate about cooperative identity from the *cultural autonomy* characteristic of Mondragón cooperativism, from its own business identity and from its own thought that sustains this socio-business experience. It is necessary to re-think cooperativism from endogenous rationalities, and to know how to integrate other references and cultural keys, but without them being assimilated by the culturally dominant proposals that come from other worlds.

6.2 A renovated identity

"Everything that troubles us enables us to define ourselves. Without indispositions there is no identity. Fortune and misfortune of a conscious organism."

E.M. Cioran, *Ese maldito yo*.

To ask "what troubles us" is to answer "what do we want to give" and "what are we". In other words, the ethical indignation is the bringer of ethical commitment. Moral indignation in the face of the inequalities and injustices of the world constitutes the driving element of reflection, commitment and the mobilization that underlie cooperativism.

It is essential to progressively advance towards a global reading and critic of where we are situated and in what world we are living, in order to then define what we would like to contribute within this world. It is possible that many people perceive this task as a speculative activity, which is characteristic of those who live detached from the real world of the company. This is possible. But we are very much afraid that being too attached to the daily reality prevents you from capturing structural changes and the base tendencies that start to outline a new period of time. We think

that it is necessary to build a new cooperative dramaturgy: the scenery has changed, along with the public and the actors, and as a result of this, it is necessary to write a new script. A new script that knows how to connect with an up-to-date reading of the world that we live in, with globalised capitalist modernity and its problems.

Let's not forget that the critical analysis of reality is in the actual foundations of the creation of the Mondragón cooperativism. However, even if it was not there, such an analysis is essential for a conscious and autonomous location of all social agents in a time of deep historical change (for many a *change of civilization*). It is evident that such an analysis exceeds the pretences of this document, but we will just point out some ideas.

The MCE of the future will be composed, as it is today and has always been, by different sensitivities and modalities of meaning, because it is constituted by a conglomerate of different people. Cooperativism is, and should be, a plural and diverse area. Therefore, besides the aforementioned positions (traditionalist, post-modern and jingoistic) we believe that other beats are palpitating, and should palpitate, representing a drive towards a deeper (re)formulation, a reinvention and renovation of identity in a strong sense of the word, connected with the transforming energies of the new generations (a clearer differentiability with regard to what we are not and the model of multinational company in use). It is a guiding light of the future in formation, that is being constituted, which connects with past meanings and that looks at present and future problems. It is a new sensitivity for a new generation. It is important to leave enough space for the conformation and structuring of this drive, because it can feed the MCE in a remarkable way.

All generational changes are important, but they are more so when the change coincides and connects with a deep process of historical-social change: a new generation configures a different world and, at the same time, the generation is configured by the world. This new sensitivity denounces two dangerous attitudes: on the one hand, the fatalism inherent in both cooperative traditionalism (because locking oneself in tradition does not have a future) and in postmodernism; on the other, the pragmatic opportunism and instrumentalisation of ethics that is part of the new business fashion. From this point of view, the new business culture embodies the danger of an utilitarian cover: the moral rationality that brings cooperative social ethics from its origin can be substituted by a shiny shell that is empty inside. The deep ethical root of the cooperative ethos may be losing itself and becoming merely pragmatic ethics. It would be a pseudo-moral reappraisal of the business activity.

For this new sensitivity it is necessary to re-make and re-think Mondragón cooperativism with new meanings that respond to ethical challenges of the new historical time. It is the (re)situation of Mondragón cooperativism in a system of meanings that give meaning and orientation to the economic

action, starting from an up-to-date reading of the problems of the world that we live in today; to recreate a new cooperative identity with renewed foundations: it is not the resuscitation of the meanings of old cooperativism, but rather the search for a new realization of its universal values under new historical conditions. However, what are the new socio-historical conditions?

6.3 Some key points for new Cooperativism

The characterization of the current world is a huge task of great complexity, but it is clear that one explanatory term seems to cover a good part of this characterization: globalisation. In the light of the tendency towards disordered globalisation, the regulation of the globalised world and market poses an urgent challenge, because worldwide capitalism seems to have been removed from all ethical, religious, social, ecological or political regulation, which until recent times have operated in a more or less effective way within the framework of the state-nation or the pre-modern societies.

In the opinion of the theologian and researcher Hans Küng, "the world economy has become widely independent, and no world politics exist at this time that are able to efficiently control its global development". In his opinion, "the primacy of politics is being questioned against the economy and at the same time the primacy of ethics against the economy and politics..."⁴¹. In the light of these tendencies, the illustrated dream of a future in progress and continuous improvement is substituted by a vision of danger in a "risk society". The actual progressive thought stops observing modernity as a historical time that is essentially ambivalent but full of possibilities, and moves its vision to its dark areas. J.J. Brunner speaks of this illustrative and significant process:

"...the progressive vision and sensitivity are now, for the first time, showing a fear of modernity. Yesterday's optimism, felt by the utopian and scientific socialists and the social democrats, gives way to a barely hidden pessimism through which growth is seen as the cause of uneasiness and the technological revolution is seen as a threat to culture."⁴²

Indeed, the 20th Century has shown us the dark sides of modernity, and as a result of this, the intellectual climate has been impregnated with a feeling of intimate distrust around the illustrated project.

Nowadays it seems more necessary than ever to demand the multidimensionality of the human being and the human society, against the attempts of the market to create a kind of "one-dimensional man" and

⁴¹ Hans Küng, *Global Ethics for Global Politics and Economics*, Trotta, 1999, 225 orr.

⁴² Brunner, 'Notes on the unease in the light of Modernity: neo-conservative transfiguration of progressive thought?'; http://www.geocities.com/brunner_cl/listado.html.

society inclined towards the instrumental aspect. We return to Küng to express this idea:

“Said from the sociological point of view, the economy (and, therefore, the market) is only a subsystem of society, with which other subsystems like law, politics, science, culture and religion coexist. The principle of economic rationality has (...) its justification, but this must no be pinned down, because it is always a relative justification. However, in economist ultra liberalism - said as precisely as possible- there is a danger that the subsystem of market economy actually raises the category of a total system, so that law, politics, science, culture and religion are not only analysed using economic instruments (which would be legitimate), but in practice they are also subjected to the economy, domesticated by it and in short, distorted.”⁴³

There are many authors that talk of the need to protect the environments of social life in which the symbolic communication is produced and the production, transmission and socialization of the collective values is given. It is always a good idea to remember Habermas' warning: “It is necessary to put a stop to the circuits of money and power of the economy and the public administration, whilst at the same time it is also necessary to keep them apart from the communicatively structured action environments that represent private life and spontaneous public spaces; because if this is not the case, the world of life will still be even more invaded by the ways, which are dissonant for it, of economic and bureaucratic rationality.”⁴⁴

Economic rationality has never constituted a problem in itself, as Mondragón cooperativism has always known. It has been its deregulation and unlimited expansion that has caused an increasingly more insecure world. In this sense, I. Zubero point out that “the central problem of the capitalist society was not and is not the existence of economic rationality, but rather the problem of finding and maintaining the *limits* within which it can and should be applied”⁴⁵. Following this same line of thought, M. Walzer expresses it as

⁴³ Hans Küng, *op.cit.*, 221-222 orr. Javier Álvarez Dorronsoro's words point in the same direction: “With utilitarianism the emancipation of the economy is completed with regard to morals. The economy is configured as an enclosure with its own order, which is even granted a functional morality (like utilitarian ethics). As far as it is logical to consider that a coherent domain in itself does not need external intervention, whether moral (in its Christian version or coming from the Aristotelian tradition) or political, the idea that any intervention by human beings to modify this economic order is disastrous will progress with time” (Javier Álvarez Dorronsoro, *Ethics and Economy*, unpublished, 1995; taken from the work of Eugenio del Río, *Modernity, Post modernity. Logbook*, Talasa, Madrid, 1997, p. 18-19).

⁴⁴ J. Habermas, *The need to revise the left-wing*, Tecnos, Madrid, 1996, p. 135.

⁴⁵ I. Zubero, *Work in the society*, University of the Basque Country, p. 128.

follows: "The morality of the bazaar is right in the bazaar. The market is an area of the city, not the whole city" ⁴⁶.

There is no lack of pessimistic and even defeatist readings on the world at the beginning of the 21st century, but in the light of these readings we prefer to take a look at Paul Ricoeur's more hope-inspiring words ⁴⁷:

"Today's man has arrived at a threshold: he has the possibility of carrying out fundamental modifications of his own existence but he can also be destroyed. It is a conquest that marks an unprecedented time in history. However, it is not necessary to create alarmism. It is a matter of providing rules. The broader man's power is made, the more the possibilities are of good and bad are widened. We do not need to be surprised or discouraged. I do not share the pessimistic position of those who see a risk of irreversible catastrophes in scientific progress and globalisation."

It is a matter of providing rules, Ricoeur tells us. There are many proposals that point towards the need for a new ethical, cultural or political regulation. The reappraisal of politics is an important key to configuring a less dangerous and safer world. Anthony Giddens speaks of a "runaway world" and points out that "our runaway world needs more rather than less authority", and he adds that only the democratic institutions can provide this⁴⁸.

The world of cooperativism does not belong to the political world. However, cooperativism constitutes a collective experience in the company world that is guided through a specific cultural and ethical self-regulation. We have here the challenge of cooperativism also from now onwards. It is to activate the capacity of collective self-regulation of the economic-business activity in the direction of cooperative values.

We must keep in mind that many of today's proposals defend a deepening of democracy, especially in participative democracy, thus promoting the decision capacity of all the sectors affected. This means that we find ourselves with the assumption that represents the hard centre of the cooperative idea: democracy and the capacity of civic self-government.

As we have already pointed out, we believe that there is a seed of a new cooperative sensitivity which, still in a somewhat diffuse and intuitive way, is

⁴⁶ M Walzer, *The spheres of justice. A defence of pluralism and equality*, Economic Cultural Fund, Mexico, 1993, p. 74.

⁴⁷ Quote taken from an interview with the French philosopher: 'A philosopher in defence of the person'. The interview can be found at the following Internet address: <http://www.uia.mx/humanismocristiano/filosofia.html>

⁴⁸ A. Giddens, *Runaway World. How globalisation is shaping our lives*, Taurus, Madrid, 2000, p. 95.

starting to look in a new direction, in awareness of the new historical and social time within which the experience falls. However, we have yet to see what the path of this sensitivity will be: its starting strength, its capacity to make its vision work in the social and directive body, its resistance to time, its capacity to integrate its vision in the already existent institutional network, its capacity to offer elements for a different business practice which is at the same time viable... We have also yet to see the receptivity of the current structure of power against the new proposals.

This sensitivity shows that the new starting points of our time are the following:

- Globalisation process is basically and antidemocratic process. So, democracy is also today one of the most important concern for a better world and a better globalisation, in order to extend the democratic control of workers over the workplace and the economy.
- Ecological re-structuring of the industrial society. In a certain way, we have moved from the centrality of the social aspect to the centrality of the ecological aspect ⁴⁹.
- Re-structuring of capitalist modernity based on the North-South contradiction (the capital-work conflict is no longer the central point of conflict).
- Re-structuring of sexual roles (incorporation of the point of view of gender in the company as a result of the massive incorporation of women in the working world).
- Crisis of meaning caused by capitalist modernity and the ways of life that it promotes: individualism, lack of collective orientation, the need for other human logics that balance the instrumental rationality.
- New focuses of concern related to the quality of life and the workplace within it: work-family, free time-work relationships, etc.

In the new generations the alliance between safety and economic growth has disintegrated. The assumptions of development and productive economics (the idea of unlimited growth, the idea of the more you work the

⁴⁹ Ulrich Beck, *Democracy and its enemies*, Piados, p. 25.

better your life is, etc.) lose weight in the new cultural coordinates of young generations, and in the light of this, formulas are assumed for a more qualitative economy. These are past identifications that fit into new consciences with difficulty, and which will be even more difficult in the future.

The doubt about the Western model of development corrodes the legitimacy of economic success *per se*, and the legitimacy of the unlimited expansion and execution of the economic rationality. And it is possible that this will not be caused by a flare of ecological ethics; or an attitude of revolving in moral terms in the face of a depredatory human action that does not respect other forms of life on the planet, or because it creates pockets of poverty that have no comparison in history (both in the first world and in the third). Rather than the reasons provided, or along with them, it is possible that it is caused by a feeling of insecurity in the face of a historical direction that confronts us with dilemmas of an importance, magnitude and transcendence that we can hardly reach to see accurately, and which are related to the self-destructing dimension of our species. For these consciences it is difficult to glimpse the possibility of a historical project based on human values (cooperative) that does not deem it necessary for a reappraisal of the ways of life and methods of economy (and the company) of today's world.

The capital-work conflict has marked the industrial society from top to bottom. Until now, this conflict has formed the base for social action, and has marked the identifying, symbolic frontiers of the citizens and the different social agents. This conflict has put everything in its place, in a world of certainties, of secure orientations of action. The area par excellence of this conflict has been the company, within which the roles and counter-roles of the different characters were solid. A good part of the self-definition of cooperativism has its main reference in this conflict, because the surmounting of the conflict has constituted one of the identifying foundations of industrial cooperativism. However, the industrial society, with all its institutions and secure identities, is transforming.

The definition of the business area as an area for cooperation and not conflict has broken down the old cooperativism, at least as regards industrial cooperativism. The main contradiction of the traditional industrial society has, to a great extent, been disabled in its traditional form. The main conflict has been disabled, which the industrial cooperativism wanted to confront, because this conflict was diagnosed as the source of human indignity in a certain historical context. However, we should explain that what cooperativism wanted to confront was not so much the capital-work conflict, but human indignity, and it was deduced, from a historical reading, that the source of this indignity came from this conflict.

We are facing the end of the cooperativism that has been put into practice in the framework of the capital-work contradiction as the fundamental

characteristic of capitalist modernity. Nevertheless, we have defined capitalist modernity as a conflict of rationalities, and we understand the capital-work conflict as one of its expressions. Therefore, from now on cooperativism will have to be redrawn starting from the new centres of conflict and the new contradictions, for many people, the second modernity. We are experiencing the need to redefine cooperativism because the actual world is being subjected to a structural redefinition and reconfiguration. As we have already pointed out, the ecological contradiction, the North-South contradiction, and the crisis of meaning that capitalist modernity produces (also in the south) seem to constitute some of the new lines of conflict.

By taking these reflections to our specific environment, the Mondragón cooperativism environment, it is necessary to point out that the cooperative citadel should also know that its survival cannot rest exclusively on technocratic solutions. The future challenge goes through the capacity to endogenously generate the cultural, social and ecological rationalities that accompany economic rationality and give meaning to it, in order to tackle what may be considered as one of the problems and risks that will plague human societies in the 21st century with the greatest force: the unsustainable nature of the model of western development.

We agree with Alain Touraine when he warns that the modernity that Max Weber so intelligently analysed is not the only possible one ⁵⁰. In this sense, the MCE represents an important, if somewhat humble, challenge in the task of continuing to reconcile efficiency and meaning: it can demonstrate that the drying up of meanings through the overwhelming passing of instrumental and rationalizing logic is not the only itinerary possible. The MCE, as a part of modern culture, should fight against the danger of having created a universe of great and powerful means, at the service of no other purpose than the one of reproducing and extending itself.

In that sense, the general position deals with the need to combine economic growth with the idea of sustainable and multidimensional development. Therefore it is economic growth that respects social, democratic and ecological standards ⁵¹. With this we mean that the challenge of the MCE does not consist of growing economically, but in growing by following democratic, social, cultural, ecological and solidarity criteria. In this task, the Mondragón cooperative movement can act on the defensive, or it can be

⁵⁰ A. Touraine, *A criticism of modernity*, Temas de Hoy, 1993.

⁵¹ This ethical regulation demands a negative control of the business exercise. It is important to point out that an ethical regulation of the cooperative action has always existed. It is possible that this regulation was more evident in the early times. Two examples taken from our research: a) in the early times they rejected the possibility of conceiving business activities which, although profitable, competed with the already existent industry in the community of ownership; b) on some occasions, the market prices of the manufactured products were lower than what they could actually have been if they strictly followed the imperatives of maximum profit.

constituted, as far as is possible, in a driving agent for a new way of being and forming a company.

The educational work is the cornerstone around which the cooperative regeneration should revolve, through the important educational structures with which it has been provided throughout its historical trajectory, especially its university (Mondragón Unibertsitatea). The university area should be, in close relationship with the cooperative company, a neuralgic centre of debate and cooperative reflection. The university should be state-of-the-art in the production and transmission of the collective meanings characteristic of Mondragón cooperativism, and the driving force of progressive and renovating thought. There will be no possibility of regeneration without taking the education and training of the new generations very seriously. There will be no possibility of renewing the collective imagery or of re-building the cooperative subject based on the new coordinates of today's world, without an ambitious and effective educational strategy.

Beyond the fact that the possibilities to re-enchant cooperativism sound convincing on paper, the most important task is to analyse what resources the MCE has to make its ideas, because otherwise we would have a desirable but arbitrary vision. Some of those resources could be the following:

- The need for meaning that western humans require. The cooperative company coexists in an environment marked by a crisis of values, and at the same time, by a need to orientate the human action based on collective meanings.
- The link between the economic aspect with other environments or orders of social life (ecological, personal, cultural, social, etc.) is a growing necessity in western societies and their development model. However, this is not the only matter, it is also becoming an essential condition for the actual survival and stability of the actual social order.
- The MCE has an economic culture that has always established bonds between the different dimensions of social life. A culture that does not seek to make instrumental reason the only criteria that governs human action, which is a good starting point.

The conception of the economy and the company linked to the social aspect and an ethical project, has always existed in modern western societies, especially in the so-called Social Economy. This economy, and the cooperative company as its most genuine expression, rather than particular juridical robes, has been and still is a form of situating oneself in the economy, a way of *being and forming* a company that aims to combine the economic aspect with other human logics, including the need for a link between the different spheres of collective life: the economic, social, ecological, cultural, personal aspect. It is a holistic vision and a conceptualisation of profit not as an objective *per se*, but as an instrument for full human development. The Social Economy does not simply seek a business activity with certain ethical inclusions, but rather at the same time it defines itself as an ethical project of social construction, of structuring and social cohesion that uses the business activity for this purpose. This line of thought should include an economy and a type of company that aspire to an increasingly cooperative society.

If a serious regeneration effort is not carried out, cooperativism, together with other forms of social economy, will come to a dead end by being configured in a certain more or less successful company formula but that is unable to agglutinate the energies of transformation of the new generations around itself. This route will lead cooperativism to be removed from the identifying and symbolic scene of the upcoming world. In the case of reconsidering its thought bases and the praxis that should characterize it in its new historical course, it is not clear that it will have a space for its vision and particular outlook, but at least it will have tried.