

TUlanKide

The magazine for MONDRAGON



100

Arizmendiarieta

1915-2015

Arizmendiarieta 1915-2015

This year we celebrate the 100th anniversary of the birth of José María Arizmendiarieta, the ideologist and promoter of the Cooperative Experience.



Arizmendiarieta 1915-2015

This year will mark Arizmendiarieta's Centennial Anniversary. A number of events will be organized throughout the year to recognize his work and vision. This is also a special moment to reflect on whether the values he originally fostered are preserved or whether we need to promote them.

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Trabajo y Unión (T. U. Lankide)
Magazine was begun by Father José M^a
Arizmendiarieta in September 1960.

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HUMANITY
AT WORK

Arizmendiarieta, past and future

The 22nd April is the 100th anniversary of the birth of Arizmendiarieta. In celebration of such a notable event, a series of events will be held throughout 2015 in memory of the person, his ideology and the projection of his work. And TU Lankide, the magazine founded by the same man 55 years ago, joins in the celebrations with this special issue.

We live in different times, neither better nor worse than those of Arizmendiarieta. But different. Times of globalisation, ruthless competition, Internet and social networks, of dot-com companies, financial economy, environmental problems and of acute social inequality. Difficult times, with external circumstances which present us with new crossroads and new challenges. And from an internal perspective, grieving over the Fagor Electrodomésticos crisis.

In this context, and now with our sights set toward the future, it is not easy to guess what a visionary leader like José María would have done in times like these. However, with a brief look through his biography and studying his ideology, we could develop some hypotheses regarding the attitude to adopt in the face of these new challenges.

Firstly, his non-conformist approach to life, fighting and persevering in the face of difficulties. Quotes such as “No complaints, just action” or “There is always more to be done” reflect his rebelliousness and determination when presented with setbacks. Therefore, confronting adversities with obstinacy, imagination and generosity is a good recipe to revitalise our projects.

Secondly, Arizmendiarieta had blind faith in partnership, in cooperation, in the need to act in solidarity and not solitary. “Cooperation is the lever which boosts our strength” he used to say. And MONDRAGON has been, is and will be

a cooperative project. Even the Social-Business Policy indicated the need to cooperate more, to increase efforts of business cooperation which, through the strength of the group, allow us to acquire competitive advantages which would lead to individual advantages for the cooperatives and, ultimately, for the group as a whole.

Sights constantly set toward the future is another anchor point of Arizmendiarieta’s way of thinking, because he knew that “a present, however splendid it may be, bears the imprint of its expiry to the extent that it becomes separated from the future”. Anticipation, commitment and

Arizmendiarieta had blind faith in partnership, in cooperation, in the need to act *in solidarity and not solitary*. “Cooperation is the lever which boosts our strength” he used to say.

resources allocated to innovation to replace mature sectors and products with future activities.

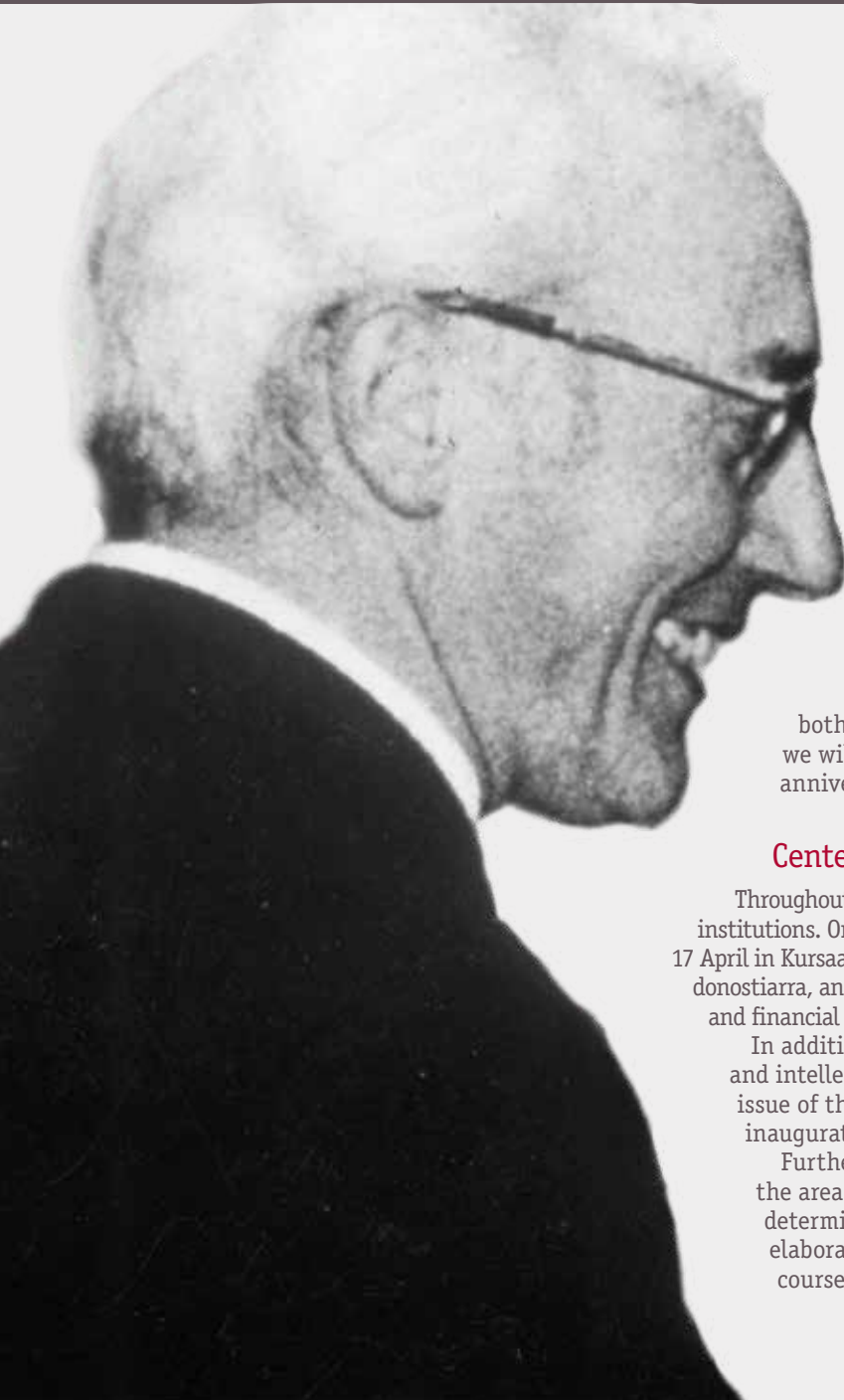
And his faith in people and in the projects they led and developed. In fact, business gurus are placing increasing importance on involvement and participation of the people within the business. Our history and our management model supports this thesis with practical experiences and behaviour.

In conclusion, Arizmendiarieta’s formula for the future includes adaptation to the circumstances with determination and imagination; inter-cooperation aimed to multiply our socio-business capacities; and trust in talent, in the abilities and responsibility of the people. □

Arizmendiarrieta

1915-2015

April 22 will mark his first Centennial Anniversary. A number of events will be organized throughout the year.



On 22 April, the hundredth anniversary of the birth of José María Arizmendiarrieta Madariaga will be celebrated. An important event to commemorate the birth of the man who inspired the Cooperative Experience which started in Arrasate-Mondragón. “Don José María”, as he was known by his fellow students, was a visionary priest (ideologist of projects such as Caja Laboral Popular, Ikerlan, Mondragon Unibertsitatea, Alecop, Auzo Lagun...), a tireless worker and a creator of hope and shared community projects. In short, a unique person to whom we wish to pay a double tribute: firstly, in recognition of both his role and his contribution to business and social development; and secondly, to disseminate his ideals and delve deeper into the *Arizmendian* values.

In *TU lankide*, the magazine founded by Arizmendiarrieta himself, we want to add our small part in this celebration by contributing a series of biographical notes, various interviews and opinion pieces which we have selected for this quasi-monographic issue. Thus, throughout the year, both in paper format and on the www.tulankide.com website, we will be publishing news articles related to the centenary anniversary.

Centenary activities

Throughout 2015, several activities will take place, organised by various institutions. One of these activities is a concert held in his memory on 17 April in Kursaal by the Euskadi Symphonic Orchestra and the Orfeón donostiarra, and to which all the institutions and an institutional, political and financial representative of the Basque society will be invited.

In addition, it is expected that a book be edited with testimonials and intellectual reflections on Arizmendiarrieta or a monographic issue of the magazine *Hemen*. A commemorative plaque will also be inaugurated in Arrasate.

Furthermore, it is also planned to organise an event related to the area of education, the nature of which has not yet been determined. Furthermore, progress has even been made in the elaboration of a film documentary on Arizmendiarrieta. And, of course, a special website will be created for the anniversary. □

JMA through the eyes of JMA

Don José María Arizmendiarieta resumió su propio curriculum en 1972.

My "curriculum vitae" has little to record and I would summarise it as follows:

- José M^a de Arizmendi-Arrieta y Madariaga, born in Marquina, Vizcaya, April 1915. Studied until summer of 1936; 1936-39, Basque militia, prison and military service. 1940 study and retreat in Vitoria Seminary.
- From early 1941, Coadjutor and Consultant for Young People in Mondragón; by extension, for fathers and men, unique position and appointment which I maintain to date.
- Preferred and predominant occupation: training in areas of social education and difficulties with social transformation and promotion and activities largely dealt with from Centres of professional and technical training until 1956.
- From then on, in the wider context of socio-economic institutions and entities, without executive responsibilities; in reflection and study plans shared with leading figures and promoters from the aforementioned institutions and committed to communal social and humanistic hypotheses.
- I have never been able to do anything on my own, and therefore if any merit is given to me it would only be half true, which is worse than a lie, because it mystifies truths.
- This is the truth, the whole truth and the REALITY: I am a secular priest, who, free of the less pleasant tasks, has been able to dedicate my life to a kind of healthy pastime with a very bearable commitment. Without distancing myself from ordinary matters I have been able to enjoy periods which I have used for my own education and to attend to other related requirements.

Best wishes and nothing more. 26/04/1972

José María Arizmendiarieta



Logo of the Centennial Anniversary

The logo aims to express three concepts: 100 years, glasses (Arizmendiarieta's characteristic aesthetics feature) and people, the core of his project.

Another characteristic of the logo is that it can be read in any language. The orange colour makes a reference to our corporate identity with a sharp design.

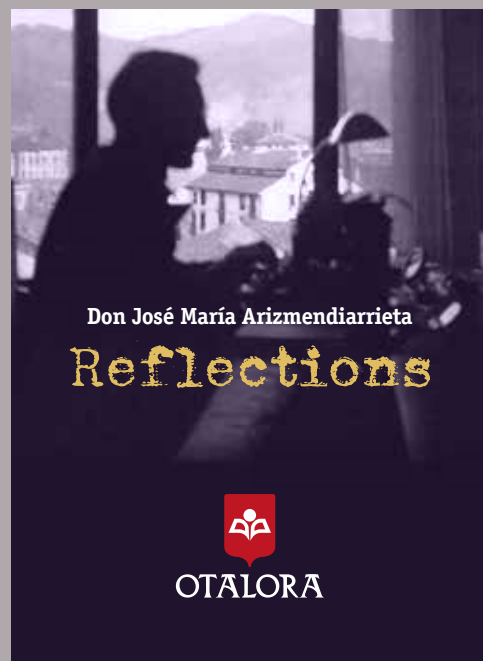


Arizmendiarieta
1915-2015

An original front page



The front page of this centenary issue is definitely special; it is an illustration carefully prepared based on the *Thoughts* of Arizmendiarieta himself.



Book on a collection of the thoughts of Mr José María.

Arizmendiarieta

Life overview

Next year will mark the 40th anniversary of Arizmendiarieta's demise; and this year we celebrate his Centennial Anniversary. But, who was Arizmendiarieta? When did he arrive in Arrasate and what did he do there? The writer of this feature who was Arizmendiarieta's keen collaborator, provides an account of the latter's life experience.

José Mari Ormaetxea | Founding associate of the Cooperative Experience

Barinaga and Arrasate. Beginning and end of Arizmendiarieta. Starting point and end of the journey for a unique person who I had the pleasure to know and with whom I shared many adventures, both professional and, above all, life experiences.

1 Barinaga, 15.04.1915

José María Arizmendiarieta Madariaga was born in the hamlet of Iturbe, Barrinaga, Markina (Biscay) on 22 April 1915. His father, José Luis was a cheerful "baserritarra"; his mother, Tomasa, was hard-working and in charge of the household. After him, being the eldest, came his siblings Francisco, María and Jesús. He attended the Barinaga San Pedro Parish school, where in Basque he studied his first notions of general culture and, in catechism, the catholic religion.



Family. Sitting, his father José Luis and his mother Tomasa. Standing, from left to right, his siblings Jesús, María and Francisco. Behind, the eldest son, José María.

2

Study time

He went to the Castillo Elejabeitia Minor Seminary in autumn of 1926, at 11 years of age, and he studied general culture and Latin there until June 1931. At the Vitoria Seminary he studied philosophy until 1935 and in June 1936 he finished 1st year of theology.

When the civil war broke out in July, at 21 years old he was in Iturbe helping his family in the hamlet and he found himself in the middle of the conflict. He missed the next school year 1936-37 and the one after that, 1937-38, he did military service in Burgos and it is there where he studied his second year of Theology. He studied his 3rd year and sat his exams between 1938-39 in the Royal

Seminary in Bergara, because the Vitoria Seminary had been converted into a Hospital to attend those wounded in the civil war. Once this seminary was restored to its original functions, he studied his fourth year of Theology between 1939-40. On 21 December 1940 he was ordained a priest and on 1 January 1941 he held his first mass in San Pedro Parish in Barinaga. On 14th January he was named coadjutor of the San Juan Baptist Parish at Mondragón and, shortly afterwards, Consultant of Catholic Action (Acción Católica). He lived the rest of his life here, in Mondragón; nearly 36 years: he arrived at 25 and died at 61 years of age..

3

Civil war

He spent the Civil War in Bilbao. He was appointed as a soldier to the Abando barracks. But on 22 December 1936 he signed up at "Eusko Gudorostia, War Department". He wrote in the "Gudari" and "Eguna" journals. There he used the pseudonym "Arretxinaga" and his work as a journalist took up a lot of his time. When Bilbao fell into the hands of Franco's army in June 1937, Arrizmendiarieta knew he was going to be arrested and decided to leave. However, he turned back near the Irun border to face the consequences of his actions. He was taken prisoner and incarcerated in the Larrinaga prison. He was tried under an emergency summary procedure, in which he was accused of military rebellion and absolved on 2 August 1937. Some of his colleagues were executed. Arrizmendiarieta testified that he received his stipends from the barracks; if he had said he received the money from the "Eguna" paper he probably would have been executed too. That is when, once set free, he was assigned as a soldier to the barracks in Burgos, a time which he used to study and sit his exams for his 2nd year of Theology.



1937 Civil War. José María with other soldiers and colleagues.

4

He arrived at Mondragón on 5 February 1941

On a "rainy, dreary morning, he got off the train at the humble Mondragón railway station with a card board suitcase, a clutch bag and all his regulation priest attire". The civil war had ended barely two years earlier. It was time to overcome the dramas of the past.

During the first twenty years of his life he dedicated thousands of hours to youth work. He took responsibility, almost at the same time, for the religious and social education of the local youth, putting them in charge of theatrical performances, the street representation of "Olentzero", a tradition previously unknown in Mondragón, the "Bizar-Zuri", the Christmas and New Year's Eve floats, the Three Kings parade and even painting exhibitions in the Santo Tomás fair. He created a clothing house to assist poor families, while he edited leaflets which talked about "others" -his permanent obsession-, about charity "the place where justice doesn't reach", and about work "as a resource that God has given mankind so



1943. The first year of the Professional School in Technology class.

they can help Him". In order to fund these initiatives, he organised raffles, draws, etc. He was tireless. Only two years after his arrival, in 1943, he created the Professional School.

5 Higher Polytechnic Institute

He was convinced that the best investment was that made in education. He firmly believed that it was not fair that only some young people could study industrial skills in the Unión Cerrajera School of Apprenticeship. So, in 1947, four years later, the founders of the first cooperatives, in 1955, started studies in industrial specialisation. It did not take long, just six short years later, for Arizmendiarieta to start to plan what he called the "New Professional School". The works were completed in three years and it was then inaugurated by the Minister of Education and Science on 13 September 1966 and on this occasion he managed to convert the School into a School of Industrial Technical Engineering, an event which was made official in 1968. It had cost 2,200 million pesetas (of 2001) and 62% of this amount was contributed by cooperatives and members of cooperatives. It was then when he sensed that this "new school" could be the base of what he called "School Community of the University of Oñate" (Mancomunidad Escolar de la Universidad de Oñate



24 May 1964. Inauguration of the first pavilion in the Eskola Politeknikoa Superior.

- M.E.D.U.O.), for which he wrote the statutes but they did not have support so he could not develop this idea. It was not until the mid nineties that the idea was again proposed to unite what was now the Higher Polytechnic Institute with Eteo in Oñate and the Faculty of Humanities and Educational Sciences in Eskoriatza, thereby creating Mondragon Unibertsitatea, which was approved by the Basque parliament in May 1997.

6 Ulgor

En 1955 nace Ulgor. En el empeño se unen cinco personas de un grupo de 13 peritos a los que Arizmendiarieta dirige, aconseja, anima y cohesiona. En ese momento el cooperativismo se halla en proceso de fermentación. El modelo oficial tiene connotaciones propias del sindicalismo vertical con el que Arizmendiarieta no comulga. Tampoco caben sus ideas en la Ley de Sociedades Anónimas. Y es cuando ajusta su proyecto, ensanchando con sus propuestas las leyes vigentes sobre cooperativas. Ha dado un primer paso creando Ulgor (ahora Fagor Electrodomésticos) pero con más alumnos de su Escuela impulsa Arrasate, y luego Copreci y Ederlan cuando ya ha creado Caja Laboral. Ulgor es la referencia y apoyo de estas cooperativas por su impulso directivo y la adopción en común de los criterios de Arizmendiarieta. De Ulgor se escinden Fagor Electrónica y Fagor Industrial. Y es en 1963, bajo los auspicios de Arizmendiarieta, cuando se crea el Grupo Fagor.



1957. Ulgor cuando aún pasaba el ferrocarril y se construía el pabellón de la fundición.



Caja Laboral Popular, today Laboral Kutxa, was also his work. It is also one of the basic pillars of Cooperativism as a cohesive and surrounding factor. In March 1959, when he sent his Social Statutes to Madrid for their approval and registry, barely anyone believed in this project because even his most notable followers did not understand it nor did it make any sense to them. It was founded on 24 September 1959 and opened its doors to savings deposits in early 1960. For two or three years it continued to receive support from the four founding cooperatives (Ulgor, Funcor, Arrasate, and San José), but in 1963 it started to become the base of business development. Its crucial importance became clear during the early 70s. The Basque industry suffered a strong restructuring due to the exorbitant increase during this decade in energy, the end of the dictatorship in 1975, the increase in labour "inputs" and the progressive widening of borders. This was when Caja Laboral, the meetings of which Arizmendiarieta attended regularly as a consultant, started playing an essential role. Only its financing capacity, the transfer of economies to compensate for the insufficient results of the associated cooperatives and its cohesive action made it possible that, while the Basque industry lost 45% of its employees, the Group Associated to the Caja grew from 8,000 employees in 1970 to 24,000 in 1990, 18,900 of which belonged to industrial cooperatives. Arizmendiarieta, who died in 1976, was right all along.



Tireless Entrepreneur

Thanks to Arizmendiarieta's passion and dedication many other activities took shape, which would have never happened had it not been for his integrity and generosity.

1957 **The San José consumer cooperative** was set up. Two years later he created Lan Kide Aurrezkiak, this was one of the four cooperatives. At the same time, four consumer cooperatives merged into Lan Kide Aurrezkiak: "Markinesa", "Gernikesa", "Zornozana" AND "Andra Mari" from Aretxabaleta. In 1969, the five partners set up Eroski.



1962 **He created T.U. (Work and Union)** as a means to strengthen the cooperatives' vision. The underlying message in the Magazine was Arizmendiarieta's insight, even if this did not always go along with the cooperatives' ways.

1962 **He set up Lana kooperatiba** (which is an acronym of the Association of Farmers of Leaniz and Aramaio). This was a project which went against prevailing trends, as farming had not been a focal point by that time. As a result of that attempt the Behialde cattle was set up.

1964 **He created the Centro Asistencial** hospital, under the sponsorship of the organization Asociación Liga de Asistencia y Educación; This had the first Maternity Service in Arrasate, among other services. Today, these have been transferred by Lagun-Aro to the Basque Health Service, Osakidetza. Later, the Regional Hospital of Debagoiena was opened on the same site.

1964 **The Biteri Egoitza** Hall of Residence was set up to accommodate 300 students when the Eskola Berria school was opened.

1970 **He created Alecop.** The purpose of this company is to provide part-time jobs to the students of the Mondragon School first, and then to those of Mondragon University. Arizmendiarieta was the only one to keep the faith in this vision. He also set up **Auzo-Lagun** in the same year. The Mondragon Cooperatives forced women to leave the cooperative when they got married. Arizmendiarieta did not want cooperative women hiring other women as their domestic workers. But he soon saw he was wrong, and made up for his mistake by setting up Auzo-Lagun, so women could work part time and achieve their work-life balance.



8 Lagun-Aro

Lagun-Aro started its activity in May 1959, by the hand of Arizmendiarieta, and it is another one of his founding pillars. He had planned it to be a part of Caja Laboral and which he called Social Provision Service. He thereby offered a solution to a situation which left the cooperative members without the obligatory General Regime social security cover for self-employed workers.

1 January 1967 marks the official beginning of Lagun-Aro - a name given by Arizmendiarieta because it reminded him of "aro" - or ploughing - and other

ancestral services of rural life. Nowadays Lagun-aro has 29,000 members, having started in 1959 with 800, and has over 56,000 beneficiaries. It has achieved an equity fund of over 5,200 million Euro. Arizmendiarieta had nurtured his innate tendency in favour of the weak to find out about the labour ministers, Stafford Cripps, Clement Attlee and Ernest Bevin and, above all, he was familiar with the Beveridge Plan - "from the cradle to the grave" - developed by the British government, after the Second World War.

9 Ikerlan, Technology Centre

Ikerlan, Technological Centre, was one of his last ambitions which was completed after Arizmendiarieta had died. Around 1970, he expressed himself as follows: *"Adapt or die. The sign of vitality is not to last forever but to evolve and try to allow for the future. Research is a necessity for this to be possible"*.

It was necessary to progress in order to increase the technological curve to help free the cooperatives of their dependence on foreign technologies. On 27 October 1974 the first brick of Ikerlan was laid, between the Polytechnic Institute and Caja Laboral, in the grounds of the latter, and on 23 June 1977 the Ikerlan Technological Research Centre was inaugurated. Arizmendiarieta had passed away seven months before, but he watched over the inauguration ceremony from the bust erected at the entrance in his honour, with *"to open something narrow, open it with the heart"* engraved at its foot. Ikerlan was Arizmendiarieta's answer to the need for their own technology and an inspiring reference for the implementation of other R&D projects which currently form a network made up of 15 centres.



10 He left us

Arizmendiarieta died on 29 November 1976, affected by a heart problem which was worsened by an infection - operating room bug- after an operation he underwent in 1974 in Madrid. He died on 29 November 1976 at half past six on a rainy and dreary afternoon, while he ended one of his favourite prayers, the "Magnificat". He was buried on 1 December and as of 24 September 1999, his remains rest in the mausoleum erected for him in the cemetery in Mondragon, where he had arrived 36 years earlier. His epitaph: "Bihotza, lana eta bizitza zuen alde emanak" and his last words hand-written in Basque remind us of his capacity to love and give of himself to others.



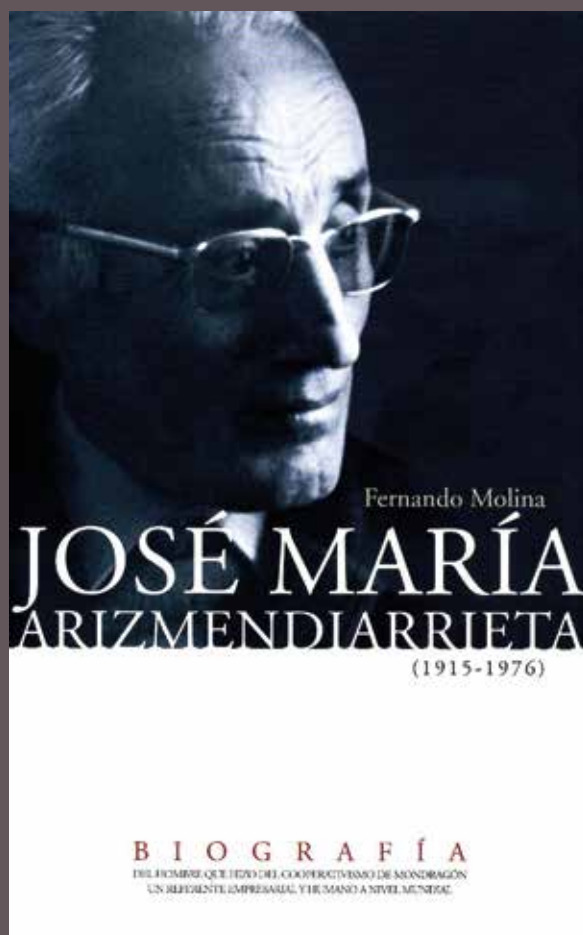
A biographic adventure

José María Arizmendiarieta (Markina, 1915-Mondragón, 1976) was the founder and ideological leader of the business movement which nowadays represents the MONDRAGON Corporation. **Fernando Molina** | University of the Basque Country-Euskal Herriko Unibertsitatea

When I started the biography, which I was invited to undertake in 2003 by José María Ormaetxea and Alfonso Gorroñoigoitia, the knowledge of his life was scarce. After his death, the evocations of his disciples and colleagues who had founded Mondragon cooperativism under his guidance were constantly faced with the obstacle of their personal memory, which did not precede 1941, when this priest had been sent to Mondragón. What is more, given the humble nature that he demonstrated in his public life, his personal and intimate universe, including his own philosophical sources, represented a mystery for his own followers.

The book I published in 2005 was able to fill in these blanks, showing to what degree this person had wanted to go unnoticed and divert all the attention to his projects and the people who helped him in this task. All of this as a result of a very specific way of interpreting and experiencing Christianity and priesthood, a ministry which he always defended at a time when the classic references of Catholicism began to enter a crisis due to the impact of the extraordinary secularization throughout the country. The readers of this brief text would do well to turn their heads to the right on their way to Bilbao airport on their way to work or going on holiday and behold that enormous chunk of stone stranded in the middle of nowhere, which is the current Derio Seminary, inaugurated at the same time as Arizmendiarieta started his cooperative work to provide the Biscay diocese with priests and that twenty years later made no sense at all, due to the tiny number of students it housed...

These times of change are described in my book, times in which these lands



changed like never before, to the point where it was difficult to recognise it or to recognise oneself in its past. And it is in this context that the story is told of a man of humble, peasant origin who made the most of the lessons he learnt in the Vitoria Seminary from the generation of the most important religious intellectuals in Basque history, led by Joxe Miguel de Barandiaran. There he committed himself to a demanding spirituality of social orientation, which he took with him to Mondragón in 1941. During fourteen years he built an ambitious social reconciliation project, the aim of which was to close the wounds of the Civil War and promote a new working culture which allowed the worker to receive suitable technical and cultural education

through professional schools and social initiatives which involved collaboration between employee and employer. A Professional School, an industrial cooperative and a credit cooperative were the three pillars which, finally, as of the mid-50s, supported a revolutionary model of communal society and economy, today the main business group of the Basque country and an international cooperative benchmark.

Professional and generational adventure

Ten years after preparing this biography, my memory of that time is that of having taken part in an exciting professional adventure. But, above all, my memory is that of having worked with an extraordinary generation of cooperative businesses and workers, in which I found an indirect testimonial of Arizmendiarieta's personality. Like on that carbon paper that I used as a child, in the people who asked me to write this book and with whom I

worked, José María Ormaetxea and Alfonso Gorroñoigoitia, I found a representation of some of the most notable abilities of the person whose biography I was writing. If I had to choose one moment in this biographic adventure it would be an early morning walk with one of these people around the town transformed by Arizmendiarieta, passing by each of the places which make up the memory of this business adventure, "Mondragon". What I wrote about Arizmendiarieta is history. What they still reflect after 80 odd years, is memory. The only remaining memory of that wonderful time when giants emerged, giants which still support the cooperatives today, whether they know it or not...□

The profiles of JMA



Revolutionary, leader, lucid priest, visionary, ground-breaking, unrepeatable... So many adjectives to describe one man. Here we have gathered some of those testimonials.

“He was a revolutionary”

“It is hard to understand any part of the life journey of Arizmendiarieta outside the context of a coherent faithful Christian, the ultimate drive for all his resources, his train of thought and his life geared towards the emancipatory action of ordinary people”. “He was a born ground-breaker, a true revolutionary who was supported by his tripod of education, work and charity”, stated Alfonso in an interview given a few years ago to TU Lankide.

Alfonso Gorroñoigoitia, co-founder of the Cooperative Experience

“Moral leadership by example”

“He [Arizmendiarieta] is a kind of “secular monasticity” (sic) with devoted commitment to his close living surroundings. His main premise was that the only way to induce charitable ways is living like others. And to make this statement effective, he led by example. He never aspired to have more than anyone else and his moral leadership was based on example”.

Jesús Larrañaga, co-founder of the Cooperative Experience

“The best tribute, to create a group”

At the gateway to one of many commemorative events Gorroño stated that “one of the worst favours we can do for Arizmendiarieta’s memory is the mythologising, the fossilisation of his image and his ideals. To quote him but not read his work, to repeat distant statements but not build a future, it would be the best way to betray that future, to deny his living legacy”. The best tribute to his memory, apart from academic acts or floral commemorations, is to “create groups”, digging deep into an intelligent and charitable work channel”.

Iñaki Gorroño, ex general secretary of Caja Laboral

“Foolishly optimistic”

Román Balanzategi, his doctor and also Chairman of Lagun-Aro EPSV, declared in an interview with TU Lankide on the tenth anniversary of the death of Arizmendiarieta that he was “foolishly optimistic” and also very “stubborn”. “I still remember when he crashed his bicycle and I ran over to ask him what had happened; he looked at me and said: I didn’t fall, the bike twisted sideways and...” And as for the bicycle, “when we all recommended he get a small second hand car to get around, he didn’t want to hear about it, although, in the end, he accepted getting a Velosolex motorcycle, which did not solve much because it meant an additional effort to start it up”.

“He was stubborn”

In some talks a few years ago, Maritxu Arizmendiarieta told us about her brother, saying that he was an extremely kind person, and that his passions were work and study. He led an austere life, “he used to come home on holidays and enjoy the garlic soup and mug of milk served by our mother”. She had a close relationship with him and he used to tell her “Maritxu, you are smart but as stubborn as a mule”. And Maritxu used to reply: “You’re right, just like you”. □

Arizmendiarieta, one of *The 100 top Spanish businessmen of the 20th Century*



In a book published in collaboration with the Circle of Business Owners and edited by LID, José María Arizmendiarieta was nominated as one of the 100 businessmen of the last century. The book collects the biographies of one hundred outstanding entrepreneurs who “were carefully chosen by thirteen reputed specialists in history and experts in the business world”. He shares the honour with entrepreneurs such as Ramón Areces (El Corte Inglés), Emilio Botín (Banco Santander), Antonio Basagoiti (Banco Hispano Americano), Carlos Carbonell (Carbonell), Manuel Raventós (Codorniu), Juan Urrutia (Hidroeléctrica Ibérica), José Entrecanales (Entrecanales), José María Aguirre (Banco Guipuzcoano), Julio de Arteche (Banco de Bilbao), and José Luis de Oriol (Talgo), among others. The achievement

attributable to Arizmendiarieta as an entrepreneur, apart from having created thousands of jobs, is that of having been able to put a new business model into practice based on the cooperation and active participation of the workers in the business decisions and management.

Verses by Eusebio Erkiagak

*A country boy
Who new how to share with
neighbours
The one and only force of love,
Master and servant
Both at the same time,
The old working system
Renewed today.
Working together in freedom,
These are cooperatives' grounds ,
No high masters
Nobody oppressed,
Going along the track
Found by Arizmendi.*

Arizmendi bakery

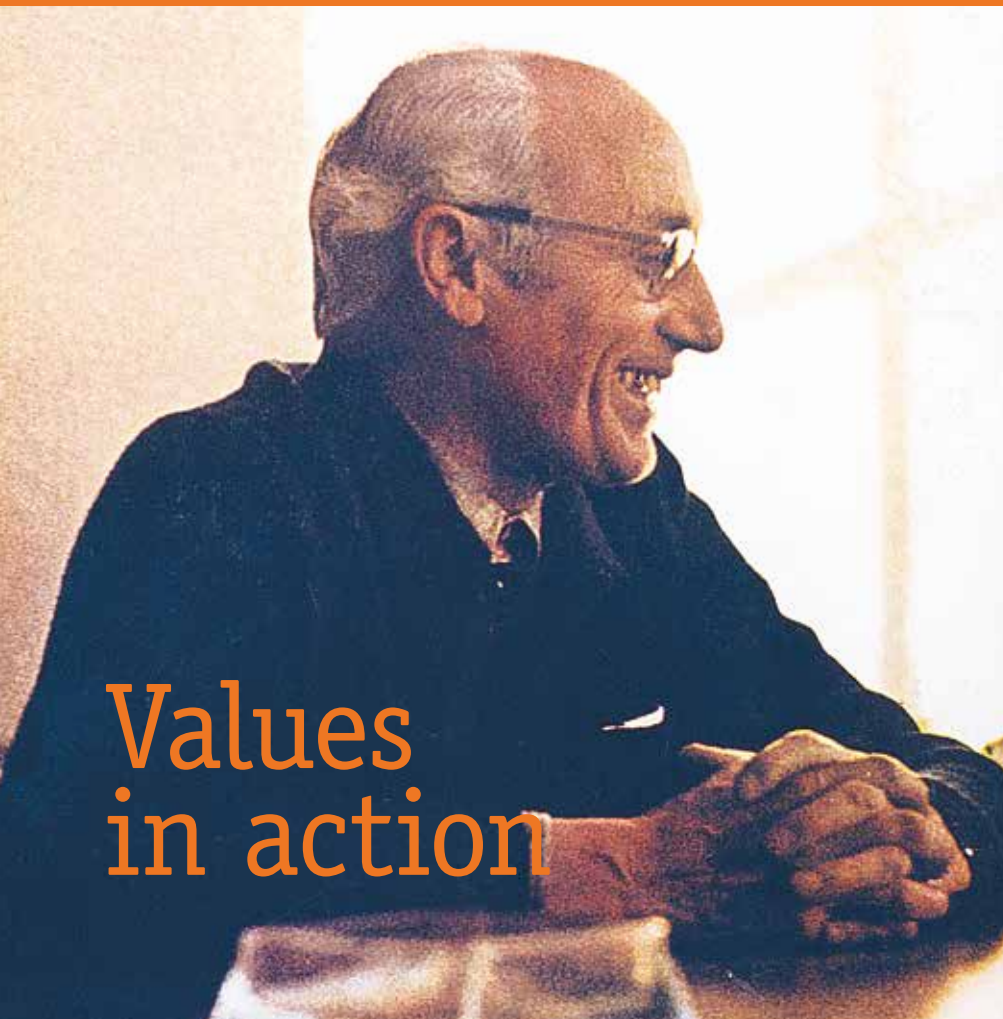
Arizmendiarieta also inspired other entrepreneurial projects outside Euskal Herria. For example, Arizmendi Bakery, in the US, a group of cooperative companies which work in the baking sector and with premises in San Francisco (2), Berkeley, Emeryville, San Rafael, and in Oakland, in California. This initiative, implemented in 1997, makes fruitcake with local fruit, pizzas and bread. Between them all they form a cooperative association (Arizmendi Association) which shares a mission, to offer legal and educational services to the cooperative members.

They define themselves as “a cooperative, the property and management of which is put in the hands of the workers, who make democratic decisions and who distribute the tasks, responsibilities, profits and risks of the business among themselves”. In addition, on the side of the pizza boxes they declare that the inspiration for their project was Arizmendiarieta and that “the ownership by and the participation of people in the work place is a way of promoting a more just and democratic society”.



You can see a video
about this project at vimeo.com/119020232





Values in action

Are Arizmendiarrrieta's values still upheld in cooperatives? Have they been adapted to modern times? Are they a guiding light for your own views? How can you improve them?

Iñigo Iñurrategi | Manager of Cooperative Education

Talking about the cooperative values from the point of view of Don José María leaves us with deep humanistic values where the comprehensive and sustainable development of people and the community leads us to constantly redesign that better future. The values taken on by the Cooperative Experience reveal the essence of his proposal: Cooperation, Participation, Social Responsibility and Innovation are the set of values declared as their own and approved in the Cooperative Congress. Of course, the values of the cooperative group are not indifferent to moral and ideological changes (some call it crisis of values) in these last few decades. **The relevant question is, to what degree are these values present and a reference**

in guiding our daily behaviour.

Without the supervisory stare of one who believes to be authorised to judge others, on a positive note and without a self-satisfied tone, I dare say that these values are present in the daily practice of our cooperatives and, if I take the current socio-business practices as a reference point, we are doing some things "quite well". This statement reminds me of a recent work meeting in a cooperative where, on being asked how the year had ended, the manager started to say "quite well", but straight away he stopped and added: "well, although that is objectively true, I do not want to say it too loud, because in our organisation when we claim that something is going quite well we tend to let our guard down and become

satisfied with that measure, which, given the state of our market, is anything but sufficient if we want to build a project with a future".

Is it enough?

Is the level and quality of the practices of Cooperation, Participation, Social Responsibility and Innovation sufficient in our cooperative group? I believe we have real and interesting answers and proposals to this question. Let's analyse this with a set of questions that can help us reflect and raise awareness on this matter.

For example, the value of **Cooperation** has been very strong during these difficult years, but what level of cooperation or inter-cooperation is there in practice in our cooperatives? Is the level of the member's acceptance of responsibility sufficient? In terms of unemployment management, which still affects people, are we giving it the attention it needs? What specific plans are there to reinforce the value of cooperation?

Participation, is an intrinsic and totally institutionalised value of the cooperatives. However numerous diagnosis reveal the need to improve in this area to maintain participative tension. Do we take this into account in our Management Plans? Do we treat participation as a competitive advantage in itself or do we see it as "our way of working"?

Is **Social Responsibility** one of the fundamental reasons, if not the main reason, that gives meaning to each of our cooperatives? Beyond attending to our basic individual needs, do we want to create a shared and committed socio-business project? Do we have the relevant road map or do we just go with the flow?

Are we ready to risk the comfort of the safety granted to us by our current perspective? Do we nurture the wish to reinvent ourselves inside each and every one of us? Is the constructive tension of **Innovation** present in our businesses? Do we dare take on social innovation?

Paraphrasing Don José María, "we should not boast of being a mature, progressive project without each one of us acting reflectively and responsibly on an individual basis. In how many of the things which have brought us satisfaction and even pride have we truly dedicated ourselves?" □

Valores, líderes con convicciones e instituciones

Arizmendiarieta did not have at any time in his life any other position than that of a modest coadjutor of the Mondragon parish. He had no position of power in any of the business or social initiatives he inspired. However, nobody doubts his determining influence in the Cooperative Experience. **Juan Manuel Sinde** | Member of Arizmendiarietaren Lagunak

Without meaning to exclude other focuses, I would like to highlight the three issues on which, in my opinion, José María based his work in order to create a reality which, nearly 40 years after his death, is still considered an irreplaceable reference for explaining his own identity.

Firstly, Arizmendiarieta had clear **principles and values** which he wanted to implement in the business world and, through this, in society. I would underline, above all, his conviction that all people had equal dignity, regardless of their position in the productive process. People had to be the centre and end of every business adventure.

Secondly, the prevalence of the needs of the **collective project**/common good above the needs of the individuals and groups within the company.

To implement this, he looked for the participation of the workers in the management, the results and the ownership. And, furthermore, a culture of dialogue and collaboration instead of the more common culture of confrontation in conventional companies. The internal cohesion also had to be taken care of, with a wage scale that made it plausible.

In his ideology there was no lack of preoccupation for the **problems of the society** in which the company was established and in which it must collaborate to resolve these issues.

But he also worried about *injecting* these values, which can still be clearly appreciated in the Cooperative Experience, in the conscience of the people he chose as **leaders**. As Pako Garmendia said a while back, Arizmendiarieta looked for and found competent and generous professionals,



with open minds and big hearts. But he placed as much importance on the area related to knowledge and professional know-how, as he did on that related to ethical and moral behaviour.

Arizmendiarieta discovered and empowered human values inherent to the cooperative action mainly through **personal example** and that of his closest followers.

It is a well known phrase and one repeated by experts in the corporative culture: "Your actions are speaking so loudly I cannot hear your words". In this sense, it is clear that the conservation of the aforementioned values was based, in good measure, on the careful training of the young potential leaders who followed him.

A third key aspect was his concern about the **creation of institutions** which preserved the characteristics of his project of "Transforming the company in order to transform society".

Arizmendiarieta therefore personally prepared the successive draft Statutes. From the first ones, for Ulgor SA which dreamt of game rules totally unacceptable for the Limited Companies Law at that time, to those written for Caja Laboral and the Fundación Gizabidea.

The creation of institutions specialised in resolving the different problems and needs that they found along the way meant being aware of the need to complement personal leadership with suitable structures which would make the project sustainable over time.

On the centenary of his birth, it is worth underlining that managing the Values, the concern about both the professional and the ethical and moral education of the leaders and the promotion of institutions which worry about these things would be a priority for those people and institutions who wish to project his ideals into the future. □

José María Arizmendiarrieta and his comprehensive organisational model

The financial and social context has changed significantly during the last few years. Organisations face a hyper-competitive environment where, above any other resource, the people and their capacity to relate, to learn, to innovate, to solve problems, etc. has become the basis of any sustainable competitive advantage. We need a proactive person in the business of the 21st century, someone who is dedicated to the business project so they can show their full potential. **Saioa Arando and David Sánchez**

On the other hand, people have also changed drastically with regards to our work expectations. To an increasing extent, the needs we attempt to cover are multidimensional, i.e., we no longer want work to be a simple formula to obtain a salary, we also want it to be a path to self-fulfilment through the satisfaction of our emotional and intellectual needs, and for this we consider that our company must be a space of knowledge, personal interaction, individual initiative, etc.

The vision of work as a solely financial relationship is inherited, without a doubt, from Taylorism which still haunts our companies. The main contribution of this focus to the management area was that of incorporating a mechanistic, scientific perspective to work, looking to create routines in times, places and tasks which the workers would repeat automatically. In his view, the worker does not have to think about anything else other than replicating the instructions given in order to achieve better results in productivity, quality, etc. Its bad reputation comes from the perception, rightly so, that its methodology turns the worker into another cog in the productive machine. Chaplin expressed it better than anyone in his famous film *Modern Times*. However, accepting this dark side, we share the idea that many intellectuals have that Taylorism offered workers a sacrifice in the workplace in exchange for a better life outside the workplace.



“ We proclaim the role of Jose María Arizmendiarieta as that of a pioneer who created a comprehensive organisational model in which personal, organisational and social goals were in line with each other through the work of the people involved. ”

Therefore, we are faced with passive relationships based on “orders and commands” where self-fulfilment and commitment to the job are not on the table.

Leadership and management styles

It is necessary to turn this situation around 180°. To this end, more and more management and leadership styles emerge which offer the workers the opportunity to satisfy their needs from a comprehensive or multidimensional perspective, letting them find the importance or self-fulfilment in their work which will guide them towards the appropriation of the project. Nevertheless, this is only part of the formula, as it is also necessary to align these needs with the goals of the organisation so that we can talk about a fully shared project. In short, the challenge faced by the leaders of the competitive company of the 21st century is to not see the person as a unidimensional being with regard to their needs to be met at work and connect these people with the fundamental goal of the organisation. However, it is useful to also make clear that the creation of these spaces is not only the responsibility of the company but that the workers themselves must assume that requirement and give it the necessary attention and effort. A suitable setting

without a true commitment from the person is not sufficient and neither is the reverse formula.

Arizmendiarieta, pioneer

In this sense, we proclaim the image of Jose María Arizmendiarieta as a pioneer who - over half a century ago - created a comprehensive organisational model in which personal, organisational and social goals were in line with each other through the work of the people involved. The MONDRAGON cooperative experience is truly the result of a collective effort. However, the development of this movement would not have been possible without the leadership of this unique priest. Although this is a matter of great depth and development, we want to highlight two ideas of his ideology in this area. Firstly, the need to transform the person in their evolution as a worker. In this sense, personal growth through learning and the adoption of responsibilities through participation is key for the individual to appropriate the project and contribute the basic ingredients of the competitiveness of the organisation.

Secondly, the need of the conscious connection, both individual and organisational, with a social project. When our projects do not contemplate the context that surrounds them and they become indifferent to it, an empty

significance emerges which ends up disconnecting us even from the project we aim to build.

In our opinion, the second aspect described in the paragraph above has been the object of sufficient attention from both inside and outside the cooperative movement; outside through numerous studies by different universities, intellectuals, etc. throughout the last few decades. The impact of cooperativism as a force for creating a more prosperous, inclusive, innovative, charitable society and with much better distributed resources is not in question. Nevertheless, we understand that not enough emphasis has been put on how cooperativism strengthens the individuality of people and their development. Nowadays there is a clear tendency toward the statement that the individual experience is connected with the collective experience, without putting the interest of the latter before that of the former but establishing an intimate connection between the two. As maintained by the recently deceased sociologist, Ulrich Beck, “to think of oneself and live for others, something considered a contradiction of terms in the past, today proves to be a fundamental internal connection”.

Therefore, the organisational model thought up by Arizmendiarieta and materialised in the MONDRAGON Cooperative Experience answers the current business management needs. In all certainty, some sections will have to be updated to adjust them to the times, but their pillars will continue to be fully valid. It is not for nothing that, both in the past and the present, people still have the same set of main needs that the company of the 21st century will need to know how to satisfy, albeit with changing ingredients, if they expect maximum motivation and dedication from us. □

“ The organisational model thought up by Arizmendiarieta and materialised in the MONDRAGON Cooperative Experience answers the current business management needs. ”



Arizmendiarieta left us a prolific flow of reflections which have been gathered in the book *Thoughts*. We have extracted a selection which portray his way of focusing life and the current situation of his ideology.

“We are all responsible for everything”

Individual responsibility

- In the cooperative, we are all responsible for everything.
- Participation and integration in the collective tasks is a sign of maturity.
- A healthy society is one in which everyone lives according to their own merits and it becomes more and more difficult to live off others.

Education

- The redistribution of resources is important, but the socialisation of culture is even more so. Education and training are much more profitable than the balance of advances and returns.
- In order to democratise the power, we must socialise the knowledge.

Facts

- Theory which is not put into practice, convictions which are not put into action, are as abnormal as life which does not beat or movement which does not vibrate. We are not put on this earth to watch or complain, but to transform.
- «Good ideas» in people who are not able to put them into practice can be a dangerous drug. Good ideas are the ones which become realities.

Adaptation

- Adapt or die. The sign of vitality is not to last forever but to be reborn and adapt, evolve and try to allow for the future. Research is essential for this to be possible.

Union

- The societies that triumph are those that best adapt and know how to accelerate their action processes by joining forces to build.
- Partnership is the strength of the weak. Solidarity is the powerful lever which boosts our strength.

Management

- Circumstances are neither good nor bad, they are simply a reality with which we have to work.
- We cooperativists must be noted for our capacity for commitment, for the degree of foresight, planning, order and projection that we are able to apply in our management.
- The company cannot and should not lose any of its virtues of efficiency due to the fact that human values prevail over purely financial or material resources, before that happens it must increase its efficiency and quality.

“ We stand united to take the right path, and solidarity paves our way to freedom. ”

“ This is the best of the cooperative movement: people are confronted to their problems with the support from people, not alone. ”



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