

# Training of cooperative values as a decisive element in new jobs to be created by 21st century cooperatives\*

(La formación en los valores cooperativos como elemento decisivo para los nuevos trabajos que crean las cooperativas del siglo XXI)

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**Abstract:** Some principles and values exist in cooperative organisations and enterprises that constitute distinguishing aspects. However, the complex situation in which modern cooperative trading companies operate tends to doubt about the adherence to cooperative principles, and may play down the cooperative values. Consequently, this can lead to what it really means for a cooperative to become distorted. Education, training and information are absolutely necessary to avoid that not wanted result. The training of those who want to join cooperatives must be done with an increase in cooperative education for the rest of society in which cooperatives act.

**Keywords:** training, cooperative principles and values, new jobs.

**Resumen:** Existen algunos principios y valores en las organizaciones y empresas cooperativas que constituyen aspectos distintivos. Sin embargo, la situación compleja en la que operan las empresas cooperativas modernas nos ofrece dudas acerca de la adhesión de los nuevos socios a los principios cooperativos, y puede minusvalorar los valores cooperativos. En consecuencia, esto puede conllevar que realmente una cooperativa se distorsione. La educación, la formación y la información son absolutamente necesarias para evitar ese resultado no deseado. La capacitación de aquellos que desean unirse a las cooperativas debe realizarse junto con un afianzamiento de la educación cooperativa para el resto de la sociedad en la que las cooperativas actúan.

**Palabras clave:** formación, principios y valores cooperativos, nuevos trabajos.

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## 1. Cooperative DNA: origins and the current situation regarding cooperative principles and values

### 1.1. *Origins and meaning of cooperative principles*

Defining cooperative DNA is a complex task. As Professor CIURANA<sup>3</sup> pointed out a long time ago «attempting to determine the essence of cooperation does not entail a safe norm that can be resolved in terms of the orthodoxy of a cooperative; yet it does involve pinpointing the essential features or basic ideas that help to structure it».

Among these “features or basic ideas” we can state without fear of contradiction that a series of principles and values exist in the case of cooperative organisations and enterprises that constitute distinguishing aspects. These have steadily evolved and incorporated new details with a view to better interpreting the circumstances of any given time while always remaining under the watchful eye of the International Cooperative Alliance<sup>4</sup> (ICA). As suitably pointed out by Professor MARTÍNEZ CHARTERINA<sup>5</sup>, «cooperative principles, which constitute the heirs to the cooperative tradition based on the Rochdale experience and subsequently administered by the ICA, have been identifying aspects of cooperatives that have helped to define them, their being distinguished from other social or business entities over time». GADEA, SACRISTÁN and VARGAS<sup>6</sup> refer to the regulatory value of such principles and their unquestionable validity, pointing out that «cooperatives, as enterprises in which cooperative principles predominate, constitute an objective reality». These same authors, however, point to the fact that two opposing phenomena exist in practice: the «false cooperatives», which are companies whose legal status is a cooperative, which, nonetheless, differ in terms of their defining features, and «de facto, but not de jure cooperatives», which are entities that voluntarily adhere to cooperative principles but which, for different reasons (legal system, tax system, etc.) have preferred to be established as

<sup>3</sup> CIURANA FERNÁNDEZ, J. M. (1965, 53)

<sup>4</sup> ICA: an independent non-governmental organisation founded in London in 1895, which brings together, represents and serves cooperative organisations. One of its key objectives is to «*promote and defend cooperative values and principles*», as set out in section 2 b) of its Articles of Association, approved by General Assembly on 6<sup>th</sup> June 2008, applicable as of 1<sup>st</sup> January 2009 and revised by General Assembly on 20<sup>th</sup> November 2009.

([http://www.aciamericas.coop/IMG/pdf/aci\\_estatutos.pdf](http://www.aciamericas.coop/IMG/pdf/aci_estatutos.pdf); last consulted: 23-04-2018).

<sup>5</sup> MARTÍNEZ CHARTERINA, A. (1995, 35).

<sup>6</sup> GADEA E., SACRISTÁN F., VARGAS C. (2009, 42).

a different type of legal entity. Still, they conclude by saying that «the business model sponsored by cooperatives, despite its faults, nonetheless works – above all at times like the current international crisis, when companies driven by values and with a different set of ethics are needed more than ever».

In any event, if we wish to start mentioning the origins of cooperative DNA, we need to refer to the *Rochdale Principles*. The so-called *Rochdale Society of Equitable Pioneers* has been traditionally acknowledged as the pioneer of the modern cooperative movement<sup>7</sup>. Its founders were able to take advantage of the results of previous experiences and reflect on the ideas put forward by their contemporaries, although their chief merit lies in having selected and systematized the basic rules that have since then been adopted and put into practice by cooperatives.

Seven key principles were regulated in the original statutes: mutual assistance between cooperatives, democratic control, unpaid posts, open membership, cash trading, limited interest on capital and equitable distribution of cooperative returns. These statutes were modified the following year as a result of three amendments regarding operative limitation of participants per establishment to democratic control by assembly (one person, one vote) and to the interest rate on capital (5%). There was also a further modification in 1854 of great significance in terms of the policy regarding surpluses (non-members were allowed benefits, a fund for social work was established and the social nature of surplus funds was also determined in the event the company were to dissolve).

Those principles have been subsequently revised and updated by the ICA, who also provides the notion of “cooperative” values in addition to previously-identified principles. In the first official ICA documents, however, there was no mention of cooperative values – not because this was deemed irrelevant or there was a desire to overlook the

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<sup>7</sup> The Rochdale pioneers are acknowledged in many manuals, papers and monographic studies as being the “producers of the cooperative movement”. Among others, these include MÖLLER E. (1986, 23); KAPLAN DE DRIMER, A. and DRIMER B. (1981, 227); MLADENATZ, G. (1969, 68); URIBE GARZÓN, C. (2001, 68). However, there are also opposing opinions. CARRASCO, for instance, specifies that «it should be made clear that the Rochdale Pioneers was not the first associative experience in history and that its pioneering nature refers more to the experience in itself, to the drawing up of their own statutes by those that promoted it». CARRASCO CARRASCO, M. (1991, 2). Along the same lines, MIRANDA points out that «the cooperative movement did not come into being in 1844: rather, it was the result of a multi-secular process that first got underway in the form of primary cooperation». MIRANDA, J. E. de (2012, 140).

matter, given that the doctrine has been continually working on them. Rather, this was because to shape them required the relevant maturing process<sup>8</sup>.

Currently, the Statement on Cooperative Identity, adopted by the 2<sup>nd</sup> General ICA Assembly in September 1995 in Manchester on the occasion of the ICA's centenary, includes a new definition of cooperative and a review of the system of principles that had been in operation for over a century and a half, drawing an express distinction about cooperative values and principles.

This Statement consists of two parts: the first, titled «ICA Statement on Cooperative Identity», provides a definition of the cooperative, the list of values, grouped together into basic values (*self-help, self-responsibility, democracy, equality, equity and solidarity*), and ethical values (*honesty, openness, social responsibility and caring for others*), in addition to a definition and list of cooperative principles: «*cooperative principles are guidelines by which cooperatives put their values into practice*», of which there are seven: *voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training an information; cooperation among cooperatives; and concern for community*<sup>9</sup>.

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<sup>8</sup> At the 13<sup>th</sup> ICA Congress (Vienna, 1930) a definition of cooperative principles was considered that failed to mention values. Subsequently, the 15<sup>th</sup> Congress (Paris, 1937) approved a report that proclaimed cooperative principles, divided into four primary principles deemed essential to ensure an entity could be considered cooperative (free membership, democratic control, distribution of surpluses based on transactions made and limited interest on capital), plus three additional ones, deemed advisable but not essential (political and religious neutrality, cash trading and promotion of education), although there were still no values. Once some time had elapsed, possible modification of cooperative principles was once again studied, and this was approved by the 23<sup>rd</sup> Congress (Vienna, 1966), insofar as six principles that had been in force until the Manchester Congress at the time were approved (free membership, democratic control, limited interest on capital, distribution of surpluses in proportion to transactions made, education and cooperation among cooperatives). However, the issue of values had been under consideration for a long time. Thus, at the 29<sup>th</sup> Congress (Stockholm, 1988) the report on *Cooperatives and basic values* was submitted, which called for cooperative identity: cooperatives should make a special effort to focus on their values and be able to play a major role in favour of the community, given the adverse circumstances of the time. A climate of interest and doctrinal participation evolved, albeit without providing a final response. Despite this, it became evident that values constituted the basis of principles, whereby the ICA decided to focus first on values and in light of this draw up reforms for those principles – a decision that was taken at the 2<sup>nd</sup> General ICA Assembly held in Manchester in 1995.

<sup>9</sup> *ICA Statement on Cooperative Identity*, pp. 16-19.

The second, titled, «Report on ICA Statement on Cooperative Identity», explains, provides more detailed information about and clarifies the previous content. We coincide with the appraisal made by MARTÍNEZ CHARTERINA in which he states that the extent of reforms made in Manchester, the explicit inclusion of values into the study and approved document, reassesses cooperative principles and fills them with pragmatic meaning»<sup>10</sup>.

Yet what does this management model provide now in the 21<sup>st</sup> century? What sense can we make of those cooperative values and principles nowadays, within such a different context to the one in which they were first formulated and then updated? Doesn't moral discourse lose its effectiveness in view of the lack of basic material needs like work and its collateral effects (lack of liquidity, evictions, etc.)?

## 1.2. *The current situation regarding cooperative principles and values*

We understand the best way of responding to the debate about the potentiality of cooperative principles and values at the present time to be to cite a real, practical example that clearly demonstrates that a humanist and competitive type of leadership is possible and that the ethical/moral discourse is – far from being ineffective and outdated – gaining increasing relevance. We are referring to *Mondragon Corporation*, whose current figures show that it remains a worldwide reference point: with a total income of around 12,033 million Euros, 268 entities, 73,635 individuals and 15 technology centres<sup>11</sup>, it is the leading Basque business group and ranked tenth in Spain, and is also ranked among the 300 most important cooperatives in the world, maintaining a major international presence<sup>12</sup>.

As such, this major economic agent systematized its principles and values at the 2<sup>nd</sup> Congress of the Mondragon Cooperative Group held on 2<sup>nd</sup> and 3<sup>rd</sup> October 1987. Under the title «*Basic Principles of the Mondragon Cooperative*» ten principles were proclaimed that gave shape to the ideas originally put forward by the movement's

<sup>10</sup> MARTÍNEZ CHARTERINA, A. (1995, 45).

<sup>11</sup> (<http://www.mondragon-corporation.com/>, last consulted: 23-04-2018).

<sup>12</sup> Opening of new production plants in 2016, with 140 external subsidiaries, employing over 12,000 individuals overseas (<https://www.mondragon-corporation.com/wp-content/uploads/2017/MONDRAGON-CAS.pdf>., page 33; last consulted: 23-04-2018).

founder, José M.<sup>a</sup> Arizmendiarieta, and these principles have been gradually put into practice via the Group's cooperatives for over thirty years now.

These ten basic principles appear today on the group's corporate website<sup>13</sup> as follows: free membership; democratic organisation; sovereignty over work; instrumental and subordinate nature of capital; participation in management; wage solidarity; inter-cooperation; social transformation; universal nature and, lastly, education. As set out in the proclamation, these are principles that «assume and combine the Universal Cooperative Principles updated by the ICA. In them are gathered the experience gained over more than half a century in cooperative practices that has been the MONDRAGON Experience. The open, dynamic nature of these principles means they can be considered as open guidelines for the future».

These are of course principles whose roots lie in those postulated by the ICA although, as ORMAETXEA points out, «in terms of their practical definition and scope, they go beyond the strict limits established by concepts or by the norm, with criteria emerging such as those expressed in 6) *Wage Solidarity* and 8) *Social Transformation* above all, in which their own potentialities unfold that have been brought to life over a specific time and in a specific country, which the Mondragon cooperative experience attempts to satisfy and serve»<sup>14</sup>.

However, there is currently a risk of ending up forgetting the initial spirit that first encouraged the cooperative project, in order to ensure a position of strength in purely effective strategies in view of pressing needs. Yet we should recall the fact that the cooperative movement as put forward by Arizmendiarieta is above all a type of thought, a human and social attitude – the recognition of certain principles and ideals that need to be kept alive.

The potentiality of the cooperative model has been defended for a long time now as a suitable formula for facing up to the crisis, although problems experienced by FAGOR Electrodomésticos have proved to be a tough salutary lesson, marking a turning point in the history and trajectory of the Mondragon Cooperative Experience (MCE). In the wake of the worldwide financial crisis which from 2009 onwards also affected the Basque and Spanish economies, this statement in favour of the cooperative company remained an alter-

<sup>13</sup> <http://www.mondragon-corporation.com/sobre-nosotros/gobernanza/mision-vision-valores/>; last consulted: 23-04-2018.

<sup>14</sup> ORMAETXEA, J. M. (1994, 3).

native way of emerging from it<sup>15</sup>. In 2013, however, all the alarm bells went off as a result of the FAGOR episode and the cooperative model was highly questioned, although arguments in its favour were also heard, as has already been seen. Despite this, it is clear that even though it retained its validity, major aspects needed to be modified such as that mentioned by SOTIL, who was President of Mondragon Corporation, when he stated that cooperative world values «have lent us great support in recent years», but has also meant that «they also need to be brought up-to-date and innovated, as new generations do not start off with the same values as 60 years ago».

Therefore, the key may have been to proceed with such a renewal or updating, which had already got underway by 2005 via working meetings with social bodies and management staff from all the cooperatives belonging to the group. Three main areas of debate were proposed accordingly: education, cooperation/participation and social transformation. Today, however, from our modest standpoint the key perhaps lies in stressing values that have a clearer Christian orientation: solidarity, cooperation, concern for the community – all of these combined of course with new means for seeking new funding solutions for the future. It is difficult to refer to values when the most basic of all aspects is missing, but it is precisely the fact of turning to values such as solidarity and their multiplying effect that may provide the solution.

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<sup>15</sup> There are numerous testimonies in this respect. For instance, the message conveyed by the ICA for the International Cooperatives Day in 2009 was devoted to the crisis and the cooperative model as a suitable response for overcoming this negative situation. Along the same lines, JUAN MANUEL SINDE, member of the Arizmendiarieta Lagunak Association and prominent member of Caja Laboral, wrote two articles in 2009 about MCC and the crisis, highlighting on the one hand the advantages of the cooperative model over other types of business in order to deal with the crisis (responsibility and working capacity of members, in addition to better relations between the managerial team and workers; («Cooperative strengths I», in *Euskonews*, 534 zk.; <http://www.euskonews.com/0534zkbk/gaia53403es.html>, last consulted: 23-04-2018) and, on the other, drawing attention to MCC's strong points due to the fact of its being a group: inter-cooperative solidarity mechanisms, support from corporate central services and support from Caja Laboral («Cooperative strengths II», in *Euskonews*, 535. zk.; <http://www.euskonews.com/0535zkbk/gaia53503es.html>, last consulted: 23-04-2018). Lastly, numerous articles about the crisis were published in the journal *TU Lankide* in this regard between August 2008 and May 2009, perfectly brought together by ECHÁNIZ, ENCISO, MUGARRA AND PAGOLA in their paper «The transfer of solidarity value in public opinion: the case of Mondragón Corporación Cooperativa (MCC)», published in *COOPERATIVISMO & DESARROLLO*, No. 96, pp. 73-75, <http://dialnet.unirioja.es/servlet/articulo?codigo=3660128>; last consulted: 23-04-2018).

Along these lines, the Mondragon General Congress held in November 2014 submitted the document *"MONDRAGON of the future"*, which reaffirmed the conviction of the strength and validity of the cooperative model and of the principles and values that support it. SOTIL stressed the validity of the Cooperative Experience and insisted on the need to do *"cooperative business"* by reviving cooperative values, and *"competitive business"* by competing in the world, backed up by common inter-cooperation and solidarity tools. As regards the most significant changes proposed in the document, it referred to the *"Transforming demanding solidarity"*, which entails a greater leading role on the part of Divisions in envisaging problems with competitiveness in cooperatives and greater demands and rigour on the part of the corporate bodies that allocate these funds.

And what would this management model contribute in the 21<sup>st</sup> century?

- Firstly, the chance for our youth to embark on their career within a different milieu.
- The thrill of working in an organisation in which one actively takes part in decision-making, in turn being responsible for a shared project.
- The satisfaction of putting principles into practice such as those already mentioned, namely solidarity, democracy and responsibility – now more necessary than ever.

## 2. **The cooperative value and principle of education as a core element of job placement in cooperatives**

Regardless of any discussions about doctrine as to whether education and training in cooperative values needs to be absorbed into the category of cooperative principles or values, what is clear is the need for suitable training of members who make up cooperatives. However, this is perhaps even more necessary in the case of individuals who aspire to join a cooperative, irrespective of the strategic sector in which they pursue their activities and not only from the standpoint of the technical skills that may be demanded, but also the increasingly necessary demand for skills in cooperative values on the part of those individuals who aspire to complete the structures of modern cooperatives in the 21<sup>st</sup> century.

## 2.1. *The importance of education in cooperative values within the cooperative and its milieu*

The determining factors that have accompanied the modern cooperative movement since the outset in actually shaping it as a movement, as well as in building its cooperative identity, are aspects that revolve around certain values that are made specific in the form of principles for acting and operating. These have been repeatedly analysed and studied by the ICA, as explained in the first part, with one of its main aims being to act as a guide to modern cooperatives who strive to be recognised as such along recognisable lines. Nonetheless, it should be stated that these principles for acting and operating, which are inspired by certain higher values that one aspires to attain not in the form of unchanging principles for modern cooperatives, but rather, the opposite – as we said before, are principles that evolve and even change, with the ultimate goal of facilitating cooperatives' adaptation to new times and the realities facing the markets on which they compete with other types of company.

Although it can be observed that such principles vary, and this is demonstrated by the conclusions drawn by numerous congresses organised by the ICA starting with the original ICA Congress held in London in 1895, it is no less certain to say that in terms of the same cooperative principles – the ultimate goal of which is to attain and adhere to a series of values<sup>16</sup> to which to aspire – it should under no circumstances be forgotten that adherence to such principles and pursuing such values too often ends up being at the mercy of a short-term vision from the business and productive standpoint of cooperative trading companies, irrespective of the sector in which they may conduct their activity.

Put in another way, the complex reality of the situation in which modern cooperative trading companies operate tends to result on many occasions in such companies either putting to one side or reducing the level demanded in terms of adherence to cooperative principles that may assist them from a legal or statutory standpoint, and may play down the cooperative values they aspire to. Conse-

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<sup>16</sup> More than varying what occurs with cooperative values, the fact of the matter is that new values are being added to the traditional ones that have been hitherto studied, in accordance with the times in which we are living. These likewise need to be worked on and studied with a view to becoming consolidated over time as values of an identical nature to those we have been referring to throughout this research work as traditional cooperative values.

quently, this can lead to what it really means for a cooperative to become distorted.

Being aware of this situation and with the clear will to ensure that adherence to the principles that give meaning to cooperatives and the movement to which they belong are not just an ideal requirement but, rather, should constitute their day-to-day *raison d'être*, the cooperative movement has on many occasions deliberated on how to proceed in these matters. Thus, one of the main ways – if not the only one (regardless of the transfer of any cooperative legacy that may be handed down from one generation to the next within families or specific cooperatives, such as in the case of the previously-mentioned Mondragon, and which is becoming an increasingly less common issue in modern societies) – by which an attempt is made to maintain awareness of such cooperative principles first and adherence to them later, are training and education in these principles and values on the part of cooperative members and any individuals who in some way may be linked to cooperative environments. Only in this way will it be possible, in my opinion, to ensure that cooperative members be committed to their cooperatives and to the movement as a whole.

Nonetheless, educational and training work in cooperative principles and values not only needs to be confined to cooperative members and workers (although these should be the first to be trained in such matters), but also developed within the closest social milieu in which they act, and insofar as their level of influence be deemed significant with a view to taking a social stance via their virtues and their faults.

Likewise, the cooperative movement might also take into consideration the fact that such a *cooperative milieu* could educate its members in the specific nature of the movement<sup>17</sup>, although this option is not exclusively in the hands of the cooperative movement, which shouldn't necessarily prevent under any circumstances the fact that, within the possibilities available to it, a major pressure group could be established to apply pressure on public administrative bodies to encourage them to enhance the specific nature of the movement. Moreover, the demands of the cooperative movement in this sense in the specific case of Spain and the Basque Country are covered constitutionally by section 129.2 of the 1978 Spanish Constitution<sup>18</sup>, which states that «public authorities shall effectively promote the different

<sup>17</sup> INGLADA, M.E, SASTRE CENTENO, J.M. and VILLARROYA LEQUERICAONANIN-DIA, M. B., (2015).

<sup>18</sup> 1978 Spanish Constitution, passed by referendum dated 6<sup>th</sup> December and published in Official Gazette No. 311 dated 29<sup>th</sup> December 1978.

forms of participation in companies and shall foster the creation of cooperatives via suitable legislation. The means shall also be established for facilitating access on the part of workers to ownership of the means of production».

I understand that a broad interpretation of the constitutional concept of *fostering* via suitable legislation needs to be completed by providing a type of general training while at the same time specifying what the cooperative movement is and what it means, in addition to the values by which it is inspired. The type of values to which priority needs to be given are those pertaining to democracy, inter-cooperation and solidarity, etc., by which modern-day societies should also be inspired. Although this matter of training societies in cooperative values in which the cooperative movement maintains a presence remains an inspiration (unlike in the case of the cooperative movement itself, for which it is deemed mandatory), it is no less true to say that if the movement strives to be ideologically reinforced in the present and more successfully face the future, it needs to focus more in depth on this, as it otherwise may run the risk of becoming distorted.

To this end, in my opinion, the different cooperative realities co-existing in the current globalised world require different perspectives about cooperative training and education<sup>19</sup>, which need to be adapted according to the different requirements deriving from each case of decisive matters – such as location, level of development in which cooperatives pursue their objectives, and the extent of social development of the nearest milieu in which they develop their respective social aims, etc.<sup>20</sup>

However, in the case of the Spanish cooperative movement and, more specifically, in the case of the Basque cooperative movement, specifically the Mondragon experience, its evolution as a cooperative movement since the late forties/early fifties up until the present time has developed in different stages. In my view, we find one of these now, in which the transfer of cooperative values has proved to be of vital importance, even though this has been able to develop through channels other than those required at the present time.

<sup>19</sup> It is worth reading LÓPEZ RODRÍGUEZ, J. (2017) for more about this.

<sup>20</sup> The texts I list below are worth reading, as they provide different views with regard to education and training in values, in this case in Latin America, with experiences gained in Cuba and Brazil – two countries which have had diverse cooperative experiences that differ from each other.

MARIN, I., LABRADOR, O. and MIRABAL, Y., (2013).

MIRANDA, J. E. and CORREA LIMA, A., (2017).

## 2.2. *A critical reflection on the transfer of cooperative values in the case of the Basque cooperative movement: the Mondragon experience*

It was in Mondragon and the municipalities making up the region of Debagoiena or Alto Deba in the forties (post-war times of hardship and repression) when what has been referred to throughout this work as the Mondragon experience, as put forward by Jose María Arizmendiarieta, first started to gestate. This is the person who started to develop his pastoral activities by being interested in, among other issues, training young people from his local parish, as he saw at the time there were limited options available for this to such an extent that, if the situation were not reversed, it would result in further social exclusion of these individuals. These problems, alongside others, would lead Arizmendiarieta to set up the ULGOR cooperative in 1956 – the seed for what many years later would end up becoming the FAGOR cooperative, forming part of the Mondragon cooperative group.

It is within this context of poverty that the cooperative fabric took root early in the Basque Country, mainly in Gipuzkoa, owing to certain special factors in its favour such as a very long-standing tradition of cooperative work that was deep-seated in society (known as *auzolan*), that certain socio-economic conditions that would favour the establishment of the cooperative model, and above all certain social values inherent among its people, intertwined with traditional cooperative values such as cooperation and solidarity.

My perception about those times is that those first cooperative members were more than just cooperative worker-members who performed their professional duties in the cooperative – they were individuals who lived the cooperative experience. They had been professionally trained in the best case scenario via the limited formative means available at the time, yet they were well-versed in certain intrinsic values within their view of the world which they put forward in the cooperative as they built it.

The reality of the situation is that, despite the difficulties, the cooperative experience pursued its path and became larger and larger, incorporating new cooperative members (who would make up the second generation), conquering new markets and steadily improving the working and living conditions of the cooperative members and workers in their milieu in which they conducted their activities. This second generation of cooperative members who would continue to build the cooperative experience beyond the late sixties and into the 21<sup>st</sup> century were perfectly aware of the scope and meaning of what it meant to be one, without hardly having been trained in it.

Lastly, as far as the third generation of cooperative members is concerned – i.e. those following on from the last-mentioned ones – this is the generation that has been working over the past few years within the cooperative group and has borne witness to the huge, very rapid changes that have taken place in the digital revolution. This has, among other things, conditioned the way in which human, social and business relations, etc. are structured, in which individualism as a philosophy has taken root in many cultures traditionally opposed to it. Within this context, some of these cooperative members are experiencing the paradigm of “working in the cooperative”, with many of them being mistakenly assimilated as what might be considered salaried workers in a capitalist enterprise, with all the usual clichés.

The illustrative example of this assertion would be made evident around the end of 2012, when FAGOR member-workers publicly demonstrated in different places to ask third parties and public authorities for solutions to problems affecting their cooperative – those they identified as being responsible for a situation for which they themselves would ultimately bear responsibility as member-participants.

The thoughts I came to have at that time that would go beyond the specific problem of a cooperative that was unable to cope with the crisis was that the real problem facing cooperatives – and hence the case of FAGOR within the Basque cooperative movement proved to be a pragmatic one – was to try and foresee not only the economic crises that both cooperatives and other capitalist enterprises had to face on a cyclical basis. Rather, it was the need to consolidate certain ideological-distinguishing foundations of the cooperative movement that would enable them to become stronger than other such capitalist enterprises in terms of potential stakes there might be as a result of cyclical economic crises generated by capitalism.

In this respect, ALUSTIZA KAPANAGA<sup>21</sup> reached the conclusion that: «from everything that has been analysed, the conclusion can be drawn that it is true that the MCC cooperative model in recent years has moved away from the purely cooperative model, compelled to do so to a large extent by the logic of markets and the economy, and the need to compete with other enterprises. And we should not overlook the fact that the cooperatives belonging to MCC are, when all is said and done, enterprises, and as such need to seek their means for survival to ensure the values on which the cooperative movement is founded and maintained. This fact, combined with mistaken strategic decisions and the devastat-

<sup>21</sup> ALUSTIZA KAPANAGA, A., (2015, pp. 336-337).

ing economic crisis that the country is still enduring today – also in the rest of Europe and indeed the whole world – led FAGOR to bankruptcy, thus making a situation visible where public opinion would start to question the cooperative model that had been forged years earlier. This situation led the Basque cooperative movement (and, it might be said, to a certain extent Basque society as a whole) to a situation of initial uncertainty from which it has gradually recovered, although there has yet to be a full recovery from the major impact caused by the FAGOR crisis within the cooperative milieu and within society as a whole. Once that initial uncertainty had passed, the FAGOR case then needed to be seen as a chance to reflect on the corporation model that MCC should pursue, properly identify the mistakes made and learn from them if the Basque cooperative movement were to remain standing».

In sharing with the author the fact that a crisis provides perhaps the best moment for reflection<sup>22</sup>, and identifying the current times as being suitable ones for such reflection, in which a way out of the economic crisis becomes an increasingly plausible option, cooperative education in values needs to be viewed as the key for action within the cooperative movement – it should be seen as the ultimate goal of such education to lay the foundations for enabling the cooperative movement to be reinforced and to continue with the successes achieved since long ago.

The freeing of ideological considerations and demobilisation of cooperative members is one of the dangers threatening the cooperative movement that needs to be avoided, since as soon as the cooperative values to be pursued and the principles to be applied among members who make up the cooperatives start to fade, the very survival of the cooperative as such will be in jeopardy – irrespective of any positive results that cooperatives may attain from a financial perspective. The need to promote the training of cooperative members has become apparent, not just from a technical standpoint, and solutions exist to remedy this that focus on the use and way in which legally-envisaged educational and promotional resources need to be utilised, both in accordance with Basque<sup>23</sup> and Spanish<sup>24</sup> regulations.

<sup>22</sup> GAMINDE EGIA, E. (2017, 259): «The crisis has provided us with an unrepeatable chance to distinguish and put forward a new business model. It is possible to find a sustainable way out via the ethical revival required in the current economic system».

<sup>23</sup> Act 4/1993 dated 24th June governing Cooperatives in Euskadi, published in Official Basque Country Gazette No. 135, dated 19th June 1993.

Act 6/2008 dated 25th June governing Small Cooperatives in Euskadi, published in Official Basque Country Gazette No. 127, dated 4th July 2008.

<sup>24</sup> Act 27/1999 dated 16th July governing Cooperatives, published, published in Official Gazette No. 170, dated 19th July 1999.

### 3. Conclusions

Nowadays, the crisis has promoted a type of undertaking and administering that tends to be rather unusual during boom periods: cooperative organisation, with its particular idiosyncrasies and know-how. However, cooperatives are currently running the risk of losing what makes them unique, given that, as in the case of other forms of enterprise, they need to be able to adapt permanently in view of changes in context – at times blurring their true essence: the principles and values that make up their DNA.

Given how fast time flies by and the extremely important changes that have taken place in recent years, doubts are being raised about their operative nature and effectiveness at the present time. Are those principles and values really valid within the current milieu?

We have responded to this question in the affirmative, offering the Mondragon Cooperative Experience as objective data. After pursuing a long path to be able to express themselves in terms of viable material management, it has become both a national and International benchmark, which proves that a modern, competitive and efficient form of management is possible based on cooperative values and principles

Training and education in these cooperative values since the outset of the Mondragon experience did not require any specific corporate educational or formative policy in this sphere of activity, as it was the cooperative members themselves who transferred their own life's values which, possibly without being aware of it, happened to be cooperative values such as cooperation, solidarity and democracy, etc. This situation within which they embarked on their Mondragon journey as a cooperative experience has radically changed in recent years. Among many other reasons for this, the digital revolution that modern societies are experiencing has led to a change in collective thinking in terms of the social values that we assume in our most advanced societies, economically speaking – including Basque society.

Owing to this change in paradigm, what in years gone by would have been unthinkable – i.e. training cooperative members and their milieu in values – today proves to be a necessity that is needed in order to complete the technical training of individuals who aspire to join cooperatives, enabling them to be in a better position to access employment in such cooperatives in the event of attaining the required skills.

Regardless of the specific determining factors in the different areas of training that those aspiring to join cooperatives need to give prominence to – that of training in the cooperative spirit included – an increase in cooperative education for the rest of society in which coopera-

tives pursue their activities would be highly desirable, although this does not only depend on the willingness of the cooperative movement. If the issue of education and training in cooperative values is not addressed with due seriousness, the risk of the cooperative movement becoming distorted will override any new, consolidated cooperative values – above all in the most economically advanced states, as the least developed countries remain the ones where cooperative values maintain the greatest presence in their societies without the need to specifically resort to them, despite their greater needs from the economic standpoint.

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