

Mondragón and the United Steelworkers

New opportunity for the co-op and labor movements?

BY ERBIN CROWELL

The previous issue of *Cooperative Grocer* (Nov.–Dec. 2009) quoted from an interview with Michael Moore on his latest film, *Capitalism: A Love Story*, in which worker co-ops feature prominently as a democratic alternative to our broken economy. “People love this part of the film,” he said. “It really resonated with the audiences that I’ve seen it with.” A well-known union advocate, Moore was also asked how labor leaders have responded. “I sat in the theater the other night with about 1,500 delegates of the AFL-CIO convention, and I was a little nervous as we got near that part of the film, I was worried that it was going to get a little quiet in there,” he said. “Just the opposite. They cheered it.” Could we be witnessing a new opportunity for collaboration between the labor union and co-op movements?

The recent agreement between Spain’s Mondragón Cooperative Corporation (MCC) and the United Steelworkers (USW), following closely on the release of *Capitalism*, would certainly support this possibility. “What we are announcing today represents a historic first,” said Josu Ugarte, president of Mondragón Internacional, “combining the world’s largest industrial worker cooperative with one of the world’s most progressive and forward-thinking unions to work together so that our combined know-how and complementary visions can transform manufacturing practices in America.”

While the announcement was short on details, its mere existence is significant. Mondragón itself has not had a close relationship



Photo by Aaron Dawson of Equal Exchange, while on a study tour of Mondragón for his Master of Management—Co-operatives and Credit Unions degree through St. Mary’s University.

with unions. And while there is a rich history of partnership in the U.S., for decades unions have all but ignored the cooperative movement—and vice versa. But here we have the USW, with 850,000 members in the U.S. and Canada, at the table with MCC, a cooperative corporation with nearly 100,000 worker members and 260 enterprises in 40 countries, proposing to integrate collective bargaining with cooperative ownership. If successful, such a model could prove to be a watershed in the history of our movements and a powerful alternative to global capitalism.

Much has been made of the shared origins of the cooperative and labor union movements, how working people faced with the dramatic changes brought on by the Industrial Revolution began to organize to protect their common interests and present an alternative vision. Unions

have played a crucial role in history, providing workers a collective voice and counterweight in the context of the capitalist economy, while cooperatives have presented an alternative, democratic model for the ownership and control of enterprise. At many points, co-ops and unions have shared substantial common ground. For example, *Consumer Cooperative Leadership*, a handbook for food co-ops published by the Edward A. Filene Good Will Fund in 1942, includes sample policies recommending that management “see that employees work under conditions in all respects superior to those of competitive enterprises and to those required by unions” and “recognize any committee representing a majority of employees.” This solidarity is also extended

to purchasing practices: “Whenever possible, union-made goods should be given preference over non-union-made goods.” And one finds many examples of union documents promoting co-ops as a powerful mechanism for community ownership of enterprise.

While this history has not always translated into strong relationships, the cooperative and labor movements are increasingly aware of their shared challenges in the current economy. As a consequence, many have wondered whether there is an opportunity to forge a common vision for the future, one that offers a viable economic alternative to the one that has brought us to where we are today. In 2006, for example, St. Mary’s University in Nova Scotia, Canada, sponsored an international symposium, entitled *The Co-operative and Its Workers*, where many



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presenters explored the relationship between co-ops and organized labor. (For papers from this conference, visit www.mmccu.coop/coopworkers.) The 2007 Eastern Conference on Workplace Democracy brought together cooperators and union activists to welcome keynote speaker Lynn Williams, former president of the USW. In 2009, the conference was held in Pittsburgh, Penn., home of the Steelworkers and a hub of cross-sector cooperative activism.

This moment in history has not been lost on USW President Leo Gerard, under whose leadership the union has forged innovative new partnerships with environmental organizations, working to ensure that “green” jobs are also good jobs, and with other unions such as the U.K.’s Unite. “Too often, we have seen Wall Street hollow out companies by draining their cash and assets and hollowing out communities by shedding jobs and shuttering plants,” said Gerard. “We see Mondragón’s cooperative model with ‘one worker, one vote’ ownership as a means to re-empower workers and make business accountable to Main Street instead of Wall Street.”

Of course, “one worker, one vote” democracy is a central component of Mondragón’s industrial co-ops. But it is also important to recognize that much of the MCC system blurs traditional co-op sectors. For example, Eroski, the second largest food retailer in Spain, is a cooperative in which both workers and consumers are members. Membership in agricultural co-ops in the network includes workers and farmers. And the cooperative bank has as its members workers, consumers, and other cooperatives. Also missed by many observers is that Mondragón’s success is built upon a systems approach, an interconnected web of enterprises that has overcome the problems of isolation that have plagued co-ops in other parts of the world. The MCC includes industrial co-ops, agricultural co-ops, and retailing co-ops, as well as financial, technical assistance, and educational organizations. And like the cooperative economies of northern Italy, the Mondragón co-ops have a purposeful and deliberate commitment to the principle of “co-operation among co-operatives,” mobilizing their resources and purchasing power as a tool for economic development.

Here in the U.S., we have sewn many of the seeds of such a cooperative economy. For example, food co-ops have been partners in the success of worker co-ops Equal Exchange and Alvarado Street Bakery. Food co-ops and others have created loan funds, such as the Cooperative Fund of New England and Northcountry Cooperative Development Fund, that support cross-sector co-op development. We have worker co-ops that have integrated union representation, such as Collective Copies, and examples of multi-stakeholder co-ops, such as Weaver Street Market and FEDCO Co-op Seeds, that bring workers and consumers together within a single enterprise. We have international management training programs such as the St. Mary’s University Master of Management: Co-operatives and Credit Unions, and cross-sector organizations such as the National Cooperative Business Association. And we have a growing awareness that “co-operation among co-ops” is not just a principle but a key competitive advantage.

In this context, the agreement signed by Mondragón and the United Steelworkers is much more than a piece of paper. For unions, it’s a new opportunity to explore the human and economic potential of cooperative ownership, rather than settling for adversarial relationships with capitalist enterprises. For worker co-ops, this may be an opening to deepen solidarity with organized labor through new and innovative structures. And for the cooperative movement as a whole, we have an opportunity to reassess our assumptions about the role of workers, the meaning of membership, and the potential for engaging employees in nonadversarial settings characterized by shared ownership.

Multi-stakeholder co-ops, highlighted by Mondragón’s astonishing success, would seem to offer a promising area for exploration among co-ops in the U.S. These structures contribute a uniquely cooperative approach to labor relations that would strengthen our competitive advantage in an increasingly challenging global economy.

In short, this agreement represents an opportunity not only for Mondragón and the United Steelworkers, but also for the wider cooperative and labor movements. The core challenge, I believe, is in our ability to remember our shared goals and values, to challenge our assumptions, and to present a vision for the future that offers hope to communities devastated by the mainstream economy. ■

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