

Participation of employees in the company

## Real change or just a whitewash?



### Participants at the roundtable

- **Beñat Irasuegi** Talaios Cooperative
- **Saioa Arando** University of Mondragon
- **Igor Ortega** The University of Mondragon, LANKI investigation centre
- **Juanje Anduaga** Ner Group



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kotsultak**



**Consultas  
en Donostia**

**Abenduak 1  
astelehena**

Donostiako Udal Batzar aretoan

**18:30**

Donostiako Hiritar  
Konsulten erreglamendu  
proposamenaren  
aurkezpena

**1 de diciembre  
lunes**

Salón del Pleno del Ayuntamiento

**18:30**

Presentación de la  
propuesta del Reglamento  
de Consultas Ciudadanas  
para Donostia

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Donostiako Udala  
Ayuntamiento de San Sebastián

# Competitiveness or democratization, Which of both is the objective?

From now on the concept of participation will be mentioned by all the different actors of an enterprise, starting from the corporate to the employee, from politicians to economic experts. For this debate we have chosen three projects which are examples of real participation: “The Group Mondragon”, “The Group Ner” and the newly created “Olatukoop” working under the umbrella of socio-economic transformation. The size of these enterprises varies from one to the other, in some cases the property belongs to the workers while in others to the corporate. Some of them have a short time of existence while others have combined growth and crises over the years. Based on their experience they have analyzed the key aspects for real participation and the opportunities that this offers for deep transformation within the economy, the enterprise and the relations. Furthermore they have helped us to interpret this general discourse, so fashionable now a days, by putting it into a context and analyzing its hidden messages.

We hear often that it is necessary to promote participation in the enterprise. Which is the aim of that discourse and why must participation be induced?

**Saioa Arando:** If we believe that a different enterprise model in which decisions can be taken

more horizontally is possible, then in this model participation becomes an objective. The cooperative model was accepted that since the beginning. At the same time participation can be also an instrument that will bring benefits to workers (enhancing their motivation, reducing absen-

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teeism, making the workers feel part of the enterprise), to the organisations (because all this has a direct impact in productivity) and to society as a whole. And it does so from a social and economic perspective. If the enterprises become more productive they will generate a greater economic development in their area and if the workers get used to certain working models then they will apply those models of participation in society.

**Juanje Anduaga:** There is a lot of talking going on about the concept of participation but very

few applied in practical terms. In the case of Ner group participation is inserted within the model or style of relations. The word Ner means in Spanish (*nuevo estilo de relaciones*), that is new style of relations. Therefore when we talk about participation we refer to the participation of all workers, the 100 % of them.

**Beñat Irasuegi:** The discourse about participation in the enterprise has become fashionable. Everyone is interested in talking about it, is nice to talk about it and that by itself is a source of worry for us. How can be possible that everyone

## P a r t i c i p a n t s

■ **JUANJE ANDUAGA**  
Ner group



Born in 1959 in Oñati, The Basque Country, after having different jobs he started working in the Cooperative IRIZAR in 1989. He was responsible of The Coordination of relationship with People for over 21 years. Apart from having this responsibility he was the President of IRIZAR for over 14 years. Since 2010 he is the Coordinator for Social Commitment of Ner group.

■ **SAIOA ARANDO**  
University of Mondragon



Born in 1975 in Aretxabaleta, the Basque Country. In 2008 she defended her PhD thesis at the University of Deusto and since she is working at the University of Mondragon. Actually she is the Coordinator of the area of knowledge known as "People in Cooperation" at the faculty of Business. During those last years she has been investigating around the issue of organisational models based on people.

becomes interested about the concept of participation when our objectives differ so much? The real objective of participation must be the democratization of the economic activity. I suspect that many times behind the discourse of participation are hidden other interests. The core of the discussion is that we want that real participation, the one that will spread to all areas of the economic activity and not an aesthetic patch. We don't want a type of participation that will obscure the mistakes that exist in the current model of enterprises.

**Igor Ortega:** The theme of participation is very much alive currently. Which are the reasons for

it? Three are the main areas; On the one hand society itself is demanding participation and not only in the enterprise but also in politics and other areas of society. On the other hand there is the reason of efficiency. The models organized under the umbrella of participation are more effective from the point of view of productivity and competitiveness. We already accept that those enterprises maintaining the classic hierarchical taylorism-fordism-mecanicism aren't efficient within the logic of the current globalized market. They are actually losing their efficiency. On the contrary those organizations capable of activating people's capacities, knowledge and creativity obtain a better position for competi-

■ **BEÑAT IRASUEGI IBARRA**  
Talaio Cooperative



Born in 1978 in Errenteria-Orereta, he is member of Talaio Cooperative. They work on developing free hardware and software, teaching technological training and promoting transformative social economy. They have created the network called Olatukoop and they participate actively in the ethic Bank Fiare and in Coop57.

■ **IGOR ORTEGA SUNSUNDEGI**  
The University of Mondragon, LANKI investigation centre.



Born in 1975 in Bilbo he lives in Arrasate-Mondragon. A father of two children and a member of the investigation centre LANKI, The University of Mondragon, where he is the head of investigation. He is also a member of the Board of Governors of the association Bagara and of Ereindajan, a cooperative of producers and consumers.

veness. And finally, the third area refers to the ethical dimension. As Saioa mentioned earlier on, the point is to what extent is participation instrumental in order to gain efficiency or to what extent is by itself an objective. Society demands the insertion of an ethical dimension in the business world. The strength the supportive social economies are gaining currently is not casual. The person must be the axis of the enterprise. The economic resources and the organisations must facilitate the development of people and not the other way around. Nevertheless to which extent is possible to combine both the ethical and the instrumental dimensions? I believe both will be necessary. There is an ongoing research at the University of Mondragon which is proving the great links that exist between the models that promote the increase in productivity, people's welfare, participation and implication.

**S.Arando:** The current enterprise model is over. We are facing a new era that must entail a real cultural transformation. It is not a proposal that implies to stick few patches around the theme and to continue as before. To start, In this cultural transformation is the people that must change but not only the people, the structures must be adapted also to the cultural transformation. Participation should be the first idea exposed around the table when talking about cultural transformation. In the current society there is no place for an enterprise without a model for participation.

#### How can participation be inserted in the enterprise?

**J.J. Anduaga:** Those entities that state they have a participative model, why do they continue then with the traditional structure? From our point of view it is clear that if that structure is not changed from the root, involving a radical transformation, then that model won't be properly participative. We prefer to use the word style rather than the word model.

In Ner group we have the experience of inserting change in enterprises. In Ner group there are limited companies as well as cooperatives and they all follow this participative style. When an enterprise is interested at working with us then the first step implies to start with a process in which all workers become implicated in that transformation. At the end of this process there is a General Assembly in which at least 85% of the workers must agree and accept to start with the process of transformation. A second step involves to remove the traditional vertical structure of command and to create instead the self managed working teams. The directors, the mid management and the supervisors they all disappear in our organisation to be substituted by a completely horizontal and transversal structure of self managed working team of multiple disciplines.

**Ortega:** The Ner model is a radical one that has very positive things. They impulse a change of mentality from the beginning and to have a positive attitude from the collective only facilitates things. I don't believe that the management of the enterprise disappears once the assembly accepts to work under the new model. From what I've read the management still exists even though it is a different management model but nevertheless when the owners and the assembly decide that they want to follow the new model, then those that disagree with it are the ones that must decide to stay or to quit. All the process must be led. Can that radical model be applied in the Cooperatives? The cooperatives have certain singularities. The cooperatives are composed of partners and the project has to be developed with the existing human resources. There can be also difficulties if the culture of the workers and the coordinators is different when working with the new model. I know of certain cooperatives that decided to apply this model and had to leave it aside due to different reasons. In the cooperatives belonging to the group Mondragon they are using more gradual procedures to fulfil the transformation.





**J.J. Anduaga:** In the group Ner there are cooperatives as well and in them, even if they are partners we apply this style too. That's way we argue that its application is feasible in no matter what type of juridical structure. And Igor, I'm sorry but the management doesn't exist in the new style. Each person is told of the functions they'll have to fulfil within the work teams and that's when power and authority become disassociated. In the enterprises the management has the power and is that power that gives you the possibility to do whatever you want. We remove this completely. In certain cases some managers have decided to leave because they didn't feel capable of working within the new style. Is not their style and that's comprehensible. But no one is thrown out, they leave because they decide so and the process continues its way. Generally those who leave are managers, the same ones that want to maintain their power and their gallons. We tell them not to leave because they already have lost their power and gallons and that they have to win the authority. They are not used to talking to people but nevertheless the traditional management disappears within Ner group because the capacity to decide is taken by the self managed working teams.

Generally the workers capacity to participate in the enterprise has four levels: the ownership level, the profit level, the strategic decision taking level and the management level. What does real participation mean?

**I.Ortega:** On the one hand there is the axis mentioned earlier on, that is whether we look for the instrumental objectives to induce participation or not. And in that sense the key would be to find the system that would facilitate a greater contribution and participation from the part of the workers but without implying the loss of control from the part of the owner. On the other hand there is the axis that has as an objective participation itself, the axis that would develop a new model of participation without forgetting the importance of efficiency. Ner group has shown that there are many positive elements in their model and that it can be successful but at the same time I mistrust the concept of ownership applied by them. Some people argue that is enough to create horizontal structures in order to create an emancipated and a better society. They say that this can be achieved by transforming the organizational model and applying in it the "people first" concept. Some even

argue that we'll overcome the capitalist model but unless we are capable of inserting the axis of ownership within the concept of participation I have my doubts. When Ner group applies these processes the productivity and the results increase and a percentage of these profits is shared among the workers. And my question is: Is this model sustainable only when there is an increase in the productivity and the profits? What happens if for any reason the outcome is a different one and the owner has the last word?

**J.J. Anduaga:** In our style we don't mix ownership and management and nor do the workers that apply our style. Until now we haven't had the need to mention the theme of ownership nor have the workers feel that need neither. The 30 % of the profits are shared indeed among all the workers. If the participative style is beneficial then it is also for the owner. I'll give an example that shows the way in which we distinguish ownership and the participative style: In the case of the limited companies it is not enough the will of the owner in order to join Ner group. We always tell them that for us they are one more among the workers and that we need the approval of the workers in order for them to join Ner group. We inform all workers about who we are and what we do and we take them to visit two or three of our projects. There they talk to the workers until they have a clear idea about the new working style and then they decide in an assembly whether to join Ner group or not applying always the principle of "one person one vote". It doesn't matter is a person owns the 70 % of the company. In all cases we have improve the outcome and that proves that the style is beneficial.

**I.Ortega:** I'm of the opinion that the objective has to be an integral participation. The participation in the job is essential but it is also essential to participate in the decisions and in the concept of ownership in order for the method to be coherent enough. In that sense the cooperative

model is a reference. What is a cooperative? It is a collective project that belongs to us. (Ownership participation). The outcome is the result of our implication and our effort due to our responsibility within our area and its management. (Work participation). These outcomes are shared equitably among all the partners. (Participation in profits or losses). And since the ownership and the challenge are collective ones we apply the democratic model in the process of decision making under the principle of "one person one vote". (Decision making participation). That's the differential that cooperatives should have, and I say should have because its potential is there. What happens in practical terms is a different issue. The juridical status is not a guaranty for the coherent implementation of a model. Some cooperatives are exemplary because they are way ahead in the integral concept of participation but I would point out that in general terms cooperatives have a great challenge in work participation, in daily management. That's what some partners argue: "We really appreciate to take part in the assemblies but in day to day basis, in our eight hour shifts we have to deal with the way in which our work is organized and in that sense, we don't really see the difference between being a cooperative or not." The partners have this feeling because they don't see in daily basis the differential of work participation.

**S.Arando:** I fully support the integral participation. The ownership participation is also necessary and can be very beneficial because it is another element that make us feel part of the project, it offers a wider range when dealing with strategic decisions and it can empower society. In this era of globalization in which the enterprises come and go without any social criteria and based only in economic reflexions, the last decision that workers owning an enterprise would take would be delocalization. And this is very important from a community perspective. And even more in a case like ours because our industry is composed of many small enterprises





and no matter which multinational can buy them and manipulate us as if we were puppets. So when talking about integral participation I consider very important the ownership participation. At the same time it doesn't make much sense to promote ownership participation and to leave aside participation in decision making and daily management.

**J.J. Anduaga:** Answering to the issue of delocalization I've to say that Ner group hasn't been involved in any delocalization. We produce here and abroad as well. And we are observing that the more we go abroad the more employment is generated abroad and at home. Therefore it is important to go abroad but without delocalizing. Nevertheless the decision to open a new enterprise is taken by the assembly even if the workers are not the proprietors and it is done under the principle of "one person one vote". Why? That strategic decision will affect to all workers. Some of the workers will have to follow the progress of that factory. Some will have to expend months or years abroad... Such a decision can't be taken without the participation of all workers.

**B. Irasuegi:** During the last fifteen days I have hear the concept of "integral participation" twice in different forums. I really like the concept. In Olatukoop we discussed about it and we

internalized the concept but without naming it. I think that definition is spot on. Integral participation must be composed of certain elements that are complementary such as transparency, a democratic attitude in relation to decision making and management... In Olatukoop we add some other elements such as to contribute to the general wellbeing, to life's sustainability (environmental and personal) and to participate in society. In my opinion it is essential that a new model of enterprise includes activities that are beneficial for society and to get involved in them.

**J.J. Anduaga:** I agree with it. Those who work with the participative style we take into account our surrounding and we are aware that we are in debt with it because this surrounding contributes a lot to us as well. In Ner group we contribute to our surrounding with the 2.5% of our profits and furthermore, we offer to it the 2% of our working time (we are 1700 workers). One of our strategic lines includes the compromise towards society. Ner group was created in 2010 and since we have generated 92 social projects and all of them are implemented by our people.

**B. Irasuegi:** Going back to the concept of integral participation there are four principles that define what means to be part of Olatukoop,

and the first one, the central one is ownership. Ownership understood as being part of the company by the contribution of capital, to be the owner in relation to decision making related to work and by having the ownership of all the production instruments which are necessary for the activity related to work and knowledge. We are a small company that has been created not long ago (Talaios cooperative was created three years ago) and by taking as a reference the concept of ownership we are capable of inserting it in our dynamic. I can understand the difficulties other enterprises may have in order to apply this concept or that they need a transitory process in order to do it. I am of the opinion that the road towards integral participation can have different phases. Nevertheless if the objective is the integral participation then it'll have to be developed in all its dimensions. I consider Ner groups work interesting because even in those enterprises in which the workers don't have the ownership they still apply dynamics so that the workers can participate in decision making. And it would be even more interesting to open the road for ownership during the development of that strategy.

I'm quite worried about a concept that we are listening a lot lately: "Financial participation". The concept is definitely Anglo-Saxon, is being introduced here through Europe and it compares ownership with financial participation. "Become part of the enterprise financially by buying some shares and you'll be the owner". And the issue is that it has nothing to do with that philosophy. We would find ourselves involved in a confrontation between work and capital debating about the real meaning of ownership. We should promote in the Basque Country the models we already have, these ones that prioritize work before capital. The axis around the idea of ownership is people, the work realized by them and their contribution to society. We don't need to become dogmatic around the concept of ownership because there

is still a long road to do, but we can't forget neither its importance.

In the Basque Country the economic activity has been traditionally based on collective participation and currently there is a need to deepen in that line. Let's analyse its development from a critical perspective; Has workers participation increase or decrease in daily basis?

**I.Ortega:** The cooperatives of Mondragon were created in the 50s because there was a strong impulse for transformation. They had some main objectives; to turn upside down the metabolism of the enterprise in order to develop organisations based on people. Thus concepts like democracy, the sovereignty of work over that of the capital, the concept of participation... became related to this first objective within the cooperatives. The dream was to further increase the sovereignty of people and to develop a type of enterprise that would respect people's dignity. Hence the clamour for an ethical dimension perceived currently can be satisfied to a certain extent by these ideas. The second main objective was to transform the social function of the enterprise. To make the cooperatives become the instrument and the medium for community development. Their beginning was a revolution, especially because they brought democracy to the enterprises due to the concept of decision making and that of ownership. Nevertheless at that time they applied Taylorism-Fordism in order to organize the enterprise because at the time they were the more efficient.

Another objective of the cooperatives of Mondragon was to be competitive at the highest level in the market. Thus it existed a duality; the so called socio-structural related to institutional participation on the one hand and the techno-structural related to participation at work on the other. There was a democratic participation since the assembly used to elect the Board of Governors and those the management team.



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The hardest was to deal with the organizational spirit applied from the management team because the word was that no one should discuss nor question their decisions.

The evolution of participation at work has been massive and there are some interesting examples; work teams, improvement teams, models related to quality... Perhaps the main need in the cooperatives is related to institutional participation. There is a clear need for innovation. The cooperatives have grown incredibly. There are cooperatives that started with 100 partners and currently there are 1600 and even if the communicative procedures have been strength within, we continue working under the participative structures created at the beginning. The paradox is that perhaps the cooperatives are behind in relation with the decision making participative models.

**S.Arando:** I am of the opinion that we still have the structures created at the beginning for institutional participation, to participate in the internal organs of the cooperative but I've my

doubts about whether us, the worker make a proper use of their full potential. Did the older generations make a better use of them? We are a different generation and the expectations of each generation are different. At the time of the creation of the cooperatives and having observed the enterprise models they were surrounded of, a new opportunity was opened to them. And they definitely made a great use of it. But we are a different generation. When we have become partners of the cooperative we have use the possibility to participate in the internal organs with all naturalness. It is up to us to do it or not to do it. We are the cooperative and therefore we have the choice to build up the type of cooperative of our choice. The cooperative innovation that Igor mentioned earlier on is related to this. Is up to us to decide which ones are our needs and to adapt them to our necessities.

In relation to participative management we have advanced a lot during the last years. Arizmendiarieta (precursor of the cooperatives in Mondragon) created a business model based in organic participation but his management model



was very authoritarian. It was a model belonging to that period. I'm not too sure about whether we are doing it better or not but we try to avoid that model.

**B. Irasuegi:** In Olatukoop we are worried about the breaking up of the cooperative memory. The cooperative model of the worker structured around Mondragon is part of their culture. But the existing relation between Mondragon and other models of participative cooperatives is null. The cooperative model itself has been put in doubt during the economic crises. We shouldn't leave the cooperative memory to die. By contrast we should complete it with other cooperative experiences born before the Mondragon experience, like that self supplying system based on membership that the war ended and that we could recover to satisfy basic needs. Or going further back the fishermen and the farmers brotherhoods are also very interesting models. All this memory is invisible actually. There are hundreds of enterprises that operate under the principle of cooperation currently (they are not cooperatives) and they aren't

known within society. What it worries me is that we lost references in our way ahead and that we aren't capable of making them visible.

**J.J. Anduaga:** I agree with Beñat. There exist cooperatives out of Mondragon too. One thing is to work in cooperation and a different one to be a member of a big cooperative group. In those big groups not all enterprises have the same level of participation and its promotion depends on the style and will of those that compose the management and not in the juridical structure. Taking into account that in Ner group some enterprises are cooperatives and some are not and that some of us have lived cooperative I would like to underline the following; If participation is to be real the project of the organization must be transparent, completely transparent. All information must be shared. I know of some cooperatives in which there were different levels of information. A type of information for the board of governors and such committee, part of that same information restricted to other levels... that has nothing to do with sharing information. For information to be transparent

it must be shared equally so that when people take decisions they do so consciously.

It happens a lot in politics: once you vote then you haven't got a say for the next four years! The same thing happens in the enterprises. You elect an organ and they decide for you for the next four years. And since sometimes information wasn't shared with people then they disagree with the decisions this organ has taken. Other times they have to decide about something really important without having proper information. And what happens then when something goes wrong? They blame each other straight on.

### **The size of the enterprise, is it important?**

**J.J. Anduaga:** For us the size doesn't matter to promote the participative style. Within Ner group the biggest enterprise has 500 workers and the smallest 6. We don't operate with vertical structures, we do it with work teams. We haven't got a board of governors instead we have a direction work team. Who take part in the direction work team? The leaders of each work team and those are elected by the members of each work team. So if the biggest project includes 60 work teams well, then 60 people compose the direction work team. That direction work team represents for us what others call the management committee. And there is a general coordinator to coordinate this work team.

**I.Ortega:** I think that its dimension can make participation more complicated. In my opinion the challenge in Mondragon is to insert an integral participation at the enterprise when those are becoming bigger and more complex ones. Some suggest that a cooperative shouldn't have more than 500 workers. With more members it becomes difficult its coherent development. The logic of the market demands dimensioning and it is a different issue the dimensioning model we choose. Do we have to continue growing and growing or do we need to apply other ways? In

Mondragon there is a reflexion about it especially after the crises of Fagor appliances. The president of this enterprise told me: "I don't know what I am supposed to do to improve participation. I can organize more assemblies! But that involves to have more informative conferences. Am I suppose to stop the productivity when the competence has start increasing its production by working also the weekends?" "There exist complexities related to dimension but that doesn't mean that we don't have to face this issue. Just imagine, the social council which is the main organ representing the workers consisted of 50-60 workers. That president used to say: "If each of them has two minutes to talk, the meeting is gone". There exist difficulties that must be overcome through the medium of cooperative innovation. If the logic consist on going back to the autonomous units then those implicated must have the autonomy to take decisions in their own areas. There exist the mini factory organizational arrangement, the one that consist on separating a big enterprise in sections or business areas. In the cooperative I have mentioned earlier on they already have started to work on in that logic by inserting in some sections the logic of self management with the idea of spreading it to the whole enterprise.

**B.Irasuegi:** Size matters a lot. A big enterprise demands the use of more complex strategies for participation. That's what we have and we must deepen in the participative methods but on the other hand let's look to the future; What size should have a new enterprise? The one imposed by economy? The one based in growth? Or the one based on growth distribution in relation to the needs of our society? We called growth distribution to the creation of new elements based on the existing needs and to their articulation though out a network. By creating a network of cooperatives and small enterprises we will obtain a more balanced and participative economic base than by the creation of big enterprises based on the logic of the market.



# Ekonomia sozial eta eraldatzailea saretzen

OlatuKoop sarea irekia da

- ▶ Elkartasuna eta interkooperatibismoa lantzeko
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*Ezagutu eta parte hartu sarean!*

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**It is said that in order to transform the culture of enterprises there is a need for a leader. What is a leader?**

**S. Arando:** The leader, the director and the head are different things. A head has some responsibilities because of an existing hierarchy or because of the position within a structure. A person is a leader because a team accepts so. It is the team that decides who is a leader. The leader and a head have different functions. Which is the challenge for the future? That heads become leaders as well. A leader is figure born from a relation based on confidence. And from the moment that confidence exists to have an opinion and to participate happens naturally.

**J.J. Anduaga:** I agree with you. Here we call leader to anyone, to the one that in a vertical structure occupies the top position for example. And very often those aren't leaders are managers. We must know whether a manager is the leader of a project or whether he or she manages the project. In the traditional management style they control the management and often they only manage the quantitative side even if the project has quantitative and qualitative objectives. Managers go mad keeping an eye in numbers. They are always analyzing the past checking out whether last month was good enough... Qualitative and quantitative indexes are necessary in order to monitor properly but nevertheless in Ner group we understand that success comes from managing properly the qualitative aspects, in the capability to manage intangibility. And that has a direct relation with the style. The practice of a different style creates new opportunities. Relations have to be expanded because by doing so, by sharing people's experiences new opportunities will be created. And by taking advantage of them we assure the future. If a leader believes that what it really matters is people then he or she must be out of the office most of the time, he or she must expend time talking to people. He or she must be creating networks.

**I.Ortega:** Those of us with the social movement as a background when we hear the word "leader" we don't feel very comfortable. I am not used to that concept yet even though I see its virtuosity. I agree with your earlier comments when you said that it is a concept used to change the image of the usual authoritarian boss. It is not enough to give orders because of his or her position anymore he has to win his or her authority. But at the same time in order for the groups to be efficient someone must do the proposals at take responsibility of things too. I am of the opinion that participation and full horizontality are two different things. Call them leaders, heads or coordinators I still believe that those figures are essential. The challenge is to combine efficiency and participation. I once read to a person from Argentina with an autonomous background that their problem was "the tyranny of the lack of structures". All that horizontality brought a type of inefficiency to their social movements and at the end people used to get tired and used to go home.

**B.Irasuegi:** I also come from a different background and I don't feel comfortable at all with the concept of "leader". I would find another name and in the Basque language, because that concept is a foreign one to me. When talking about the leaders discourse what it worries me is that perhaps we are strengthen the existing injustice related to the powers of society. We delegate in others because there is a need for efficiency. I have the feeling that we always end having a non egalitarian and unjust model. We need to create a new model based in equality. For me ineffectiveness is another source of worry; Let's be all mediocre so than no one stands out. Let's not implement the transformative project in order to maintain for all the same base. I position myself in between these two sides. Activists are essential. We need activists in the economy and in the organisations. It ios true that there exists a negation towards a leader but it is also true that in social movements leaders appear naturally. There is people there that achieve social recognition due to different factors; because of

their skills for relations, or because of their skills to promote relations among others, because they are passionate doing their jobs... That is to be a leader. Do we have to call them leaders? Do we need another word? All I know is that enterprises need many leaders and that these must be replaceable too. They must have around other activists that will cover their vacuum in case they are not there, people that will not hide behind the leader. Because this is another existing problem; since there is a natural leader everybody steps back and therefore they don't have to take decisions. It is important to counter-power the leader and this is achieved by organizing groups of activists.

There is a lot of talk going on around this theme here and abroad; why are they all talking about participation? Why even those that as workers have their rights reduced to zero talk about it? How do people understand the concept "people are the driving force" with the existing precariousness?

**I.Ortega:** The transformation of enterprises shall happen. One of the reasons may be that the competitive differential of our industrial competitiveness comes in that way. The enterprises arriving from Asia don't only represent a risk on terms of cheap labour but also in technological competitiveness. The issue is in which direction will occur this transformation. It can happen in a neoliberal direction with the consequence of having an instrumental sense of the participative concept. And I am of the opinion that this is actually the main message we are receiving. Tell the workers that the situation is very difficult and that the important issue now is to maintain the enterprise opened. But there is another way of doing it; by renewing the traditional concept of the enterprise, by empowering people and taken a step ahead with the compromise towards our land and by developing our enterprises from a humanist perspective. I believe that the Basque Country needs to escape from Spain's model of productivity. The "mark Spain" is a model based on the

reduction of competitiveness and costs and this has as a consequence social regression and precariousness. If the other model is to secure the well being society, then a network based in the added value, on innovation and on development should be created. But this should bring changes in the way the enterprise is configured in two senses; firstly, we know that the added value is directly related to people's creativity and therefore no one can force people to implicate in a project, it has to come from them. It has to be a personal initiative. People's implication is more necessary than ever and hence their status will have to be reviewed within the enterprise. But which should be the work conditions for a plausible model? And secondly it should generate the transformation of the social function of enterprises. Currently we know that enterprises don't compete independently in the world. Competitiveness is a consequence of the resources the enterprise and the country in which the enterprises are established have together. In other words the existing knowledge in that country, people's capabilities, the existing synergies with the public sector... all this factors are implicated. If we need the resources of the country or people's implication then we cannot take all of it as a personal and private ownership. The enterprise model has to change in two directions; by opening the enterprise to participation and by reinforcing its social function. In a long term this will relativize the model of enterprise based only in capital ownership.

**S. Arando:** The actual model of enterprise is in crises. Until now Internationalisation, innovation...all have been understood as a source of business competitiveness but it has been also proved that all of them are sources that can end. People are the only inexhaustible competitive source. If we really want our organisations to continue existing then we need the enterprise model based on people, the type of models that will amalgamate people's full potential with that of the enterprise. The benefits of participation can be justified from different perspectives but it can be dange-



rous to do a partial or instrumental lecture of it. Is easy said that participation increases productivity or that reduces labour dispute but that is not what an enterprise model based on people searches. It is a far bigger and richer concept than that. Organisations are composed by people and their proper articulation is what it will facilitate the future of our organisations.

**J.J. Anduaga:** How is it possible to say that people are the basis of a model when precariousness is increasing? In what consists NER group's new style? The application of some specific values is the key and among them that of "not a single dismissal" even if things don't go properly in a certain moment. Overtime work is not paid and so it has to decrease. Other values consist in solidarity, in team decision making... and the first of all is ethics. If in any enterprise of our group things don't go properly and someone is dismissed then that enterprise is automatically out of the group. There are certain values that have to be protected because is due to them that people is respected.

**B. Irasuegi:** You may get the impression that I look worried each time I heard certain comments and that's also the case when I heard the word "people". And that's the case because I think that with the type of discourse like "people's power" we are actually emptying the meaning from its concept. There is nothing worse than to use a positive value for a non positive objective and that's what happens with the discourse that refers to people. Adegí (the businessmen and businesswomen association of the province of Gipuzkoa in the Basque Country) uses the same concepts that we are using here just to say the contrary that we are saying, and it does so by applying a neoliberal concept of the economy. This doesn't mean that we shouldn't keep using these concepts. On the contrary we should deepen on its interpretation. We are in the weakest position in this dialectic war because our economic model is not the hegemonic one in society. We need to fulfil our words with meaning

by making our models the referential ones. We have different rhythms and strategies but we also share ideas. If one of our objectives is to promote real participation then we need to think about how do we make them become referential and how do we fight this battle of ideas. In Olatukoop we have no doubt that in order to do so we need to take another economic model as a reference. Our working methodology is directly tied with what we call the transformative social economy. An economic model based on more equality that will take as a reference the environmental and people's well being. Therefore we are not only saying the type of enterprises that we need but also what economic model we are looking for. This approach has to be transformative and based in participation too. Let's articulate all this within an economic model. We are a minority yet but all those ideas are burning within society. Since there is a need for democratization let's use the existing situation in order to create our proper model.

**I.Ortega:** I wouldn't say that we are a minority! If we take as a reference two characteristics such as the organizing model based in participation and the enterprises social vocation then certain projects come to my mind: The group Mondragon and the rest of the cooperatives, the different innovative projects that are being created around the concept of the social economy based in solidarity, the cooperatives being created around farming (having as a reference the models of the north of the Basque Country), the enterprise network created around Ner group, the movement of the Ikastola (private schools teaching through the medium of the Basque language), the Basque media... All of them represent the embryo of a different economic model. The problem is that each of them operates independently and that we haven't got the self-consciousness of being creating a different economic model. If we were capable of interacting all together I believe that we could show the Basque Country internationally as a reference of a different economic model.



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