

Promoting the Common Good: Lessons from the Mondragon Cooperatives
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Abstract

While the idea of worker-owned cooperatives is centuries-old, the network of over 300 such enterprises in the Basque region of Spain and founded upon Catholic social justice teachings, is the most successful and impressive in history. The central claim of this paper is that the worker-owned, Mondragon cooperatives demonstrate not only how economic institutions can be structured so as to promote the common good but also how participation in them can engender a concern for the common good among individual participants in those institutions, which spills over into their broader participation as citizens in the larger community.

The paper advances this thesis by, first, providing a brief history of the Mondragon cooperatives, from their founding in the 1950s by Father Jose Arizmendiarieta, the parish priest in the village of Mondragon, trained in economics. Second, it outlines the central principles of Catholic social justice teachings regarding economy that form the foundation for the Mondragon economy and how those teachings have been institutionalized in the cooperatives' democratic managerial practices and their creative financial structures. While Father Arizmendiarieta drew mainly from Pope Leo XIII's *Rerum Novarum*, this paper shows how Mondragon's policies and practices are also in keeping with later Church teachings, as put forward especially by Popes John Paul II and Frances I. Third, the paper contrasts the understanding of the common good in Catholic social teachings and the Mondragon cooperatives, on the one hand, to the notion of the common good found in mainstream classical and neoclassical economics. The latter sees society as merely the sum of its individual members and hence the common good as but the sum of individual goods, or aggregate utility. The former, by contrast, sees society as a living organism, the whole of which is greater than the sum of its parts, and hence it understands the common good as greater than the sum of individual goods, but also including the organic relationships among individuals. Fourth, the paper describes how participation in the cooperatives engenders, cultivates, and deepens worker-members' sense and understanding of the common good and their commitment to it.