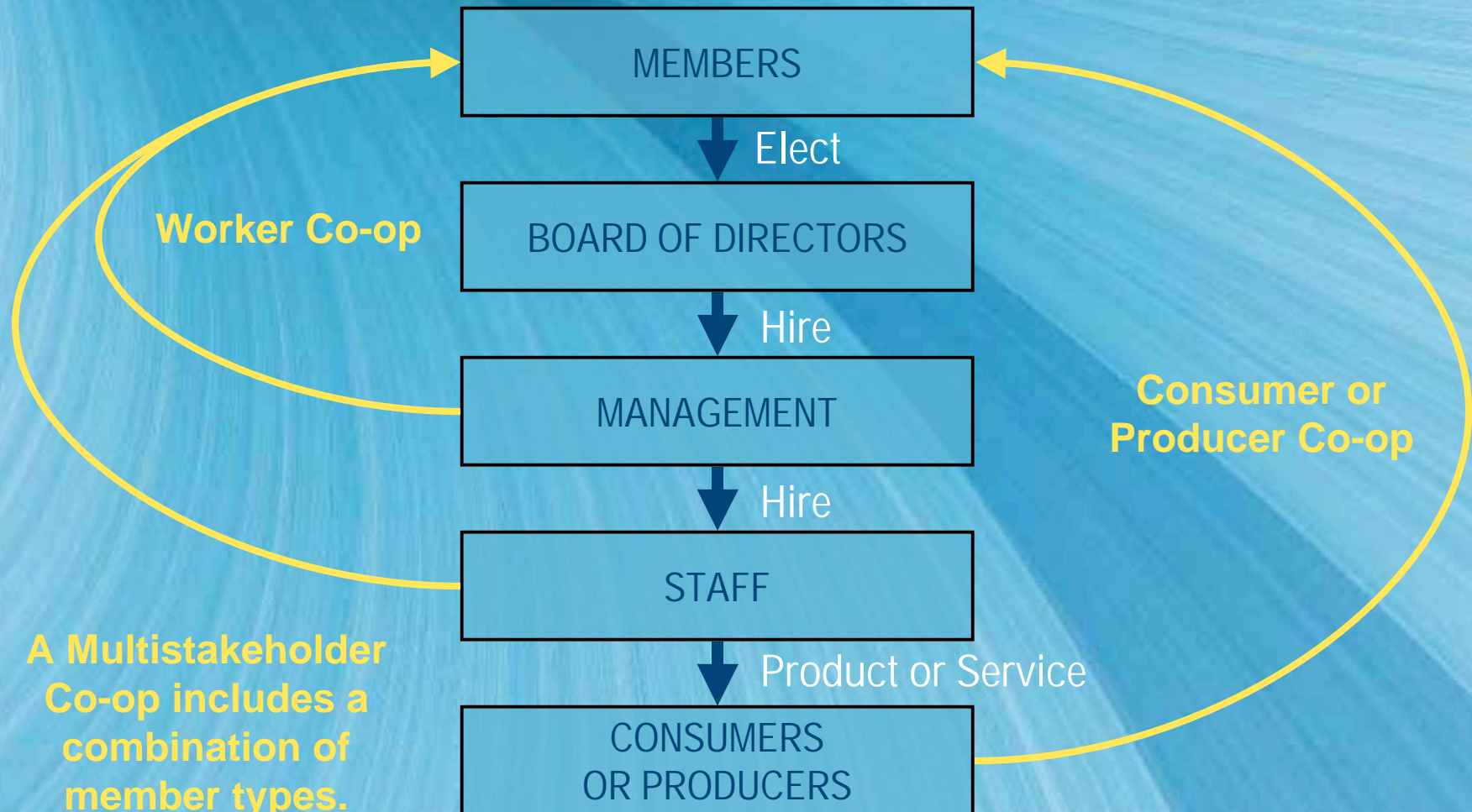


What is Worker Co-op?

An enterprise that is owned and controlled by its members — the people who work in it, contributing their labor to its operation and shared goals.

Members contribute equity (member share plus other investment), govern the co-op on the basis of one member - one vote, and may receive a share of any year-end surplus (profit).

Basic Co-op Structure



The Co-operative Promise

Corporate Globalization	Co-operation
Purpose of Business is Maximization of Profit	Purpose is to Serve Member-Defined Needs
Transitory Economic Development	Enterprise Rooted in Members' Community
Increase in Local, Regional & Global Inequality	Emphasis on Equality
Inappropriate Development	Community Guided Development

The Co-operative Promise

Corporate Globalization	Co-operation
Accountable to Investors; Profitability is Priority	Accountable to Members; Service is Priority
Suppression of Local Entrepreneurship	Development of Local Skills and Capacities
Undermines Local, Regional & National Political Processes	Democratic in Nature, Reinforces Political & Social Democracy

Sustainable Regional Development & Co-operation

Limitations of Small & Medium Enterprises

- ♦ High failure rate
- ♦ Succession challenges
- ♦ Vulnerable to buy-outs
- ♦ Isolated enterprises
- ♦ Unstable employment & services

Sustainable Regional Development & Co-operation

Advantages of Co-op Enterprise

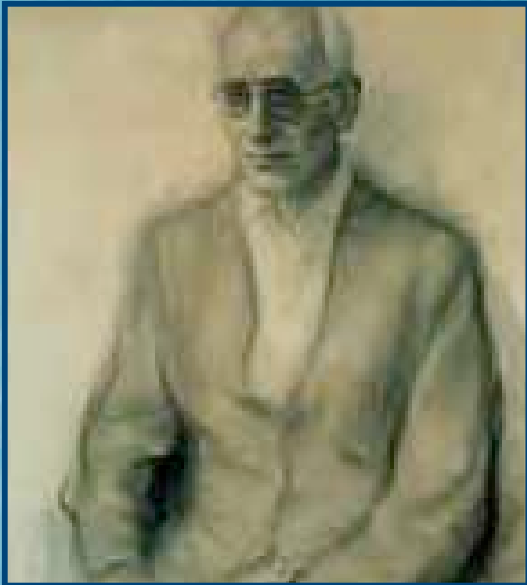
- ♦ Community ownership, community wealth
- ♦ Focus on service, meeting needs
- ♦ Ability to assemble limited resources
- ♦ Low failure rate
- ♦ Difficult to move or buy-out
- ♦ Mobilize member & customer loyalty
- ♦ Stable employment & services

Sustainable Regional Development & Co-operation

Challenges to Co-op Potential

- ♦ Access to financial resources
- ♦ Sectoral division
- ♦ Risk averse
- ♦ Lack of awareness of co-op model
- ♦ Democracy is an asset...
...but also a process

Mondragón Co-operative Corporation



- ♦ Basque Region of Spain
- ♦ Leadership of a Catholic priest
- ♦ 1943 - Training school
- ♦ 1956 - First factory
- ♦ ±1960 - Credit union
- ♦ Educational co-ops

Mondragón Co-operative Corporation



1950s

- ♦ 1 co-op (1956)
- ♦ 5 employees
- ♦ Import substitution
- ♦ Social entrepreneurship
- ♦ Credit union with entrepreneurial division (1959)

Mondragón Co-operative Corporation



1985

- ♦ 86 production co-ops
- ♦ 44 educational co-ops
- ♦ 7 agricultural co-ops
- ♦ 15 building co-ops
- ♦ Grocery co-op
- ♦ Insurance co-op
- ♦ Credit union with 130 branches

Mondragón Co-operative Corporation



1997

- ♦ \$5+ billion in sales
- ♦ 34,000 employees
- ♦ \$7.5 billion in assets
- ♦ Largest domestic grocery chain in Spain (worker & consumer co-op)

Mondragón Co-operative Corporation

2008



- ♦ \$21 Billion in Sales
- ♦ 103,700 Employees
- ♦ \$25 Billion in Assets
- ♦ 264 Co-ops & Subsidiaries
- ♦ Leading Producer of Domestic Appliances