

September 22, 2010

Dear Friends,

Below is a model of job creation I plan to work on, along with other strategies, in my next 4 years.

Please join me and others on October 12 or October 14 to learn more about this. (More details below.)

The Mondragon Cooperative Experience - A Model for Richmond?

Imagine a world where businesses derive their power from the people who work there and capital is used as a tool to serve the people, instead of the other way around, as is the case with conventional corporations. A world of true workplace democracy, where each worker has an equal say in how the business is run. A world where workers pool and leverage their resources to start new businesses and create new jobs. A world where top managers earn no more than 6-7 times the salary of the lowest paid workers and everyone has a secure and decent standard of living. A world where education, training and innovation are abundant. A world without lay-offs.

I had the opportunity to immerse myself in just such a world last week in the Basque region of Spain, where I attended an intensive five-day seminar at the Mondragon Cooperative Corporation, along with 25 worker cooperative enthusiasts and practitioners from all over the US and Korea. The first Mondragon cooperative started 56 years ago with a few people under the visionary guidance of Jose Maria Arizmendiarieta, and it has grown into an extensive network of 120 industrial, financial, retail and education cooperatives with over 16 billion euros in sales and employing about 100,000 people.

There is a great deal of collaborative and cooperative spirit in Richmond, and numerous residents and City staff have indicated to me their interest in exploring the possibility of starting worker-owned cooperatives here. Given the need to think outside the box in addressing our high unemployment rate, Richmond could provide fertile ground for implementing this model of job creation along with other strategies.

At the conclusion of the seminar, Mondragon's Director of Cooperative Dissemination, Mikel Lezamiz, and I signed a letter of intent and endorsement (cut and pasted below) to pave the way for initiating conversations with stakeholders in Richmond and beyond. I want to share with you what I learned and also hear your ideas.

To this end I would like to invite all who are interested to a presentation and

discussion on Mondragon and the potential for worker cooperatives in Richmond. The same presentation will be given on two dates to accommodate diverse schedules (call 620-6502 for more info):

Tuesday, October 12, 7:00-9:00 pm in the Whittlesey Room of the Richmond Library

Thursday, October 14, 1:00-3:00 pm in the Multi-Use Room, 440 Civic Center Plaza

Sincerely,

Gayle McLaughlin
Mayor, City of Richmond

September 17, 2010

Letter of Intent and Endorsement

Mayor Gayle McLaughlin of Richmond, California attended a 5-day seminar in Mondragon, Spain in September 2010 to learn about the Mondragon Cooperative Corporation's model of worker-owned cooperatives as a strategy for worker empowerment-based economic development and job creation. Based on this seminar and the considerations listed below, a commitment to explore possibilities for future collaboration emerged.

- The Mondragon worker-owned cooperatives in manufacturing, retail, financial services and education have flourished for over 50 years in the Basque region of Spain, bringing prosperity and social equity to a region that had been stricken by high rates of poverty and unemployment.
- Mondragon collaborated with non-profits, foundations, and city officials in Cleveland, Ohio to assist in the successful 2008 launch of the Evergreen Cooperative Initiative aimed at stabilizing and revitalizing low income neighborhoods in Cleveland.
- Mondragon and the United Steelworkers signed an agreement in 2009 to collaborate in the United States/Canadian marketplace by adapting collective bargaining principles to the Mondragon cooperative model and worker ownership principles.
- Mondragon provided inspiration to community organizers in recently establishing Austin Polytechnic High School in Chicago, which is designed to prepare

students in low-income neighborhoods to start cooperative high tech manufacturing enterprises along the Mondragon model after graduating.

- Richmond, California's commitment to promoting financial health, social well-being, education and training, and innovation (particularly in the green business sector) corresponds to the four pillars on which Mondragon's cooperatives are built.
- Formation of worker-owned cooperatives could be the next logical step, building on existing job training programs, to address persistent problems of poverty and unemployment in Richmond.

Mayor Gayle McLaughlin of Richmond, California and Mikel Lezamiz, Director of Cooperative Dissemination of Mondragon Cooperative Corporation, affirm the shared values of cooperation, participation, social responsibility and innovation as well as the common goal of creating sustainable jobs that support stronger communities and sustainable environmental practices.

Mikel Lezamiz furthermore endorses Mayor McLaughlin's intent to explore how the Mondragon model of worker-owned cooperatives can be applied in Richmond, California and to initiate conversations and facilitate collaboration among potential worker owners, labor unions, community organizations, local funders and City officials in Richmond.

Gayle McLaughlin, Mayor Dissemination City of Richmond, California	Mkel Lezamiz, Director of Cooperative Mondragon Cooperative Corporation
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