

Third report on study-visit to the Mondragon COPRECI member firm in Dvorce, Moravia (Czech Republic) in MAY 2008

1. INTRODUCTION AND SUMMARY

As indicated in my previous reports, the Copreci enterprise in Moravia belongs to and has been started by the cooperative of that name in Mondragon in the Basque region. The purpose of this writing is to report on the work of that firm, with emphasis on the special situation where a mother enterprise creates a firm similar to itself in another region or country to fulfill multifarious objectives initially determined by the parent. Similar situations are frequent within the capitalist world, but in the case of democratic firms of the Mondragon type this becomes a situation entirely *sui generis*, rarely if ever encountered previously; and this constitutes the interest and concern of this writer.

I am using as background and analytical framework my Unified Theory of Social Systems. The reader may find it useful to familiarize himself with that study, published electronically [<http://hdl.handle.net/1813/642>].

The basic problem at hand is that a democratic economic entity cannot create a similar democratic firm: at best it can create an “infant” enterprise under its direction and funding, hoping that the infant can transform itself or be transformed gradually over time into some form of democratic unit of the species identical to that of the parent. This transformation, [quite distinct from a similar situation under capitalist conditions where the new firm remains a capitalist firm indefinitely under the control of the parent] is an intricate process, which we are trying to understand, using the “early childhood” experiences of the Copreci situation.

The Unified Theory referred to above can give us some assistance in our inquiry. But from the outset it is necessary to say that such theoretical frameworks, or even simpler ones of the theory of selfmanagement, are far from sufficient to give us full guidance or understanding. One thing is quite clear, The offspring firm is not a capitalist satellite maximizing profit, but something far more organic and complex. In this writing I do not hope to give full answers: I can only hope to share some general insights that may raise the interest of others and perhaps assist the inquiry.

We shall proceed in three parts: (1) The actual performance of the firm; (2) The present democratic framework; and (3) The future and perspectives of a democratic experience.