



13th September, Opening of the new Eskola Politeknikoa by the Education Minister, Manuel Lora Tomayo. <https://www.mondragon-corporation.com/wp-content/uploads/2020/05/1967.jpg>

SOCIAL CATHOLICISM & THE ORIGINS OF MONDRAGÓN

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La Corporación Mondragón is the seventh largest corporation in Spain; it employs roughly 80,000 people, generates a revenue of approximately 12 billion euros annually, and is involved in nearly every form of Spanish industry. It was founded and is headquartered in the Basque Country in Northeastern Spain. It is also an excellent resource for understanding the complexity of the peculiar political ideology of Social Catholicism, particularly in Spain. This paper will explain the origins of La Corporación Mondragón, known simply as Mondragón, by examining the values of Social Catholicism. In understanding these values, however, this paper will contextualize Social Catholicism when it gained prominence in the nineteenth century and then explain its development in the early twentieth century prior to the creation of Mondragón in 1956. The group primarily responsible for Social Catholicism's success was Acción Católica (Catholic Action), which I will discuss through examining its nineteenth century origins. With these foundations set, one can gain an understanding of the group during the interwar period, particularly during the papacy of Pope Pius XI and his reforms of 1923. From here, Acción Católica will be placed in its proper context in the Basque Country of the 1950s when Mondragón was formed.

Because the first 20 years of Mondragón's existence were under Francisco Franco's fascist regime, it is important to address and explain the corporation's possible connections to Spanish fascism. After establishing each of these significant ideological points, I will set up a basic understanding of some of the peculiarities of the Basque

Country in Spain, particularly in its connections to anarchism and communism. The discussion of anarchism and communism is important in understanding the tendency of modern conversations about La Corporación Mondragón to portray Mondragón as a commune system that carries the baggage of anarchist and communist modes of production. Next, I will revisit the economic model of Franco's regime, namely corporatist fascism, to explain another facet of Mondragón's founding, namely its connections to Franco's regime and the Catholic Church, which was at times a close ally of Franco. Finally, I will conclude with an analysis of the founder of Mondragón's own words on the company, followed by a brief foray into Mondragón in post-Franco Spain and today.

What is Social Catholicism?

For the sake of clarity, I will provide the definition of key terms I use in my paper. Beginning with a definition of Social Catholicism, there are two definitions I consulted in this paper, one in English and one in Spanish. The English definition is found in the *European Journal of the History of Economic Thought* in "The Corporative Third Way in Social Catholicism (1830 to 1918)" written by Stefano Solari in 2010, who explains: "by Social Catholicism, we intend, here, the movement of Catholic scholars who...systematically attempted to develop political economy in the framework of a distinctive epistemology in line with Catholic moral philosophy to supply some answers to the social question."¹ During the nineteenth and early twentieth centuries, the social question of what to do about the surplus of people and rising class stratification in society gained increased attention from the Catholic Church. In response to this, "Catholic political economists...proposed a 'third way' beyond laissez-faire capitalism and socialism. This 'third way' is attributed to intermediate bodies" in the form of guilds and, later on, corporations.² Thus, the development of Social Catholicism served as a way for the Catholic Church to define its position on economic matters as being between laissez-faire capitalism and socialism.

Carlos M. Rodríguez López-Brea, in his article discussing Catholicism and Spanish politics in the interwar period, refers to the same idea, though under the name of political Catholicism. López-Brea explains that political Catholicism was a movement that supported a form of right-wing, third way policy-making opposed to liberalism and fascism, not to socialism per se, which attests to the long-lasting

1. Stefano Solari, "The Corporative Third Way in Social Catholicism (1830 to 1918)," *European Journal of History of Economic Thought* 17, no. 1 (2010): 87.

2. Solari, "The Corporative Third Way," 88.

political effects of Franco's fascism in the academic writings of Spanish speakers. Franco's Fascism was particularly amenable to the pursuits of the Catholic Church because he was anti-liberal first and foremost. Certainly Franco, who led the Nationalists against the Republicans, was in opposition to communism, but he was more concerned with the liberal political establishment, especially after the second world war.)

López-Brea writes that political Catholicism "declares both liberal individualism and state fascism as enemies" and that political Catholicism "was not parliamentarian, but corporatist."³ While the definitions of Social Catholicism or political Catholicism vary across disciplines and languages, these definitions generally agree that it is a form of corporatism. Both definitions tend to agree that it is opposed to laissez-faire capitalism, but there is some confusion about whether corporatism is in greater opposition to socialism or fascism. As for the particularities of Franco's corporatism, they will be covered later in the paper after a proper foundation for these particularities has been laid.

The Development of Social Catholicism

Now, I will examine the development of Social Catholicism in the context of the development of Acción Católica. For Social Catholicism, the primary group responsible for effecting ideological change in the papacy and various parts of Europe was Acción Católica. According to historian Gerd-Rainer Horn, Acción Católica was aligned with "movement[s] stressing—far ahead of its time—the role of the Catholic laity and aiming for far-reaching social reforms and the establishment of meaningful political democracy, two goals which were then for all practical purposes still widely regarded as utopian dreams, certainly within the ranks of the Catholic hierarchy."⁴ Horn is writing in the context of the late nineteenth century when the papacy began to address the social question of the failure of capitalist accumulation to provide for the poor. In the 1870s, "the "social question," i.e., the consequences of rampant capitalism for the material and spiritual circumstances of the new class of proletarians, was beginning to take centre stage for Catholic apostolic activists."⁵ Before this period, the Church was an institution which was inseparable from monarchism into the nineteenth century but industrialization forced the Church to change its perspective.

3. Carlos M. Rodríguez López-Brea, "El catolicismo político: una nueva presencia en la política española (1922-1936)," *Historia Contemporánea* 69 (2022): 400.

4. Gerd-Rainer Horn, *Western European Liberation Theology (1924–1959)*, (Oxford University Press, 2008), 5.

5. Horn, *Western European Liberation Theology*, 34.

One solution that [group/specific people] proposed was for the Catholic laity to focus on social reforms of political democracy and alleviating the worst of poverty, which led to the creation of Catholic Action. For the first few decades of Catholic Action's existence, it was very disorganized, without a clear hierarchical structure or a clear understanding of the position of the Pope in the independent organization of social programs. This created a power vacuum, which was filled by strongmen throughout Southern Europe; for example, "with Mussolini's firm elevation to dictatorial powers by the mid-1920s, Italian Catholic Action had renounced open engagement in politics to retain its place as a functioning organization under Mussolini's regime. Echoes of this switch soon determined Catholic Action elsewhere," notably within Spain.⁶ As supporters of totalitarian regimes in Europe gained influence in Catholic Action in various places such as Mussolini's Italy and Hitler's Germany, the church pivoted in their strategy. Catholic Action's focus shifted to effecting change within the Church and in the upper echelons of the Church's hierarchy.

Catholic Action was incredibly successful with this new strategy, and "[v]irtually all observers are united in ascribing the real take-off of Catholic Action to the reign of Pius XI," beginning in 1922.⁷ An issue with the term Catholic Action is that it "had been in use, off and on, since the nineteenth century, along with other labels, to describe a variety of activities uniting clergy and laity in defense of Catholic values against the encroachments of the liberal state, and later, the dangers of industrialization."⁸ These activities and positions could vary from extreme monarchism to the support of communist or anarchist movements throughout Europe. Following this tendency towards centralization of policy, Catholic Action became a group that was synonymous with the political ideology of social Catholicism.

Pius XI's Relationship to Social Catholicism

After beginning his papacy by clearly defining Catholic Action and reigning it in as subordinate to the Vatican, Pius XI turned his primary focus to totalitarianism. Notably, he was not anti-totalitarian from the start of his papacy and, in reality, formed alliances with many totalitarian states in their early stages before eventually opposing totalitarianism in all forms. The Vatican in the 1920s was closely aligned with the emergent Mussolini government in Italy. "All observers agree that a great many Vatican officials felt comfortable in their dealings with the Italian Fascist

6. Horn, *Western European Liberation Theology*, 20-21.

7. Horn, *Western European Liberation Theology*, 38.

8. Horn, *Western European Liberation Theology*, 38.

“The Church and military were the two pillars of his strength, and, as such, he had to satisfy these groups in his control of business interests in Spain to maintain his mandate to rule.”

government and admired Mussolini’s approach to combating Marxism;” in particular, a substantial majority of mid and lower level Vatican bureaucrats sympathized with Fascism.⁹ During the first decade of his papacy, Pius XI can be portrayed as either an incompetent peacemaker unwilling to provoke regional dictatorial governments or an outright fascist sympathizer.

Pius XI’s willingness to engage diplomatically with fascist states supports the idea that “this pope’s actual policy was to promote the spread of authoritarian dictatorships...[and] to encourage the creation of the sort of ‘Catholic corporatist state’ that materialized in Portugal and Austria.”¹⁰ The form of “Catholic corporatist” state building within Portugal and Austria is notable as the direct inspiration and precedent for Franco’s rise within Spain.¹¹ Once more, the condemnation of communism instead of fascism took center stage in the Vatican, and “Pius XI decided not to issue this encyclical...for reasons that must have been related to the numerous reports of anti-clerical atrocities in the Spanish Civil War.”¹²

Social Catholicism in Spain

Returning to Spain, it is imperative to examine the relationship between the regional Catholic Church and the Franco regime. The Church was much more concerned about communism and anarchism within Spain and viewed Franco as a willing ally in their movement to “re-Christianize Spain as under the period of Republican rule the Church’s institutional power was repealed in entirety.”¹³ During the Spanish Civil War, the Church widely aligned itself with Franco’s new regime, with many within the Church considering his rise to power “as the best occasion for a

9. Patch, “The Catholic Church, the Third Reich, and the Origins of the Cold War,” 401.

10. Patch, “The Catholic Church, the Third Reich, and the Origins of the Cold War,” 401-402.

11. Patch, “The Catholic Church, the Third Reich, and the Origins of the Cold War,” 404.

12. Patch, “The Catholic Church, the Third Reich, and the Origins of the Cold War,” 407.

13. José Sánchez Jiménez, “La jerarquía eclesíástica y el Estado franquista: las prestaciones mutuas,” Ayer (1999): 167.

Christian Reconquista, of [regular people within] society to gain power.”¹⁴ They framed the war as “a fight between two civilizations, one comprised of Catholic laypeople, and one of an elite increasingly without God and without a homeland.”¹⁵ The supposed elite referenced here was the USSR-aligned leftist republic that directly preceded Franco’s Spain. Notably, this period of republicanism also aligned with a resurgence of anarchist anticlericalism in the Basque country, where Mondragón would be founded some 15 years later. The Franco regime extensively quoted scripture and encyclicals from various popes to justify their “crusade” against communism. This includes Pope Pius XI, widely known throughout Spain for writing, “there must be continual combat against laymen’s liberalism, which is the primary enemy of international peace, and there must be a social re-Christianization” in order to restore order throughout the Catholic world.¹⁶

There are many parallels between Pope Pius XI’s and Pope Pius XII’s tact in dealing with the Axis Powers and their dealings with other “Catholic corporatist” states, of which Franco’s Spain is a clear example. Importantly, Acción Católica within Spain was a close ally of the Franco regime, and the policies of social Catholicism were taken under the umbrella of Franco’s semi-populist appeal to the ordinary Catholic people of his country. Moreover, social Catholicism was valuable to Franco because it supported the legitimacy of the papacy as a result of Pius XI’s reforms of 1923 which made the group subservient to papal authority.

Additionally, because of the prevalence of possible fascist sympathizers within the Vatican and Pius XI’s possible proclivities in favor of Catholic state authoritarianism, Franco was able to successfully capitalize on the popularity of Social Catholicism. Franco then controlled a movement that could “dominate as a mix of religion and patriotism that, in conjunction with [Franco’s] extensive political rhetoric, [allowed him] to try to control the social reality and political education” within Spain.¹⁷ In short, Franco exploited social Catholicism and Acción Católica as instruments of institutional authority which allowed him to exercise massive government oversight of all elements of society, particularly businesses. This oversight of business is crucial in understanding Franco’s corporatism as it developed into the 1950s and the origins of Mondragon.

14. Jiménez, “La jerarquía eclesiástica y el Estado franquista,” 168.

15. Jiménez, “La jerarquía eclesiástica y el Estado franquista,” 168.

16. Jiménez, “La jerarquía eclesiástica y el Estado franquista,” 170.

17. Jiménez, “La jerarquía eclesiástica y el Estado franquista,” 172.

Franco's Corporatism

Prior to Franco's regime, there were few government regulations on businesses. The workers had no rights, there were scores of exorbitant tariffs and taxes on businesses, and the government held a *laissez-faire* position on international trade. Even during the beginning of Franco's dictatorship, "before 1950, the weak were unprotected because the laws and regulations that existed were about taxes of businesses, frequently including quotas, and the protections for workers for the first three decades of the 20th century were practically reversible."¹⁸ In order to balance these interests, Franco supported business interests by lowering taxes and worker interests by implementing worker protections by allowing for both as long as they agreed to the Faustian bargain of government oversight of production, massively increasing the authority of the state. Government oversight of production paired with Franco's relationship with the Church, led to "Francoist ideology [being] dubbed an amalgam of fascist corporatism and religious obscurantism."¹⁹

Franco's corporatism was unique, and it is important to explicate the elements of his Corporatism that differed from other fascist powers and why this matters to the founding of Mondragon. Due to his government's close relations with the Catholic Church and the military, it resembled monarchist absolutist control of the means of production. In a sense, it can be more closely compared to mercantilism than Nazism. The success of his Corporatism comes from the fact that "in the first half of the 20th century...there were many social differences [within Spain], which had arisen due to the Industrial Revolution. These differences led to many attempts to unify interests of disparate social groups, between workers and capitalists, landowners and the landless, the strong and the weak."²⁰ It was out of this situation that organized corporatism arose "as a pre-capitalist concept and as a romanticized reactionary form" of absolutist mercantilism.²¹ Franco's corporatism, then, can be accurately described as a semi-feudal conception of state control of the means of production. With this in mind, it is worth noting that "in countries that industrialized 'from above' meaning, from the initiative of the state, [said states by necessity] must gain strength."²² For Franco, the Church and military were the two pillars of his strength, and, as such, he

18. Armando Fernández Steinko, "Actualidad y sociología política de la estrategia corporativa," *Mientras Tanto*, (2002): 104.

19. Donny Gluckstein, "Spanish Prelude," in *A People's History of the Second World War: Resistance Versus Empire*, (Pluto Press, 2012), 15.

20. Steinko, "Actualidad y sociología política de la estrategia corporativa," 104.

21. Steinko, "Actualidad y sociología política de la estrategia corporativa," 104.

22. Steinko, "Actualidad y sociología política de la estrategia corporativa," 105.

had to satisfy these groups in his control of business interests in Spain to maintain his mandate to rule. In some sense, Franco's control of the Church was a two-way street, with the Catholic Church exercising control over Franco's regime as he was doing the same to them. With his ideology, economy, and military secured, Franco turned towards economic developments, usually either by order of or in conjunction with the Catholic Church.

The Origins of Mondragón

La Corporación Mondragón is one such business which arose out of Francoist Spain's corporatism. It was founded in 1956 under orders of the Catholic Church in the Basque Country. During the Spanish Civil War which led to the rise of Franco, there were three primary factions: the Republicans, who were communist supporters and largely anti-clerical, the Francoists, the fascist party ruled over by general Francisco Franco, who would eventually win out in the conflict, and the Basque Independence Party, which successfully led an independent Basque Country for roughly a year before the successful Franco government crushed its revolt in 1937. It is worth noting that "the main political issue in the Basque territories was the 'culture war' between Catholicism and secularism."²³ While the majority of the Basque people were conservative Catholics, "Basque nationalists ultimately backed the Republican project [against Franco] from 1933 on [as] it was meant to gain control over the cause of political autonomy" for the Basque people.²⁴ As time went on, however, many among the Basque realized that Franco had the upper hand in the war, and "the Francoist victory in June 1937 resulted in the extension of military justice to the Republican remnants in the Basque provinces."²⁵ In fact, "The overwhelming social weight of Catholicism and the Church were archetypal features of Francoism, but also emblematic of the Basque nationalist community."²⁶ In many ways, the Basque country was viewed by Franco as the ideal form for the rest of Spain to follow because "there was a point-by-point overlapping of Basque nationalism with the ideological and cultural watchwords of the Francoist New State: social order and discipline; Catholic public morality; organic, ethnic, and corporative views of labour, society, region, and nation."²⁷ In this context, Mondragón began as a quasi-corporatist experiment started by the Catholic Church and supported by the Franco regime to harness the Basque

23. Fernando, Molina, "Lies of Our Fathers: Memory and Politics in the Basque Country Under the Franco Dictatorship, 1936-68," *Journal of Contemporary History*, (2014), 299.

24. Molina, "Lies of Our Fathers," 299-300.

25. Molina, "Lies of Our Fathers," 302.

26. Molina, "Lies of Our Fathers," 307.

27. Molina, "Lies of Our Fathers," 307-308.

people as an economic force. Following the defeat of the Basque nationalists, the Basque people were re-socialized by the Franco government, with “the vehicles for

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this public re-socialization [were primarily]...the powerful associational network of the Catholic Church, ranging from parent associations to Acción Católica.”²⁸

José María Arizmendiarieta

To explain the rise of corporatism in Spain in connection to the origins of Mondragon, I will examine the life of a young Basque man and member of Acción Católica by the name of José María Arizmendiarieta.. Arizmendiarieta was a Catholic priest appointed to represent the ideology of social Catholicism in the Basque country by creating a commune. The ideology of Social Catholicism was the engine that allowed the vast success of Mondragón as a corporation. In enacting the political and economic rhetoric of the Social Catholics, “Javier Lauzurica, the Bishop of Vitoria, asked the recently ordained Arizmendiarieta to put this “re-Catholicizing doctrine” [the doctrine of Social Catholicism] into practice in...the town of Mondragón.”²⁹ The Catholic Church picked the Basque Country for this “re-Catholicizing doctrine” for several reasons. First, the religiosity of the Basque peoples of northeastern Spain allowed a priest to maintain a position of supreme conservative authority. This is important as, without this call to the institutional authority of the Church,

28. Molina, “Lies of Our Fathers,” 307.

29. Fernando Molina and Antonio Miguez, “The Origins of Mondragon: Catholic co-operativism and social movement in a 29.

29. Basque Valley (1941-59),” *Social History* 33, (2008), 288.

Arizmendiarieta would have been advocating for cooperativism on the same level as the countless anarchist attempts at cooperativism that have nearly universally failed. The second factor of success was the shared cultural values between the Basque-speaking peasant population of the town of Mondragón and Arizmendiarieta. Arizmendiarieta's knowledge of Basque as a language and culture undoubtedly contributed to his and the Mondragón Corporation's success. Throughout history there have been clergymen of nearly every political creed. The emergence of Basque nationalist priests in the Basque country can be explained as simply clergymen learning the language of those they hope to proselytize. It can be seen as a missionary-esque learning of the language of workers, the language of nationalism, to appeal to them and bring them into the flock of Catholicism. According to Horn, "for maximum integration into working-class communities in order to be able to tackle the task of building of Christian communities [many priests]...took the ultimate step [towards understanding workers] and became workers themselves."³⁰

Mondragón after Arizmendiarieta

With all of the contexts set for the founding of Mondragón, I will now examine whether or not Mondragón can be held up as an example of successful corporatism. Importantly, Mondragón was founded with the support of the corporatist, fascist Franco regime, the state oversaw it in its first 19 years of existence, and it was created by the institutional authority of the Church to re-socialize a group of people seen as outside of the norm under Franco's regime. As I will examine below, The Catholic Church called for the creation of Mondragón to re-Catholicize the Basque people after fears that their nationalist revolt decreased the group's connection with the Church. This paper contends that, while it may seem corporatist without knowing the full historical context, the founding of Mondragón was not corporatist due to the ultimate source of authority stemming from the Catholic Church and not Franco's corporatist regime. In order to prove this, I will analyze some of Arizmendiarieta's writings concerning the founding of Mondragon.

Writing in 1976, a year after Franco's death, Arizmendiarieta wrote an article for the 20th anniversary of Mondragón seeking to define the economic model that the corporation had followed. Arizmendiarieta did not view his corporation as beholden to the government of Franco and, therefore, corporatist, but rather as beholden to individual autonomy with support from the Catholic Church. For Arizmendiarieta, Mondragón was principally organized as a cooperative and then as a system of

30. Horn, *Western European Liberation Theology*, 266.

cooperatives. Arizmendiarieta did not have a background in economics prior to his appointment to lead Mondragón; “he was known for his marked rurality;” and many



Sagrada Familia, By Canaan - Own work, CC BY-SA 4.0, <https://commons.wikimedia.org/w/index.php?curid=113178605>

within the Basque country viewed him as stereotypically peasant-like.³¹ While this was initially a stumbling block for Arizmendiarieta, it came to his benefit as he possessed “an immense intuition for economics...[and there were academics] that wanted to convince him to go to England to obtain a doctorate in Economics.”³² He rejected this opportunity, stating that his proper place was with his congregation within the town of Mondragón and his workers in the new business of la Corporación Mondragón. Under Arizmendiarieta’s leadership, “banking had been cooperativized. Livestock and agriculture [had been] cooperativized. He had cooperativized housing, consumption, and medical sports assistance. He [even] cooperativized education among whose achievements the Polytechnic School stands out.”³³ Rather than crediting the Francoist state, he praised God for allowing his cooperative experiment to succeed. He wrote, “God lives, not as a determinate political representative. Looking back would be an offense to God. One must always look ahead.”³⁴ Arizmendiarieta believed that Mondragón’s success was not owed to the success of corporatism, but the success of the Catholic Church, Social Catholicism, Acción Católica, and of God. Having established Arizmendiarieta’s view of the success of Mondragón, I will now examine two pieces of writing from the same newspaper that published Arizmendiarieta.

31. José María Arizmendiarieta, “El Cooperativismo y Mondragón,” *El Ciervo*, (1976): 298.

32. Arizmendiarieta, “El Cooperativismo y Mondragón,” 298.

33. Arizmendiarieta, “El Cooperativismo y Mondragón,” 298.

34. Arizmendiarieta, “El Cooperativismo y Mondragón,” 298.

These two pieces of writing are from the Spanish economist Pere Escorsa. One is an examination of Mondragón in the years directly after Franco's death, and one is from 2010. I will use these two writings to mark any significant changes in the business's political ideology and economic foundation and examine whether Arizmendiarieta's success story was a corporatist success story or a cooperativist one. Escorsa describes in the 1980 article first meeting Arizmendiarieta and touring a couple of Mondragón's factories in 1973. He wrote about being "most surprised" that the "incredible cadence of production" that he observed "results stemmed from a distinct philosophy."³⁵ Escorsa, as a trained economist, chose here to quote Keynes to explain his failure to understand Mondragón's success. He wrote that, according to Keynes, "economic progress is only obtainable through [exploiting people's] avarice, ego, and ambition."³⁶ Mondragón's success contradicts this, as Mondragón's structure held up the well-being of individual workers as more important than capital accumulation. Mondragón, due to its origins in the Church and having been led by a Catholic priest for the first two decades of its existence, replaced Keynes' emphasis on avarice, ego, and ambition with by elevating charity, humility, and caring for those around oneself.

Escorsa, after briefly delving into Keynesian economics, returns to the words of Arizmendiarieta in explaining the form of cooperativism present in Mondragón. Notably, he includes a quote by Arizmendiarieta wherein he states, "we want individuals with dignity in communities which are rich more than rich individuals in communities which are poor."³⁷ Exemplified through the words of Arizmendiarieta, the actual ideology behind Mondragón is revealed as much more than boilerplate corporatism, instead social Catholicism. The ideals of social Catholicism, mixed with the particular Basque culture and the institutional authority of Franco's corporatist state, facilitated the success of Mondragón. Although Arizmendiarieta repeatedly reminds those listening to him that he is a preacher, he speaks and constantly writes of the virtues of work and of supporting one's fellow man.

Shortly after the Great Recession began in December of 2007, Escorsa returned to write another article about Mondragón, entitled "Mondragón stands up to the crisis," in which he once again extolls the virtues of the company and its business model. Specifically, Escorsa writes about the success of Mondragón in internationalizing: "With an oversaturated domestic market, the crisis [of the recession] is lessened

35. Escorsa, "Mondragón, Hoy," 356.

36. Escorsa, "Mondragón, Hoy," 356.

37. Escorsa, "Mondragón, Hoy," 356.

“Mondragón, due to its origins in the Church and having been led by a Catholic priest for the first two decades of its existence, replaced Keynes’ emphasis on avarice, ego, and ambition with by elevating charity, humility, and caring for those around oneself.”

by penetration into other markets.”³⁸ While withstanding the recession, Mondragón also stuck true to the beliefs of Arizmendiarieta, following his advice that “work is the noblest element of society, the oldest, and the most human form of capital, and [that] unjustified ambition...does not allow for proper economic development [as those that] aspire for unlimited economic development do not maintain that [level of] development.”³⁹ Once again, Social Catholicism is an ideology that stood up in the face of adversity, with economic humility having allowed for Mondragón’s success during the Great Recession.

La Corporación Mondragón is today often praised for its ability to adapt to changes in the market. It is one of Spain’s most successful businesses for a reason, and its international successes in recent years have only compounded. With that stated, one must wonder about the relationship between Mondragón and Francisco Franco’s regime, considering that it was created during a period of intense corporatist control of all Spanish businesses. Understanding the ideology of Social Catholicism—and the Social Catholic group Acción Católica—is vital for understanding the relationship between Mondragón and Franco. In many ways, its early years were the success of corporatism. It had the backing and oversight of the Spanish government, and while individual worker autonomy was very high, the business generally lacked this autonomy. However, Mondragón’s mandate to operate as a business stemmed not from Franco’s government, and therefore not from corporatism, but instead from the institutional authority of the Catholic Church. Arizmendiarieta was fiercely apolitical

38. Pere Escorsa, “Mondragón Planta Cara a La Crisis,” *El Ciervo*, (2010), 711.

39. Pere Escorsa, “Mondragón Planta Cara a La Crisis,” 711.

and fiercely Catholic in describing the success of his business. It must be understood that Mondragón's origins lie ultimately in the Catholic Church and Social Catholicism as an ideology, not in cooperativism or in corporatism.

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