

October 13, 2007
Dan Swinney
dswinney@clcr.org
www.clcr.org

*In Chicago' Austin community: Alinsky vs. Arizmendi
Redistribution or Control of Wealth*

The post World War II era gave rise to two visionaries who sought to extend greater democracy and wealth to their low income constituencies as part of a broader vision to change the world. Both were critical of capitalism as well as the kind of socialism practiced in the Soviet Union that relied solely on the state. Both mobilized the grass roots to exercise power on their own behalf and did so in their thousands having a profound impact on the communities they served. Both are studied by young and veteran organizers around the world looking for new solutions to old seemingly intractable problems.

Saul Alinsky, influenced deeply by John L. Lewis of the United Mineworkers of America, advanced a vision for low-income communities that paralleled the successful organizing strategy of the Congress of Industrial Organizations. This was a strategy premised evidently on the notion that the means of production, the creators of wealth in the United States were doing a decent job. After all, what was good for General Motors was good for the country. At that time, the profits of the big America corporations generally coincided with the long term development of the sector they had invested in: GM made cars and seem to be in it for the long term, making investments in new technology and generally keeping pace. IBM did the same with computers. US Steel did the same with steel. And traditional, typically white middle class communities where these big companies were located as well as the upper classes did quite well. Communities, workers, and entrepreneurs of color faced discrimination in every aspect of the economy and society including wages and conditions of work, access to ownership, housing, and unequal justice.

Alinsky didn't focus on the well-being of the means of production but on the improvement of the distribution of wealth that the system generated to include communities that were systematically excluded or shortchanged because they were Black, Latino, or working class. He and his organizations fought against all forms of discrimination and injustice. His pioneering organizations were created in Chicago—The Woodlawn Organization, the Back of the Yards, and the Organization for a Better Austin. They were initiated by professional organizers recruited by and affiliated with the Industrial Areas Foundation, and later by emerging organizations that embraced the Alinsky approach. In Austin, the Organization for Better Austin imploded when a top leader turned out to be a spy for the police department. A number of smaller regional organizations such as the South Austin Community Coalition, the Northwest Austin Council, and the Northeast Austin Organization, and others formed. They mobilized and organized local residents based on their “self-interest” and around immediate and

important demands for better and fair housing, for social and racial justice, for welfare reform, and other immediate issues just as their trade union parallel did in the big mills and plants around the country. They organized for the re-distribution of wealth to their particular constituencies leaving all the questions associated with the creation of wealth to corporate America.

At the same time, in the Basque region of northern Spain in the village of Mondragon, a priest Father Jose Maria Arizmendi took a different tack. He was part of the Basque resistance to Franco, the Spanish fascist who had taken power in Spain in the late 1930s. During this time, he was arrested and narrowly escaped execution. He was assigned to the parish in the small town of Mondragon. He assumed in his approach that controlling and developing the means of production in light of the values and priorities of the local community should be the principal focus of organizing and organizational development. rather than just focusing on the broader distribution of wealth. It was at the point of production, where work was done that democracy should be extended, where worker/residents had the greatest leverage and power, and he took full advantage of the cooperative structure to achieve this goal. This was more complicated work but in the long run more powerful.

In 1943, shortly after arriving in Mondragon, he organized a polytechnical school for young Basque people that taught both the technical skills of manufacturing and production as well as values. In 1956, with five graduates of this school, Arizmendi purchased a gas stove company and organized it on a cooperative basis—one worker/one vote and a compensation ratio of one to three. The initial company employed 30 worker owners. It was successful. Another company was launched with another team, and then another, and then another. By the mid-1970s, they had some 45 companies employing 17,000 workers in manufacturing and retail as well as a shared cooperative bank, vocational schools, and housing cooperatives. In 2007, the Mondragon network—now the Mondragon Cooperative Corporation—has 85 companies employing 130,000 people globally. There are major cooperatives in retail as well as manufacturing. Eroski is a big box retail store that is owned by its employees and owners and has kept Wal-Mart out of Spain. Mondragon is the cutting edge of the Spanish industrial economy, and the region is recognized as one of the leading manufacturing regions in the global economy. Unemployment is very low and per capita income is high. Democracy is a reality in politics as well as in the economy.

Arizmendi recognized the central role of wealth creation in society and the fact that market sophistication and competition could be combined with social values. Through organizing, leadership development, and organizational sophistication, Arizmendi led a movement that has contended successfully in the market and state, and profoundly influenced civil society.

Today, the Alinsky-inspired movement is less and less effective. The private sector has qualitatively changed and the powerful Low Road segment that is dominated by Wall Street and some of the large multi-national publicly-traded companies have shattered the social contract that made the Alinsky inspired movement viable throughout the 1950s and

1960s. Among the most powerful companies, short term gains for shareholders has replaced any desire or long-term commitment to particular companies, products, or sectors much less the communities where production takes place. A social movement in the US can no longer depend on limiting its role to just redistribution of wealth. Redistribution is required but no longer sufficient. It's essential that those interested in sustainable communities take up the issues of wealth creation and find alliances with those in the business community who still share a contemporary version of the old idea of stewardship.

From my perspective, Arizmendi was and is a more powerful and effective visionary in setting the course for organizing in communities than Alinsky. Now more than ever we need to use perspectives such as his in not just asking others for development that includes community residents but making it happen in ways that remain under local control and guided by local values. We need to develop the skill and vision that allows those with a commitment to development that is environmentally, economically, and socially sustainable to compete in the market, in the state, and in civil society against the destructive Low Road trend. There is now a broad vacuum of leadership in the economy and society, particularly in communities like Austin. We should contend to fill that vacuum with a vision that truly builds the community on behalf of its residents. Austin Polytech (www.austinpolytech.com) is part of that effort.