

Course Syllabus
2017
AAE 323 Cooperatives

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Time and location: Tu & Th 11:00 – 12:15; 119 Babcock

Office hours: Hours by appointment

Course Description

Cooperative businesses exist in a wide variety of sectors within the U.S. economy, and represent a distinctive model for organizing labor, capital, and knowledge to produce goods and services. Studying cooperatives aids understanding of all aspects of industrial structure and business organization, and challenges conventional thinking about what it means for an economic system to be “capitalist”. Fundamentally, a cooperative firm represents a unique form of business ownership where “patrons”, rather than financiers, are business owners.

Course Objectives

- Understand the role and characteristics of cooperation, collective action and cooperatives
- Apply understanding of cooperative finance and governance to the management of cooperatives

Class participation

- Arrive on time
- No laptops, ipads, smart phones etc. in class, except for accessing class docs.
- Check email and course webpage regularly
- If you are going to be absent, let me know before the class begins. If you need to be absent for religious reasons, we can make arrangements. University policy says that you should inform me 2 weeks advance.
- Assignments are due before class.

Evaluation

Evaluation will be based on these three factors:

- Individual performance:
 - Participation in class, individual assignments
- Team performance:
 - Team grades on class activities, feasibility & financial models assignment and Dane County project
- Final Exam: 25%

Individual Assignments

There will be three types of individual assignments throughout the semester. The assignments are described below. Additional assignment details, including due dates, can be found on the course webpage in Canvas.

1) Learn About a Cooperative in Your Community

Students will write a 2-page paper answering the following questions for a cooperative of their choosing:

- What primary products/services does the cooperatives provide or offer?
- What led to the organization of the cooperative, and when was it established?
- Tell us about the members of this cooperative: Who are they? What do they produce? Where are they located?
- How are members represented in this cooperative? Is there a board? What else can you learn about the co-op's governance structure.
- How is the cooperative doing as a business? Have sales gone up (or down) in the past couple of years?

Due Date: October 3

2) Cooperative Start-up Business Canvas

Students will come up with an idea for a new cooperative business. Each student will complete a business model canvas for their new cooperative business. We will discuss the business model canvas tool in class on October 5 and students will have an opportunity to turn in a first draft for review before submitting a final draft.

- Assigned: October 5, 2017 (introduce the [business model canvas tool](#))
- First draft due: October 17, 2017
- Draft returned to students with feedback: October 24, 2017
- Final draft due: November 7, 2017

3) 3-2-1 Reading Response Assignments

Students will turn in three (3) 3-2-1 reading response assignments throughout the semester. 3-2-1 assignments include the following parts:

- Part 1: Complete the readings, identify the reading that you will write about (if applicable) and describe the three most important aspects of the reading, justifying your choices.
- Part 2: Identify two aspects of the reading you don't understand and briefly discuss why these confusing aspects interfered with your general understanding of the reading.
- Part 3: Pose a question to the text's author, the answer to which should go beyond the reading content and does not reflect the areas of confusion in part 2.

Due dates:

September 14

October 31 (date may change, depending on speaker availability)

Third assignment: TBA

GROUP ASSIGNMENTS

1) Complete in-class discussion questions

2) Feasibility and financial models for start-ups

Each group will receive a case study of a grocery co-op start-up, along with a set of linked spreadsheets that can be used to assess the financial feasibility of the business model. The spreadsheets and the case study will be used to complete a set of discussion questions. There will be time in class to work on this project.

Due date: October 24

3) Using Cooperatives to Support Economic Development in Dane County

This project will present models for 1) increasing affordable housing, 2) providing daycare and supporting 3) food system entrepreneurship through use of cooperation and cooperatives. Research will focus on innovative cases and the policy initiatives that support cooperative solutions in these three areas.

We will form groups to work on the three topics. Each group will complete a section of the white paper and provide a presentation of the results of their research.

1. Provide a white paper that presents models and descriptive cases of cooperative affordable housing, daycare and the food system. The paper will include examples of local, regional and state policies and programs that have supported the successful development of cooperatives.
2. Work with Dane County staff to identify potential needs and opportunities in these three areas, to ensure a relevant and useful product.
3. Recommend next steps if possible.

Due Dates:

- Phase one due October 12 (outline, initial findings)
- Presentations due December 12
- Final draft due December 14

Course Schedule

Please note that this schedule will be updated.

WEEK 1

Thursday, September 7

Course overview and objectives

Introduction to cooperatives

Instructor(s): Anne Reynolds & Courtney Berner

WEEK 2

Tuesday, September 12

Pirate shipboard governance: Cooperation and constitutions (Anne: WHEDA conference)

READINGS:

Peter Leeson "Opportunism and organization under the Black Flag", *Organizational Dynamics*, 40(1), 2011

Peter Leeson. *The Invisible Hook*, Princeton University Press, 2009, pp 62-63

Thomas Dietz, Elinor Ostrom, Paul Stern, "The struggle to govern the Commons", *Science*, 302, 2003

Instructor(s): Courtney Berner

Thursday, September 14

Cooperatives in the economy and society

Assignment due: Reading response (on either reading)

READINGS:

Marc Schneiberg. "Toward an organizationally diverse American capitalism? Cooperative, mutual and local, state-owned enterprise" *Seattle University Law Review*. 34, 2011

Henry Hansmann. *The Ownership of enterprise*, Cambridge, MA: Harvard University Press, 1996, pp 11 – 49

Instructor(s): Anne Reynolds

WEEK 3

Tuesday, September 19

Childspace Case Study

READINGS:

Kondo, Michelle. "Case Study of Childspace." *Exploring Cooperatives: Economic Democracy and Community Development in Pennsylvania and Wisconsin*. 2011. p. 127-132.

Coontz, E. Kim. "A Closer Look at Cooperative Models of Childcare." Bringing Families Together: A Guide to Parent Cooperatives. Center for Cooperatives. University of California. 2003. p. 11-28.

Instructor(s): Anne Reynolds

Thursday, September 21

Dane County Project Discussion and planning

Instructor(s): Anne Reynolds & Courtney Berner

Guest speaker: Ela Kakde, Dane County

WEEK 4

Tuesday, September 26

Co-op finance basics

READINGS:

Brian Briggeman et al, "Current trends in cooperative finance", Iowa State University, 2016

Kimberly Zeuli and Robert Cropp. *Cooperatives: Principles and practices in the 21st Century*, UW Extension, 2004, Chapter 7, Cooperative Financial Management

Instructor(s): Courtney Berner

Thursday, September 28

Co-op governance basics

READINGS:

Brent Hueth and Anne Reynolds, A life-cycle perspective on governing cooperative enterprises in agriculture, *Choices*, 2011, 26(3)

Gregory McKee, Capital budgeting decisions for electricity distribution cooperatives: the case of Cass County Electric Cooperative, *Journal of Cooperatives*, 2011, 25, 62-18

Tammy Meyer, Who runs the cooperative business? *USDA Cooperative Information Report* 45

Instructor(s): Anne Reynolds

WEEK 5

Tuesday, October 3

Critical infrastructure: Co-ops in housing & transportation

READINGS:

Young-Hyman, Trevor, "Union Cab: Democratic worker ownership in the taxi industry" *Exploring Cooperatives: Economic Democracy and Community Development in Pennsylvania and Wisconsin*. 2011. p. 113-117.

"Make New York's School-bus fleet eco-friendly, union-staffed and cooperatively run", *The Nation*, September 21, 2017

Website: Cooperative Alliance for regional transport: <http://www.cart-rides.org/index.htm>

WATCH: Videos on manufactured housing co-ops: <http://www.geo.coop/story/resident-owned-communities>

Assignment due: "Learn about a cooperative in your community"
Instructor(s): Anne Reynolds

Thursday, October 5

Co-operative business start-ups: Feasibility analysis & Intro to Business Canvas
Instructor(s): Anne Reynolds

WEEK 6

Tuesday, October 10

Reforming fisheries through cooperatives

READING:

R. Deacon, D. Parker et al. "Reforming fisheries: Lessons from a self-selected cooperative", *Journal of Law and Economics*, 56 (1), 2013

Instructor(s): Anne Reynolds & Courtney Berner

Guest speaker: Dominic Parker, Assistant Professor, Agricultural and Applied Economics

Thursday, October 12

Dane County Project Discussion

Assignment due: Phase 1 of Dane County project

Instructor(s): Anne Reynolds & Courtney Berner

WEEK 7

Tuesday, October 17

Feasibility and financial models for start-ups: Introduction

Assignment due: First draft of Cooperative Start-up Business Canvas

Instructor(s): Anne Reynolds & Courtney Berner

Guest speaker: Lynn Pitman, Outreach Specialist, UW Center for Cooperatives

Thursday, October 19

Feasibility and financial models for start-ups: Part 2

Instructor(s): Anne Reynolds & Courtney Berner

Guest speaker: Lynn Pitman, Outreach Specialist, UW Center for Cooperatives

WEEK 8

Tuesday, October 24

Feasibility and financial models for start-ups: Part 3

Presentations

Instructor(s): Anne Reynolds

Guest speaker: Lynn Pitman, Outreach Specialist, UW Center for Cooperatives

Thursday, October 26

Grocery cooperatives in a changing landscape

Instructor(s): Anne Reynolds & Courtney Berner

Guest speaker: Kirsten Moore, Director of Co-op Services, Willy Street Grocery Co-op (invited)

WEEK 9

Tuesday, October 31

Historic roots of cooperatives in the economy and society

Assignment due: Reading Response

Instructor(s): Anne Reynolds & Courtney Berner

Guest Speaker: Monica White, Assistant Professor, Community and Environmental Sociology (invited)

Thursday, November 2

Policy and legal framework for Cooperatives: Focus on Anti-trust

Instructor(s): Anne Reynolds

Guest speaker: Bob Cropp, Professor Emeritus, Agricultural and Applied Economics (invited)

WEEK 10

Tuesday, November 7

Balancing fairness and profitability: Making decisions on equity at Producers Cooperative Association

Assignment due: Final draft of Cooperative Start-up Business Canvas

READINGS:

John Siebert and John Park. "Maintaining a health equity structure: A policy change at Producers Cooperative Association". *International Food and Agribusiness Management Review*, Volume 13, Issue 3, 2010

Instructor(s): Anne Reynolds

Thursday, November 9

Farm Supply Cooperatives

Instructor(s): Anne Reynolds

Guest speaker: Bob Carlson, CEO, Landmark Services Cooperative (invited)

WEEK 11

Tuesday, November 14

Meeting food system challenges: Multi-stakeholder cooperatives

Instructor(s): Courtney Berner

READINGS:

"Weaver Street Market." *Solidarity as a Business Model: A Multi-stakeholder Cooperatives Manual*. Cooperative Development Center @ Kent State University. 2010. p. 29-30

"Oklahoma Food Cooperative." *Solidarity as a Business Model: A Multi-stakeholder Cooperatives Manual*. Cooperative Development Center @ Kent State University. 2010. p. 39

"Fifth Season Cooperative" *Solidarity as a Business Model: A Multi-stakeholder Cooperatives Manual*. Cooperative Development Center @ Kent State University. 2010. p. 40-43

Leviten-Reid, C. & B. Fairbairn. "Multi-stakeholder Governance in Cooperative Organizations: Toward a New Framework for Research?" *Canadian Journal of Nonprofit and Social Economy Research*. Vol 2, No 2, Fall 2011, pp 25-36

Thursday, November 16

Sustaining successful businesses: the role of purchasing cooperatives

Instructor(s): Courtney Berner

READING:

Clamp, C. & I. Alhamis. *Carpet One: A Case Study of Cooperative Entrepreneurship*

WEEK 12

Tuesday, November 21

Strategy: Meeting the changing needs of members: Producers Cooperative Oil Mill case

READING:

Producers Cooperative Oil Mill: A Case Study in Strategic Planning for a Cooperative by Phil Kenkel and Rodney Holcomb, *Journal of Cooperatives*, Vol. 25, 2011, pp. 82-96

Instructor(s): Anne Reynolds

Thursday, November 23

NO CLASS—Thanksgiving Holiday

WEEK 13

Tuesday, November 28

Policy support for cooperatives: Federal, state, local
Madison Cooperative Development Coalition
Instructor(s): Anne Reynolds

Thursday, November 30

Worker cooperatives: conversions, governance, and economic democracy
Instructor(s): Courtney Berner
READINGS:

“South Mountain Company.” *Successful Cooperative Ownership Transitions: Case Studies on the Conversion of Privately Held Businesses to Worker Cooperatives*. pp 6 – 16.

“A Yard and a Half Landscaping.” *Successful Cooperative Ownership Transitions: Case Studies on the Conversion of Privately Held Businesses to Worker Cooperatives*. pp 43 – 53.

WEEK 14

Tuesday, December 5

Native American agricultural cooperatives
Instructor(s): Anne Reynolds & Courtney Berner
Guest speaker: Kelly Maynard, Outreach Specialist, UW Center for Cooperatives and Center for Integrated Agricultural Systems

Thursday, December 7

Dane County Project Presentations
Instructor(s): Anne Reynolds & Courtney Berner

WEEK 15

Tuesday, December 12

Dane County Project Presentations
Instructor(s): Courtney Berner

Thursday, December 14

Exam review
Assignment due: Final draft of Dane County white paper
Instructor(s): Courtney Berner

Exam: December 16, 2:45 – 4:45 p.m. Location TBA

Resources:

- Robert Cropp. “A glossary for cooperatives”, University of Wisconsin Center for Cooperatives, 2005 http://www.uwcc.wisc.edu/pdf/Bulletins/bulletin_11_05.pdf
- University of Wisconsin Center for Cooperatives: www.uwcc.wisc.edu
- National Cooperative Business Association: www.ncba.coop
- University of Saskatchewan Centre for the Study of Cooperatives: www.usaskstudies.coop
- U.S. Federation of Worker Cooperatives: www.usworker.coop
- Robert Cropp & Kim Zeuli. *Cooperatives: principles and practices in the 21st century*. Cooperative Extension Publishing, University of Wisconsin-Madison, (<http://learningstore.uwex.edu/Assets/pdfs/A1457.pdf>)