



## **AAE 323: Cooperatives 2018 Course Syllabus**

**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. Fundamentally, a cooperative is a unique form of business ownership where users or patrons, rather than investors, are the business owners. Cooperatives are an important but often overlooked part of the U.S. economy. They provide services in many sectors, including finance, utilities, health care, housing, agriculture, and retail.

This course is designed to introduce students to the cooperative business model and to encourage them to think critically about why co-ops emerge, the ways in which they differ from other forms of enterprise, and how the model can be used to address current social and economic issues. The course will be participatory and will include individual and group assignments. Students will also be exposed to guest speakers who are leading thinkers and employers from cooperatives in key sectors.

This course is taught using a community-based learning (CBL) approach. CBL is a credit-bearing educational experience that integrates meaningful service with a community partner on a community-identified need, traditional academic content, and guided reflection. CBL aims to enhance understanding of course content while developing critical thinking skills and stronger personal and civic responsibility.

**Instructor:** Courtney Berner, Executive Director, UW Center for Cooperatives

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**Office hours:** Available by appointment

**Course time and location:** Tuesdays & Thursdays; 1:00 – 2:15 p.m.; Microbial Sciences 1510

**Mode of instruction:** Face-to-face

**Course credits:** 3 credits. This class meets for two 75-minute class periods each week over the fall semester and carries the expectation that students will work on course learning activities (reading, writing, problem sets, studying, etc.) for about 3 hours out of classroom for every class period. The syllabus includes more information about meeting times and expectations for student work.

**Course Prerequisites:** None

**Course Learning Outcomes:** By the end of the course, students will be able to do the following:

- Understand the role and characteristics of cooperation, collective action, and cooperatives
- Exhibit knowledge of the cooperative model as it exists locally, nationally, and internationally
- Compare and contrast the cooperative model with other types of business entities
- Apply understanding of cooperative finance and governance to the management of cooperatives

**Course Evaluation:** There will be a total of 500 possible points in this course. The different ways of earning points are listed below.

Exams: This course will have a midterm (100 points) and a final exam (150 points). Everything covered in class or found in required readings is fair game for the exams.

Green County Project: The Green County Project will be worth a total of 150 points. Your final grade on the project will be based on self-evaluation, small group evaluation, and the final paper grade. The final paper will be worth 75 points. The remaining 75 points between the self and group evaluation.

In Class Activities: I will not take attendance, however, over the course of the semester there will be ten in class activities that you will turn in for points. Each in class activity will be worth ten points.

Optional Extra Credit Assignment: You will have the opportunity to earn 20 extra points by completing the following assignment and turning it in no later than December 11 at 1:00 p.m.

*Learn About a Cooperative in Your Community:* Write a 2-page paper answering the following questions for a cooperative of your choosing.

- What primary products/services does the cooperatives provide or offer?
- What led to the organization of the cooperative, and when was it established?
- Who are the members of the cooperative? What do they produce? Where are they located?
- How are members represented in this cooperative? What else can you learn about the co-op's governance structure?
- How is the cooperative performing as a business? Have sales gone up in the last few years?
- How does the business appear to be leveraging the cooperative structure?

In summary, points will be distributed as follows:

Midterm	100	points
Final exam	150	points
Green Country project	150	points
Class participation	100	points
TOTAL:	500	points

Grades: Final grades will not be curved. They will be allocated based on the following scale:

A	94+	AB	88	B	80		
BC	75	C	65	D	50	F	below 50

**Course Feedback:** You will have the opportunity to evaluate me as well. Although it is not required, I would greatly appreciate your honest (and anonymous) thoughts and suggestions on the course.

**Academic Integrity:** Academic honesty is expected. Students are accountable to uphold the core values of academic integrity and comply with UW-Madison policies and state laws regarding academic misconduct. Please familiarize yourself with the potential consequences of misconduct at the webpage of the Dean of Students: <http://www.students.wisc.edu/doso/academic-integrity/>.

# COURSE SCHEDULE

## UNIT 1: INTRODUCTION TO COOPERATIVES

U1O1: Identify and summarize the important characteristics of the cooperative model

U1O2: Demonstrate knowledge of how cooperatives are used locally, nationally, and internationally

U1O3: Demonstrate understanding of the social and economic forces that lead to cooperation

### WEEK 1

**Thursday, September 6:** Course overview and objectives; Introduction to cooperatives

### WEEK 2

**Tuesday, September 11:** Historic roots of cooperatives

*Guest speaker: Monica White, Assistant Professor, Gaylord Nelson Institute for Environmental Studies and the Department of Community and Environmental Sociology*

**READING(S):** White, M. "A pig and a garden: Fannie Lou Hamer and the Freedom Farms Cooperative," *Food and Foodways*, 02 January 2017, Vol.25(1), p.20-39

**PODCAST:** Interview with Dr. Jessica Gordon Nembhard, "Everything Co-op" by Vernon Oaks, <https://www.youtube.com/watch?v=VbNqv5u-ccg>

**VIDEO:** "New Pioneers", 5-min animation commissioned by the Rochdale Pioneers Museum and Co-operative Heritage Trust. <https://www.youtube.com/watch?v=KYPe5xJAm5w>

**Thursday, September 13:** The role of cooperatives in the economy and society

**READING(S):** Schneiberg, M. "Toward an organizationally diverse American capitalism? Cooperative, mutual and local, state-owned enterprise" *Seattle University Law Review*. 34, pp 1409-34, 2011

### WEEK 3

**Tuesday, September 18:** Green County Project Guests & Global cooperation: Cooperation Italian Style

*Guests: Cara Carper, Executive Director, Green County Development Corporation  
Gavin Luter, Director, UniverCity Alliance*

**READING(S):** Restakis, J. Chapter 4. "The Emilian Model and the Socialization of Capital." *Humanizing the Economy*. New Society Publishers. 2010.

**Thursday, September 20:** Global cooperation: The Japanese consumer cooperative movement

**READING(S):** Restakis, J. Chapter 6. "Japan" *Humanizing the Economy*. New Society Publishers. 2010.

## WEEK 4

**Tuesday, September 25:** Economic rationale for cooperation

*Guest speaker: Brent Hueth, Faculty Director, UW Center for Cooperatives & Associate Professor, Agricultural & Applied Economics*

**READING(S):** Schneider, N. "Here's my plan to save Twitter: let's buy it." *The Guardian*. September 29, 2016.

Schneider, N. "Economic Democracy and the Billion Dollar Co-op." *The Nation*. May 8, 2017.

**Thursday, September 27:** Economic rationale for cooperation

*Guest speaker: Brent Hueth, Faculty Director, UW Center for Cooperatives & Associate Professor, Agricultural & Applied Economics*

## UNIT 2: COOPERATIVE FINANCE

U2O1: Identify and summarize the tools cooperatives use to finance their businesses

U2O2: Demonstrate understanding of how cooperatives make decisions about equity and profit

U2O3: Apply understanding of cooperative finance to cooperative case studies

## WEEK 5

**Tuesday, October 2:** Co-op finance basics

**READING(S):** Briggeman, B., "Current trends in cooperative finance," Iowa State University, 2016

Zeuli, K. and R. Cropp. *Cooperatives: Principles and practices in the 21<sup>st</sup> Century*, UW Extension, 2004, Chapter 7, Cooperative Financial Management

**Thursday, October 4:** Understanding cooperative equity: Premier Cooperative, Mt. Horeb, Wisconsin

*Guest speaker: Andy Fiene, General Manager, Premier Cooperative*

## WEEK 6

**Tuesday, October 9:** Mechanisms for financing new cooperatives

**READING(S):** Lund, M. "Chapter 3: Start-up Capitalization & Equity Structures." *Cooperative Equity and Ownership: An Introduction*. University of Wisconsin Center for Cooperatives. April 2013.

**Thursday, October 11:** Case study: Cass County Electric Cooperative

**READING(S):** McKee, G. "Capital budgeting decisions for electricity distribution cooperatives: the case of Cass County Electric Cooperative," *Journal of Cooperatives*, 2011, 25, 62-18

### UNIT 3: COOPERATIVE GOVERNANCE

U3O1: Demonstrate understanding of the cooperative governance models

U3O2: Compare cooperative governance models to governance models in other types of organizations

U3O3: Apply understanding of cooperative governance to cooperative case studies

#### WEEK 7

**Tuesday, October 16:** Co-op governance basics

**READING(S):** Hueth, B. and A. Reynolds, "A life-cycle perspective on governing cooperative enterprises in agriculture," *Choices*, 2011, 26(3)

Meyer, T. "Who runs the cooperative business?" *USDA Cooperative Information Report* 45

**Thursday, October 18:** Case study: Balancing fairness and profitability at Producers Cooperative Assoc.

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

#### WEEK 8

**Tuesday, October 23:** Meeting the changing needs of members: Producers Cooperative Oil Mill case

**READING(S):** Kenkel, P. and R. Holcomb. "Producers Cooperative Oil Mill: A Case Study in Strategic Planning for a Cooperative." *Journal of Cooperatives*, Vol. 25, 2011, pp. 82-96

**Thursday, October 25:** MIDTERM

### UNIT 4: COOPERATIVE MANAGEMENT & STRATEGY

U4O1: Apply understanding of cooperative finance and governance to the management of cooperatives

U4O2: Evaluate the management strategies used by a selection of cooperative businesses

#### WEEK 9

**Tuesday, October 30:** Leveraging the cooperative advantage

**READING(S):** Reynolds, A. *Defining the Value of the Cooperative Business Model: An Introduction*. White paper for CHS. 2013.

Stevenson, G.W., *Values-based food supply chains: Organic Valley*. UW Madison Center for Integrated Ag Systems. April 2013.

**Thursday, November 1:** Cooperative management: Surviving and thriving in a high tech industry

*Guest speaker: Ole Olson, Engineer, Isthmus Engineering & Manufacturing*

**VIDEO:** Short video on Isthmus Engineering: <https://www.youtube.com/watch?v=3lYQstgwyNM>

**READING(S):** Billeaux, M. et al. *Worker Cooperative Case Study: Isthmus Engineering & Manufacturing*, University of Wisconsin Center for Cooperatives Staff Paper Number 9, 2011

**WEEK 10**

**Tuesday, November 6:** Willy Street Grocery Cooperative

*Guest Speaker: TBD, representative from Willy Street Grocery Co-op*

**READING(S):** TBD

**Thursday, November 8:** Independent work on Green County Project

**UNIT 5: LAUNCHING A NEW COOPERATIVE: DEVELOPMENT PROCESS & CONSIDERATIONS**

U5O1: Demonstrate understanding of the cooperative development process

U5O2: Apply knowledge of the cooperative model to the cooperative business development process

U5O3: Investigate how a cooperative could be used to meet the needs of farmers in Green County

**WEEK 11**

**Tuesday, November 13:** The co-op development process; Green County presentations

**ASSIGNMENT DUE:** Draft case studies and report on survey findings for Green County Project

**Thursday, November 15:** Case Study: Fifth Season Cooperative

**READING(S):** Berner, C. Case study: Fifth Season Cooperative

**WEEK 12**

**Tuesday, November 20:** Co-opoly

**Thursday, November 22:** NO CLASS—Thanksgiving holiday

**UNIT 6: COOPERATIVE MODELS FOR OUR CHANGING WORLD**

U6O1: Summarize the social and economic issues that are driving new types of cooperation

U6O2: Identify novel approaches to cooperation that could address current social and economic issues

**WEEK 13**

**Tuesday, November 27:** The changing nature of work: Platform cooperativism and economic democracy

**READING(S):** "U.S. Worker Cooperatives: A State of the Sector." Democracy at Work Institute.

**VIDEO:** Watch Trebor Scholz's lecture (min 5:30 – 50:15): <https://vimeo.com/219339038>

**Thursday, November 29:** Sustaining successful small businesses: the role of purchasing cooperatives

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

**ASSIGNMENT DUE:** First draft of Final Paper for Green County Project

**WEEK 14**

**Tuesday, December 4:** Sustaining our natural resources: Reforming fisheries through cooperatives

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

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

**Thursday, December 6:** The Affordable Housing Crisis: Possible Roles for Housing Cooperatives

**WEEK 15**

**Tuesday, December 11:** Exam review

**ASSIGNMENT DUE:** Final draft of Green County white paper; Green County poster

**EXAM:** December 15, 12:25 – 2:25 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](http://www.uwcc.wisc.edu/pdf/Bulletins/bulletin_11_05.pdf)
- University of Wisconsin Center for Cooperatives: [www.uwcc.wisc.edu](http://www.uwcc.wisc.edu)
- National Cooperative Business Association: [www.ncba.coop](http://www.ncba.coop)
- University of Saskatchewan Centre for the Study of Cooperatives: [www.usaskstudies.coop](http://www.usaskstudies.coop)
- Democracy At Work Institute: [www.institute.coop](http://www.institute.coop)
- Robert Cropp & Kim Zeuli. *Cooperatives: principles and practices in the 21<sup>st</sup> century*. Cooperative Extension Publishing, University of Wisconsin-Madison.