



Department of Agricultural and Applied Economics
A A E 323: Cooperatives
2019 Course Syllabus

COURSE DESCRIPTION: Cooperatives: Analysis of basic principles, structure and organization, legal bases, finance, history and role in U.S. economy. Different types and uses as tools in the U.S. and developing countries.

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.

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

Office: 235 Taylor Hall **Email:** cberner@wisc.edu

Office hours: Available by appointment. Email me anytime to schedule a time to talk.

Course time and location: Mondays & Wednesdays; 2:30 – 3:45 p.m.; Babcock Hall 119

Mode of instruction: The majority of this course will take place face-to-face, however I will be using some blended learning techniques throughout the semester.

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, 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: Junior or senior standing only

Course Learning Outcomes: By the end of the course, students should be able to:

CO1: Communicate the characteristics of cooperatives and their role in our economy and society.

CO2: Compare the cooperative model with other types of organizational structures.

CO3: Apply knowledge of the cooperative model to the cooperative business start-up process.

CO4: Discern when a cooperative is the appropriate response to a social or economic challenge.
CO5: Appreciate how alternative ownership structures affect business behavior and decision-making.

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 and a final exam. Everything covered in lectures, pre-class and in-class activities, and required readings is fair game for the exams.

Learn About a Cooperative: Collect information on an established cooperative that is interesting to you. More information will be provided in class and in Canvas. *Due date: September 25, 11:59 p.m.*

Cooperative Business Plan: Students will come up with an idea for a new cooperative and will develop and pitch a business plan for the new cooperative. More information on this assignment will be provided in class and in Canvas. *Final due date: December 11, 11:59 p.m.*

In-Class and Pre-Class Activities: I will not take attendance, however, over the course of the semester there will be pre-class and in-class activities that you will turn in for points. More information about these assignments will be provided in class and in Canvas.

Points will be distributed as follows:

Midterm	100	points	(20% of your grade)
Final exam	125	points	(25% of your grade)
Pre-class/in-class activities	100	points	(20% of your grade)
Learn about a co-op	50	points	(10% of your grade)
<u>Co-op business plan</u>	<u>125</u>	<u>points</u>	<u>(25% of your grade)</u>
TOTAL:	500	points	

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

A	94 - 100	AB	88 - 93	B	80 - 87		
BC	75 - 79	C	65 - 74	D	50 - 64	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 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

The schedule below is my plan, but please check Canvas regularly for the most up to date information.

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
- U1O4: Apply knowledge of the cooperative model to the cooperative business development process
- U1O5: Compare the U.S. cooperative ecosystem to cooperative ecosystems in other countries

WEEK 1

Wednesday, September 4: Course overview and objectives; Introduction to cooperatives

WEEK 2

Monday, September 9: The role of cooperatives in the economy and society

READING(S): Schneider, N. "Here's my plan to save Twitter: let's buy it." *The Guardian*. Sept. 29, 2016. <https://www.theguardian.com/commentisfree/2016/sep/29/save-twitter-buy-platform-shared-ownership>

Schneiberg, M. "Toward an organizationally diverse American capitalism? Cooperative, mutual and local, state-owned enterprise" *Seattle University Law Review*. 34, pp 1409-1434, 2011

Wednesday, September 11: Historic roots of cooperation

READING(S): White, M. "A pig and a garden': Fannie Lou Hamer and the Freedom Farms Cooperative." *Food and Foodways*. 2017. Vol. 25, No. 1, 20-39.

VIDEO(S): "Jessica Gordon Nembhard on the History of African-American Cooperative Economic Practice." Laura Flanders Show. <https://lauraflanders.org/2014/04/jessica-gordon-nembhard-cooperative-economics-and-civil-rights/>

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

WEEK 3

Monday, September 16: (NO CLASS) Global Cooperation: Spain's \$12B Cooperative

VIDEO: "Richard Wolff on the Mondragon Cooperatives," <https://www.youtube.com/watch?v=mKbukSeZ29o>

READING(S): Barandiaran, X. and J. Lezaun. "The Mondragon Experience." *The Oxford Handbook of Mutual and Co-Owned Business*. Uncorrected proof. 2016.

Wednesday, September 18: Global cooperation: Owning the means of production in Argentina

Guest speaker: Mike Krause, Isthmus Engineering & Manufacturing

READING(S): Restakis, J. Chapter 9. "Argentina: Occupy, Resist, Produce." *Humanizing the Economy*. New Society Publishers. 2010. P 191 – 213.

WEEK 4

Monday, September 23: Global cooperation: Comparing cooperative systems in Japan and Italy

READING(S): Restakis, J. Chapter 4. "The Emilian Model and the Socialization of Capital." *Humanizing the Economy*. New Society Publishers. 2010. P 73-79.

Restakis, J. Chapter 6. "Japan" *Humanizing the Economy*. New Society Publishers. 2010. P 117 – 132.

Wednesday, September 25: Launching a new cooperative: key considerations; Canvas Business Plan

READING(S): Berner, C. *A Study of Co-op Business Development in Wisconsin and Minnesota: Fourteen Recent Start-ups in the Food and Agriculture Sectors*. University of Wisconsin Center for Cooperatives. January 2013.

Barry, C. "The Nuts and Bolts of Boston's First Co-op Accelerator." Blog post. VentureFizz. June 27, 2019. https://venturefizz.com/stories/boston/start_coop-startup-profile

ASSIGNMENT DUE: Submit your Learn About a Cooperative assignment online by 11:59 p.m.

UNIT 2: COOPERATIVE GOVERNANCE

U2O1: Demonstrate understanding of cooperative governance models

U2O2: Compare cooperative governance models to governance models in other types of organizations

U2O3: Apply understanding of cooperative governance to cooperative case studies

WEEK 5

Monday, September 30: Co-op governance basics

READING(S): Reynolds, A. *Benefitting From the Board: A Case Study*. UW Center for Cooperative Staff Paper No. 8. November 2008.

Wednesday, October 2: **(NO CLASS)** The changing needs of members: Producers Cooperative Oil Mill

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

WEEK 6

Monday, October 7: Collective action in practice: group decision-making and managing the commons

Wednesday, October 9: Cooperative governance: key considerations during start-up

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

UNIT 3: COOPERATIVE FINANCE

U3O1: Define basic terminology related to cooperative finance

U3O2: Communicate how cooperatives differ from other types of entities in terms of how they are financed and how profit is distributed

U3O3: Compare the different financing mechanisms used by cooperatives

WEEK 7

Monday, October 14: Member economic participation and mechanisms for financing cooperatives

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

Wednesday, October 16: Managing profit in a cooperative: financial considerations and beyond

READING(S): Lund, M. "Chapter 4: Ongoing Co-op Capitalization." *Cooperative Equity and Ownership: An Introduction*. UW Center for Cooperatives. April 2013.

Briggeman, B., Jacobs, K., Kenkel, P. and Mckee, G. (2016), "Current trends in cooperative finance", *Agricultural Finance Review*, Vol. 76 No. 3, pp. 402-410.

WEEK 8

Monday, October 21: Case study: Capital budgeting decisions for electricity distribution cooperatives; midterm review

READING(S): McKee, G. "Capital budgeting decisions for electricity distribution cooperatives: the case of Cass County Electric Cooperative," *Journal of Cooperatives*, 2011, 25, 62-81

Wednesday, October 23: MIDTERM

UNIT 4: COOPERATIVE MANAGEMENT & STRATEGY

U4O1: Identify the key factors that influence a cooperative's strategy

U4O2: Apply understanding of cooperative finance and governance to the management of cooperatives

U4O3: Evaluate the tactics and strategies used by a selection of cooperative businesses

WEEK 9

Monday, October 28: The cooperative difference: impacts on decision-making

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.

Wednesday, October 30: Worker co-op management: 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

ASSIGNMENT DUE: Upload final Co-op Business Canvas to Canvas by 11:59 p.m.

WEEK 10

Monday, November 4: Understanding Premier Cooperative's growth and development
Guest speaker: Andy Fiene, General Manager, Premier Cooperative

Wednesday, November 6: Willy Street Grocery Cooperative
Guest Speaker: Kirsten Moore, Cooperative Services Director, Willy Street Grocery Co-op

READING(S): Warren, D. "Can Our Nation's Food Co-ops Meet the Twin Challenges of Market Success and Racial Equity?" *Nonprofit Quarterly*. July 12, 2019.
<https://nonprofitquarterly.org/can-our-nations-food-co-ops-meet-the-twin-challenges-of-market-success-and-racial-equity/>

WEEK 11

Monday, November 11: Credit Unions: Member owned or just banks with funny names?
Guest Speaker: Jordan van Rijn, PhD, Senior Economist, Credit Union National Association, Associate Lecturer, Agricultural and Applied Economics

Wednesday, November 13: Pulling it all together: key learnings from guest speakers

UNIT 5: COOPERATIVE MODELS FOR OUR CHANGING WORLD

U5O1: Summarize the social and economic issues that are driving new types of cooperation

U5O2: Identify novel approaches to cooperation that could address current social and economic issues

WEEK 12

Monday, November 18: Sustaining our natural resources: Reforming fisheries through cooperatives

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

Wednesday, November 20: The changing nature of work: Platform cooperativism and economic democracy

READING(S): Anzilotti, E. "Worker-owned co-ops are coming for the digital gig economy." Fast Company. May 3, 2018. <https://www.fastcompany.com/40575728/worker-owned-co-ops-are-coming-for-the-digital-gig-economy>

WEEK 13

Monday, November 25: Sustaining successful small businesses: the role of purchasing cooperatives

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

Wednesday, November 27: (NO CLASS) Work on your Co-op Business Plan Project

WEEK 14

Monday, December 2: The Care Crisis: Cooperative Models in Homecare and Childcare

VIDEO: Cooperative Solutions for Community Care Needs: Webinar Recording. UW Center for Cooperatives. 2018. <https://www.youtube.com/watch?v=H-biukJfPtA>

ASSIGNMENT DUE: Upload Ppt slides for December 4 presentation to Canvas by 11:59 p.m.

Wednesday, December 4: Co-op Shark Tank Presentations

WEEK 15

Monday, December 11: Exam review

ASSIGNMENT DUE: Upload final business plan to Canvas today by 11:59 p.m.

EXAM: Friday, December 13, 12:25 – 2:25 p.m. Location TBA

Resources:

- University of Wisconsin Center for Cooperatives: www.uwcc.wisc.edu
- Cooperative Glossary: <https://uwcc.wisc.edu/about-co-ops/co-op-glossary/>
- National Cooperative Business Association: www.ncba.coop
- University of Saskatchewan Centre for the Study of Cooperatives: www.usaskstudies.coop
- Democracy At Work Institute: www.institute.coop
- Robert Cropp & Kim Zeuli. *Cooperatives: principles and practices in the 21st century*. Cooperative Extension Publishing, University of Wisconsin-Madison.