

Course Syllabus AAE 323 Cooperatives

Instructors: Anne Reynolds (atreynol@wisc.edu), 263-4775

Time and location: Tu & Th 1:00 – 2:15 P.M.; 1420 Microbial Sciences Building

Course webpage: <https://learnuw.wisc.edu>

Office hours: Thursdays, 11:30 – 12:30 P.M.; Other hours by appointment
Room 235, Taylor Hall;

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 unique role and characteristics of cooperative organizations
- Apply understanding of cooperative principles to the management of cooperatives
- Develop interpersonal skills and tools for future work and study

Course starter

- First assignment: Send questions to me by September 5.

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 ahead of class
- I will call on people whose hands aren’t raised. You are expected to complete the readings ahead of class.
- Assignments are due before class. They should be posted to the dropbox unless other instructions are given.

Evaluation

Evaluation will be based on these four factors:

- Individual performance: 25%
 - This will include grades on unit tests and participation in class
- Team performance: 35%
 - Most team-work will be in class. Evaluation factors will include team grades on unit tests and case study activities
- Peer evaluation: 10%
 - There will be two opportunities to evaluate fellow team members
- Final Exam: 30%

Course Schedule

Please note that this schedule will most likely be updated, depending on guest speaker's schedules.

Unit 1: Introduction to cooperatives

READINGS

John Restakis. *Humanizing the economy*, Gabriola Island, BC: New Society Publishers, 2010, pp 27 - 54

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

September 3

Course overview and objectives
Introduction to cooperatives

September 5

Pirate shipboard governance: Cooperation and constitutions

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

September 10

Evolution of cooperatives: lecture and discussion

September 12

Quiz on Unit 1: Introduction to C
ooperatives
Review and discussion

Unit 2 Fundamentals of Cooperative Management and Finance

READINGS:

Murray Fulton. “Financial model of the co-op”

Henry Hansmann. *The Ownership of enterprise*, Cambridge, MA: Harvard University Press, 1996, pp 11 – 49 (Available on Learn@UW under Library Reserves)

September 17

Making strategic decisions: The case of Kinecta Federal Credit Union

READING

Peter Tufano & Andrea Ryan. “Blue ocean or stormy waters? Buying Nix Check Cashing”, Harvard Business School Case Study, 2009 (copies distributed September 8)

September 19

Dan Milbrandt, Chief Lending Officer, Summit Credit Union, will discuss credit union management and issues related to the case study

September 24

Fundamentals of Management & Finance: Lecture and discussion

September 26

Case study: Making decisions on equity at Producers Cooperative Association

READING:

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

October 1

Cooperative marketing: the case of Organic Valley

Guest speaker: Tom Mosgaller, Milk Supply and Policy Manager, CROPP Cooperative/ Organic Valley

READING:

Steve Stevenson. “Values-based food supply chains: Organic Valley”. University of Wisconsin Center for Integrated Agricultural Systems, June 2009

October 3

Quiz on Unit 2: Fundamentals of cooperative management and finance

Review and Discussion

Unit 3: Collective Entrepreneurship: Starting a cooperative business

October 8

Introduction to cooperative start-ups: market analysis and financial forecasts

October 10

Guest Speaker: Peter Kappelman, Board Chair, Land O'Lakes

October 15

Feasibility and financial models for start-ups: Team activity

October 17

Feasibility and financial models for start-ups: Team presentations; Team activity due

Unit 4: Cooperative management: Consumer, Worker and Producer cooperatives

READING:

Brett Fairbairn. *Three strategic concepts for the guidance of co-operatives: linkage, transparency and cognition*. Centre for the Study of Co-operatives, University of Saskatchewan, Canada, 2003

October 22

Governance lecture and discussion

October 24

Cooperative management: Surviving and thriving in a high tech industry: Isthmus Engineering & Manufacturing.

READING:

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

October 29

Discuss communications assignment

Cooperative growth: the case of Willy Street Grocery Co-op

READING:

Courtney Berner. *Willy Street Grocery Cooperative: Case Study*, University of Wisconsin Center for Cooperatives, 2011

October 31

Cooperative governance – Case study on Landmark Cooperative

Guest speaker: Bob Carlson, CEO, Landmark Services Cooperative

READING:

Anne Reynolds. "Benefitting from the board: A case study". University of Wisconsin Center for Cooperatives, 2008

November 5

Unit 4 quiz

November 7

Assignment: Read case study and complete assignment: *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

UNIT 5: Cooperatives and cooperation**READING:**

Elizabeth Hoffmann. "Exit and voice: organizational loyalty and dispute resolution strategies", *Social Forces*, 84 (4), June 2006, pp 2313-2330

November 12

Review November 7 assignment; Discuss cooperative behavior and games

November 14

Natural resource cooperatives, global trade and social policies: Costa Rica
Case study: CoopeTarcoles, Tarcoles, Costa Rica

November 19

Field trip: Meet at Community Pharmacy, 341 State Street. Also visit Rainbow Bookstore Cooperative, 426 West Gilman Street

November 21

Managing natural resources cooperatively
Guest speaker: Nick Parker, Assistant Professor, Agriculture and Applied Economics

READING:

Robert Deacon, D. Parker, C. Costello. "Reforming fisheries: Lessons from a self-selected cooperative", *Journal of Law and Economics*, 56(1), February, 2013, pp. 83-125

November 26

Guest speaker: Ole Olson, Isthmus Engineering Cooperative

November 28 – Thanksgiving Holiday**December 3**

Value of cooperatives: Lecture and discussion

READING:

Anne Reynolds, "Defining the value of the cooperative business model: An Introduction", CHS Center for Cooperative Growth, 2013

December 5

Unit 5 quiz

December 10

Review for exam

December 12

In-class section of the final exam (cumulative)

Receive take-home section of the exam

Take-home Exam due date: TBA

Suggested 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>)