



Department of Agricultural and Applied Economics
A A E 323: Cooperatives and Alternative Forms of Enterprise Ownership
2020 Course Syllabus

COURSE DESCRIPTION: Cooperatives, credit unions, and other alternative forms of enterprise are unique businesses in which users—rather than investors—are the owners. Topics will include why these models emerge, who they serve, how they differ from other forms of enterprise, and the ways in which they can be used to address social, economic, and environmental challenges.

This class brings together students from across campus to dialogue on the purpose of business and alternatives to the investor ownership model. This is not a course where students will passively receive information from "experts;" it will be a space to actively engage in your own exploration of issues related to business purpose, ownership, and impact. The class will consist of lectures, supplemented with student discussions based on readings, videos, and case studies. The course will also include several guest speakers who are leaders in the local cooperative sector.

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

Office: 235 Taylor Hall **Email:** cberner@wisc.edu **Office hours:** Available by appointment.

Course time and location: Tuesdays and Thursdays; 2:30 – 3:45 p.m.

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 and carries the expectation that students will work on course learning activities (reading, writing, studying, etc.) for about 3 hours outside of the classroom for every class period. The syllabus includes more information about meeting times and expectations for student work.

Course Requisites: Sophomore standing and Satisfied Quantitative Reasoning (QR) A requirement.

Level: Intermediate

Breadth: Social Science

L&S Credit Type: Counts as LAS credit (L&S)

Sustainability Attribute: Yes

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

- Communicate the characteristics of cooperatives, credit unions, and other alternative forms of enterprise and their role in our economy and society.
- Describe the social, economic, and environmental dimensions of enterprise ownership structures and identify potential tradeoffs and interrelationships among these dimensions at a level appropriate to the course.
- Discern when a cooperative or alternative form of enterprise ownership is the appropriate response to a social, economic, or environmental challenge.
- Appreciate how ownership structures affect enterprise behavior, strategy, and decision-making.
- Apply knowledge of cooperatives and alternative ownership models to a real-world community economic development challenge.
- Use sustainability principles for developing personal goals and professional values.

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 two midterm exams. Everything covered in lectures, class activities, and required readings is fair game for the exams. There is no final, cumulative exam.

Community Based Learning Project: AAE 323 is a community-based learning course that includes a project with the UniverCity Program through which students apply what they have learned to a real-world community economic development challenge. Small groups of students are assigned an industry or area of economic activity. Each small group researches and writes case studies of cooperative that could address the challenges identified by the partner municipality. Students also analyze the pros and cons of each model and make recommendations regarding which model(s) might work best in the target municipality. The project will provide an opportunity for students to integrate the culture of the target municipality into their final analysis and recommendations.

Course Activities: I will not take attendance, however, over the course of the semester there will be a number of activities that you will be asked to complete before, during, and after class. More information about these assignments will be provided in class and via Canvas. Points will be distributed as follows:

Exam 1	75	points	(15% of your grade)
Exam 2	75	points	(15% of your grade)
Course activities	200	points	(40% of your grade)
Community project	150	points	(30% of your grade)
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. I will offer extra credit points during the semester for providing anonymous, constructive feedback on the course.

Rules, Rights, and Responsibilities: Every member of the University of Wisconsin–Madison community has the right to expect to conduct his or her academic and social life in an environment free from threats, danger, or harassment. Students also have the responsibility to conduct themselves in a manner compatible with membership in the university and local communities. UWS Chapters 17 and 18 of the Wisconsin Administrative Code list the university policies students are expected to uphold and describes the procedures used when students are accused of misconduct. Chapter 17 also lists the possible responses the university may apply when a student is found to violate policy. The process used to determine any violations and disciplinary actions is an important part of UWS 17. For the complete text of UWS Chapter 17, see [Office of Student Conduct and Community Standards website](#), or contact them via phone at 608-263-5700 or room 70 Bascom Hall.

Laptop Use: As part of class participation, I encourage appropriate laptop use. Inappropriate laptop use includes viewing non-relevant sites, instant messaging, e-mailing, gaming, and shopping during class. If you would change the screen if I was looking over your shoulder, then it is an inappropriate use.

Diversity and Inclusion: Diversity is a source of strength, creativity, and innovation for UW-Madison. We value the contributions of each person and respect the profound ways their identity, culture, background, experience, status, abilities, and opinion enrich the university community. We commit ourselves to the pursuit of excellence in teaching, research, outreach, and diversity as inextricably linked goals. The University of Wisconsin-Madison fulfills its public mission by creating a welcoming and inclusive community for people from every background – people who as students, faculty, and staff serve Wisconsin and the world. <https://diversity.wisc.edu/>

Accommodations for Students with Disabilities: McBurney Disability Resource Center recommended syllabus statement: The University of Wisconsin-Madison supports the right of all enrolled students to a full and equal educational opportunity. The Americans with Disabilities Act (ADA), Wisconsin State Statute (36.12), and UW-Madison policy (Faculty Document 1071) require that students with disabilities be reasonably accommodated in instruction and campus life. Reasonable accommodations for students with disabilities is a shared faculty and student responsibility. Students are expected to inform faculty [me] of their need for instructional accommodations by the end of the third week of the semester, or as soon as possible after a disability has been incurred or recognized. Faculty [I], will work either directly with the student [you] or in coordination with the McBurney Center to identify and provide reasonable instructional accommodations. Disability information, including instructional accommodations as part of a student's educational record, is confidential and protected under FERPA. <https://mcburney.wisc.edu/instructor/>

Academic Integrity: By virtue of enrollment, each student agrees to uphold the high academic standards of the University of Wisconsin-Madison; academic misconduct is behavior that negatively impacts the integrity of the institution. Cheating, fabrication, plagiarism, unauthorized collaboration, and helping others commit these previously listed acts are examples of misconduct, which may result in disciplinary action. Examples of disciplinary action include, but are not limited to, failure on the assignment/course, written reprimand, disciplinary probation, suspension, or expulsion. <https://conduct.students.wisc.edu/syllabus-statement/>

COURSE SCHEDULE

UNIT 1: INTRODUCTION TO COOPERATIVES AND ALTERNATIVE FORMS OF ENTERPRISE OWNERSHIP

U1O1: Identify and summarize the important characteristics of the cooperative model and other forms of enterprise ownership

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: Compare the U.S. cooperative ecosystem to cooperative ecosystems in other countries

WEEK 1

Thursday, September 3: Course overview; Intro to cooperatives and why business ownership matters

VIDEO: Freeman, R. Edward. "Business Is About Purpose." TEDxCharlottesville 2013.
<https://www.youtube.com/watch?v=7dugfwJthBY>

WEEK 2

Tuesday, September 8: Human nature: cooperative or competitive? It depends.

READING: The cooperative human. *Nature Human Behavior* 2, 427–428 (2018)
<https://doi.org/10.1038/s41562-018-0389-1>

Thursday, September 10: Historic roots of collectivism and cooperation

READING: 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.

VIDEOS: "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," Rochdale Pioneers Museum and Co-operative Heritage Trust. (5 min)
<https://www.youtube.com/watch?v=KYPe5xJAm5w>

WEEK 3

Tuesday, September 15: The role of cooperatives, credit unions, and mutuals 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 1409-1434, 2011

Thursday, September 17: 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

Tuesday, September 22: Global cooperation: Solidarity and supply chains in 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.

Thursday, September 24: 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.

UNIT 2: GOVERNANCE: WHERE BUSINESS AND DEMOCRACY COLLIDE

U201: Demonstrate understanding of corporate governance models

U202: Compare cooperative governance models to governance models in other types of organizations

U203: Apply understanding of cooperative governance to case studies

WEEK 5

Tuesday, September 29: Democracy in business: Unpacking the history of corporate governance

READING: Dunlavy, C. "Chapter 2: From Citizens to Plutocrats: Nineteenth-century Shareholder Voting Rights and Theories of the Corporation" *Constructing Corporate America: History, Politics, Culture*. Pages 66 – 93.

PODCAST: Zingales, Luigi and Kate Waldo. "Shareholders vs. Stakeholders," Capitalism's Not Podcast. August 29, 2019. (36 min) <https://capitalisnt.simplecast.com/episodes/shareholders-vs-stakeholders>

Thursday, October 1: Understanding democratic member control

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

WEEK 6

Tuesday, October 6: The changing needs of members: A case study of 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

Thursday, October 8: **EXAM**

UNIT 3: COOPERATIVE FINANCE

U3O1: Define basic terminology related to cooperative finance

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

U3O3: Compare the different financing mechanisms used by cooperatives

WEEK 7

Tuesday, October 13: Member economic participation and mechanisms for financing cooperatives

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

Thursday, October 15: Managing profit in member owned enterprises

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

WEEK 8

Tuesday, October 20: Capital budgeting decisions: the case of Cass County Electric Cooperative

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

Thursday, October 22: Evolution of a successful cooperative: the case of United Agricultural Cooperative

READING: Siebert, J. and John Park. "United Agricultural Cooperative: considering the sale of the agronomy division," *International Food and Agribusiness Management Review*, 2017.

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

Tuesday, October 27: The cooperative difference: strategic advantages and impacts on decision-making

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

Thursday, October 29: Isthmus Engineering & Manufacturing: worker ownership 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: 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 3: Premier Cooperative: Strategic use of member equity in an ag supply cooperative
Guest speaker: Andy Fiene, General Manager, Premier Cooperative

Thursday, November 5: Willy Street Grocery Co-op: What it means to be a community-owned store
Guest Speaker: Kirsten Moore, Cooperative Services Director, Willy Street Grocery Co-op

READING: 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

Tuesday, November 10: 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

Thursday, November 12: **EXAM**

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, economic, and environmental issues

WEEK 12

Tuesday, November 17: Sustaining our natural resources: Reforming fisheries through cooperatives

VIDEO: Sustainable Development and the Tragedy of the Commons. Stockholm Whiteboard Seminar with Dr. Elinor Ostrom. <https://www.youtube.com/watch?v=ByXM47Ri1Kc>

Thursday, November 19: The changing nature of work: platforms and economic democracy

READING: 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>

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>

WEEK 13

Tuesday, November 24: The Care Crisis: Cooperatives and Unions 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>



Thursday, November 26: (THANKSGIVING—NO CLASS)

WEEK 14

Tuesday, December 1: Roots 4 Change: a new model for improving livelihoods and maternal care in immigrant communities

Guest speaker: Mariela Quesada Centeno, Maternal & Child Health Community-Based Fellow, Centro Hispano and Ph.D. Candidate in Human Development & Family Studies, School of Human Ecology, University of Wisconsin Madison

Thursday, December 3: Sustaining successful small businesses: the role of purchasing cooperatives

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

WEEK 15

Tuesday, December 8: The affordable housing crisis: Understanding the potential of cooperatives and land trusts to meet housing needs

READING: Freddie Mac Multifamily. *Spotlight on Underserved Markets: Manufactured Housing Resident-Owned Communities*. November 2019. Read pages 1 – 18.

Thursday, December 10: Community Based Learning Project Presentations

Additional 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.