



**Department of Agricultural and Applied Economics**  
**A A E 323: Cooperatives and Alternative Forms of Enterprise Ownership**  
**2022 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

**Email:** [cberner@wisc.edu](mailto:cberner@wisc.edu)

**Office hours:** Online and available by appointment.

**Course time and location:** Mondays and Wednesdays, 2:30 – 3:45 p.m. 121 Babcock Hall

**Mode of instruction:** This course will be delivered in person

**Course credits:** 3 credits. See below for 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 Management System and Instructional Tools**

All course materials will be organized and available on [Canvas](#). Some sessions may be delivered via Zoom. I strongly suggest that students explore and become familiar with these two platforms.

**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.

Exam: This course will have one exam. Everything covered in lectures, class activities, and required readings is fair game for the 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.

Course Activities: The course will consist of readings, videos, podcasts, and two in person lectures per week. Graded activities will include one exam, online discussions, a case study presentation, and a community-based learning project. More information about these assignments will be provided in class and via Canvas. Points will be distributed as follows:

Exam	150	points	(30% of your grade)
Online discussions	150	points	(30% of your grade)
Case study presentation	50	points	(10% of your grade)
Case study day attendance	50	points	(10% of your grade)
<u>Community based learning project</u>	<u>100</u>	<u>points</u>	<u>(20% 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. 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.

**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/>

**Quarantine and Isolation:** Please reach out to me as soon as possible if you become ill or need to isolate or quarantine, in order to make alternate plans for how to proceed with the course. Every effort will be made to accommodate the academic progress of students who become ill or are asked to isolate or quarantine. I will work with you to provide alternative ways to complete the course work, but my ability to do so will depend on your direct and open communication about your situation.

### **Usage of Recorded Lectures**

Lecture materials and recordings for AAE 323 are protected intellectual property at UW-Madison. Students in this course may use the materials and recordings for their personal use related to participation in this class. Students may also take notes solely for their personal use. If a lecture is not already recorded, you are not authorized to record my lectures without my permission unless you are considered by the university to be a qualified student with a disability requiring accommodation. [Regent Policy Document 4-1] Students may not copy or have lecture materials and recordings outside of class, including posting on internet sites or selling to commercial entities. Students are also prohibited from providing or selling their personal notes to anyone else or being paid for taking notes by any person or commercial firm without the instructor's express written permission. Unauthorized use of

these copyrighted lecture materials and recordings constitutes copyright infringement and may be addressed under the university's policies, UWS Chapters 14 and 17, governing student academic and non-academic misconduct.

### **Credit Hour Definition**

Students will meet the 3 credits of the course by spending a total of 135 hours on learning activities and interactions with the instructor and classmates. See the table below for a breakdown of activities and hours per week.

<b>Learning Activity</b>	<b>Hours per Week</b>	<b>Weeks</b>	<b>Total</b>
Absorbing content (lecture, readings, videos, etc.)	6	14	84
Online discussions	2	10	20
Exam (studying + taking exam)	5	2	10
Community based learning project	2	5	10
Office hours with instructor	0.5	2	1
Case study presentations	2	5	10
		<b>Grand Total</b>	<b>135</b>

# COURSE SCHEDULE

Please refer to the weekly overviews in Canvas for the complete list of activities for each week. It is the most accurate and up to date resource for this course.

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

*U101: Identify and summarize the important characteristics of the cooperative model and other forms of enterprise ownership*

*U102: Demonstrate knowledge of how cooperatives are used locally, nationally, and internationally*

*U103: Demonstrate understanding of the social and economic forces that lead to cooperation*

*U104: Compare the U.S. cooperative ecosystem to cooperative ecosystems in other countries*

### WEEK 1

**January 26: Introductions; course overview**

#### COURSE MATERIALS

Hill, C. "What is the Purpose of Business?" TEDxMtHoodSalon. October 2019. (15:24).

Kelly, Marjorie. "The Economy: Under New Ownership." *Yes! Magazine*. February 20, 2013.

"Business Roundtable Redefines the Purpose of a Corporation to Promote 'An Economy That Serves All Americans.'" Business Roundtable. August 19, 2019.

Schneider, N. "The curricular cop-out on co-ops." *The Chronicle of Higher Education*. 29 October 2016.

### WEEK 2

**January 28: Intro to cooperatives and alternative enterprise ownership models**

#### COURSE MATERIALS

Zeuli & Cropp, Chapter 1: An introduction to cooperatives. *Cooperatives: Principles and practices in the 21<sup>st</sup> Century*. 2004.

Zeuli & Cropp, Chapter 5: Alternative Business Models in the United States. *Cooperatives: Principles and practices in the 21<sup>st</sup> Century*. 2004.

Ling, C. What cooperatives are (and aren't). *Rural Cooperatives*. Nov/Dec 2009. p. 4-6.

**February 2: The role of cooperatives, credit unions, and mutuals in the economy and society + intro to Outagamie County project**

#### COURSE MATERIALS

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

Schneider, N. "Introduction." *Everything for Everyone: The Radical Tradition that is Shaping the Next Economy*. September 2018. Nation Books. p. 1 – 17.

## WEEK 3

### February 7: Historic roots of collective action and cooperation (NO CLASS)

#### COURSE MATERIALS

Zeuli & Cropp, Chapter 2: Historical development of cooperatives throughout the world.

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.

"Jessica Gordon Nembhard on the History of African-American Cooperative Economic Practice." Laura Flanders Show. (15:28)

"New Pioneers," Rochdale Pioneers Museum and Co-operative Heritage Trust. (5 min)

### February 9: Rationale for cooperation + Outagamie County guests (MEETING BY ZOOM)

#### COURSE MATERIALS

Cobia & Anderson. Chapter 5. Economic Justification. *Cooperatives: An Economic and Management Perspective*. 2000.

Stoney, Louise. "Reinvent vs. Rebuild: Let's Fix the Child Care System." *Opportunities Exchange*. April 2020.

Suddath, Claire. "[How Child Care Became the Most Broken Business in America](#)." *Bloomberg*. November 18, 2021.

Waters, J. "How to save childcare? The rural electrification of America provides an answer." *The Hill*. July 15, 2020. <https://thehill.com/blogs/congress-blog/politics/507400-how-to-save-child-care-the-rural-electrification-of-america>

## WEEK 4

### February 14: Global cooperation: Solidarity and supply chains in Italy

#### COURSE MATERIALS

Dave Grace & Associates. 2014. [Measuring the size and scope of the cooperative economy: Results of the 2014 Global Census on Cooperatives](#).

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

### February 16: Global cooperation: Owning the means of production in Argentina and Spain

#### COURSE MATERIALS

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

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

"Richard Wolff on the Mondragon Cooperatives," Recorded lecture. (44:35)

## UNIT 2: COOPERATIVE FINANCE

U201: Define basic terminology related to cooperative finance

U202: Communicate how cooperatives differ from other types of enterprises in terms of how they are financed and how profit is distributed

U203: Compare the different financing mechanisms used by cooperatives

### WEEK 5

#### February 21: Unpacking the meaning of member economic participation

##### COURSE MATERIALS

Cobia & Anderson. Overview of Section IV. Finance. *Cooperatives: An Economic and Management Perspective*. 2000

Cobia & Anderson. Chapter 12: Understanding and Measuring Cooperative Returns. *Cooperatives: An Economic and Management Perspective*. 2000

#### February 23: The nuts and bolts of cooperative finance

##### COURSE MATERIALS

Cobia & Anderson. Chapter 13: Creating and Distributing Returns. *Cooperatives: An Economic and Management Perspective*. 2000.

Zeuli & Cropp, Chapter 7: Cooperatives financial management. *Cooperatives: Principles and practices in the 21<sup>st</sup> Century*. 2004.

### WEEK 6

#### February 28: Equity management strategies

##### COURSE MATERIALS

Cobia & Anderson. Chapter 14: Managing Capital Structure. *Cooperatives: An Economic and Management Perspective*. 2000.

Siebert, J.W. & J.L. Park. 2010. [Maintaining a healthy equity structure: A policy change at Producers Cooperative Association](#). *International Food and Agribusiness Management Review*. 13(3):87-96.

#### March 2: Strategic use of member equity in ag supply cooperatives

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

##### COURSE MATERIALS

Briggeman, B.C., K.L. Jacobs, P. Kenkel, & G. McKee. 2016. [Current trends in cooperative finance](#). *Agricultural Finance Review* 76(3):402-410.

## UNIT 3: GOVERNANCE: WHERE BUSINESS AND DEMOCRACY COLLIDE

U3O1: Demonstrate understanding of corporate governance models

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

U3O3: Apply understanding of cooperative governance to case studies

### WEEK 7

#### March 7: Unpacking the history and power of corporate governance

##### COURSE MATERIALS

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.

Zingales, Luigi and Kate Waldock. "Shareholders vs. Stakeholders," Capitalisn't Podcast. August 29, 2019. (36 min)

#### March 9: Cooperative Governance in Theory and Practice

##### COURSE MATERIALS

Kenkel, P. [Aligning the cooperative board](#). Oklahoma Cooperative Extension Service, AGEC-1068. January 2020.

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

### WEEK 8 → SPRING BREAK

### WEEK 9

#### March 21: Governance challenges in cooperatives

##### COURSE MATERIALS

Park, J.L. & J. Siebert. 2010. [Rebuilding cooperative leadership: The case of Pedernales Electric Cooperative](#). *Journal of Cooperatives* 24:64-79.

Bedford, L. 2019. [Minnesota cooperative falls prey to its general manager](#). *Successful Farming*. May 20, 2019.

#### March 23: Managing the diverse needs and desires of members

##### COURSE MATERIALS

Berner, C. *Case study: Fifth Season Cooperative*. September 2010.

## UNIT 4: COOPERATIVE MODELS FOR OUR CHANGING WORLD

U4O1: Summarize the social and economic issues that are driving new types of cooperation

U4O2: Identify novel approaches to cooperation that could address current social, economic, and environmental issues

### WEEK 10

#### March 28: Shared capitalism and the changing nature of work

##### COURSE MATERIALS

Scholz, T. "Stuck in the gig economy? Try platform co-ops instead." TEDMonterey. (12:25)

[https://www.ted.com/talks/trebor\\_scholz\\_stuck\\_in\\_the\\_gig\\_economy\\_try\\_platform\\_co\\_ops\\_instead](https://www.ted.com/talks/trebor_scholz_stuck_in_the_gig_economy_try_platform_co_ops_instead)

Anzilotti, E. "More U.S. businesses are becoming worker co-ops: Here's why." *Fast Company*. May 21, 2018. <https://www.fastcompany.com/40572926/more-u-s-businesses-are-becoming-worker-co-ops-heres-why>

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>

#### March 30: Connecting farmers with eaters: cooperatives and regional food systems

##### COURSE MATERIALS

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/>

Severson, R. and T. Schmit. *Building Success of Food Hubs Through the Cooperative Experience - A Case Study Perspective*. Cornell University. EB 2015-04. April 2015.

Lund, M. Weaver Street Market, North Carolina, U.S. *Solidarity as A Business Model: A Multi-stakeholder Cooperatives Manual*. Cooperative Development Center at Kent State. p. 29-30. <https://resources.uwcc.wisc.edu/Multistakeholder/tool-oeoc-multistakeholder-coop.pdf>

### WEEK 11

#### April 4: MCDC and an ecosystem approach to cooperative development

*Guest speaker: Charity Schmidt, Cooperative Development Specialist, UW Center for Cooperatives*

##### COURSE MATERIALS

West, E. and C. Berner. *Collective Action in Rural Communities*. UW Center for Cooperatives. 2021.

Berner, C. "[Where are New Co-ops Emerging? The Changing Map of Cooperative Development.](#)" *Non Profit Quarterly*. January 19, 2022.

## April 6: How employee ownership impacts strategy and performance

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

### COURSE MATERIALS

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

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

## WEEK 12

### April 11: Cooperating to sustain our natural resources

#### COURSE MATERIALS

Sustainable Development and the Tragedy of the Commons. Stockholm Whiteboard Seminar with Dr. Elinor Ostrom. <https://www.youtube.com/watch?v=ByXM47Ri1Kc> (8:26)

*Cooperatives and the Sustainable Development Goals: A Contribution to the Post-2015 Development Debate*. International Labor Organization and International Co-operative Alliance.

Tschopp, M. et al. "Quinoa and production rules: how are cooperatives contributing to governance of natural resources?" *International Journal of the Commons*. Vol. 12, no 1 2018, pp. 402–427.

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

### April 13: The power of purchasing cooperatives for small businesses + in class group work

#### COURSE MATERIALS

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

## UNIT 4: COOPERATIVE MANAGEMENT & STRATEGY

U5O1: Identify the key factors that influence a cooperative's strategy

U5O2: Apply understanding of cooperative finance and governance to the management of cooperatives

U5O3: Evaluate the tactics and strategies used by a selection of cooperative businesses

## WEEK 13

### April 18: The cooperative difference: strategic advantages and impacts on decision-making

#### COURSE MATERIALS

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

Alho, E. 2015. [Farmers' self-reported value of cooperative membership: evidence from heterogeneous business and organization structures](#). *Agricultural and Food Economics* 23:3-23.

## April 20: How cooperatives evolve over time

### COURSE MATERIALS

Cook, M.L. 2018. [A life cycle explanation of cooperative longevity](#). *Sustainability*. 10(5):1586.

Côté, D. 2019. "Chapter 1: Structural Changes and Denaturalizing Tendencies." *Cooperative Management: An Effective Model Adapted to Future Challenges*. p. 17-44

## WEEK 14

### April 25: How Credit Union priorities differ from other financial institutions

*Guest Speaker: Jordan van Rijn, PhD, Teaching faculty, Department of Agricultural and Applied Economics, UW-Madison*

### COURSE MATERIALS

McKillop, D. et al. "Cooperative Financial Institutions: A Review of the Literature." *International Review of Financial Analysis*. May 2020.

### April 27: Case study presentations

### COURSE MATERIALS

TBD

## WEEK 15

### May 2: Case study presentations

### COURSE MATERIALS

TBD

### May 4: Case study presentations

### COURSE MATERIALS

TBD

### Additional Resources:

- University of Wisconsin Center for Cooperatives: [www.uwcc.wisc.edu](http://www.uwcc.wisc.edu)
- Cooperative Glossary: <https://uwcc.wisc.edu/about-co-ops/co-op-glossary/>
- 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)