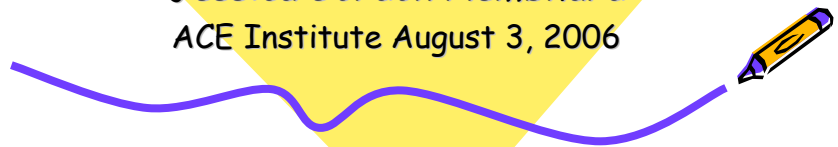


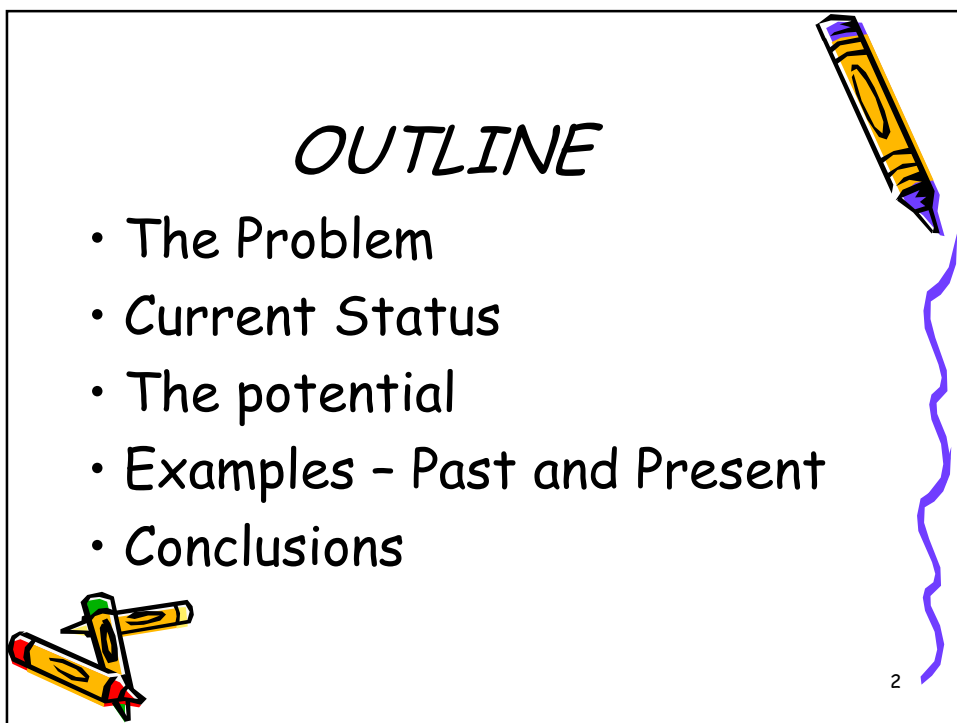
**INCLUDING  
COOPERATIVES IN HS  
ECONOMICS: Reaching  
the Next Wave**

*Jessica Gordon Nembhard*  
ACE Institute August 3, 2006



## *OUTLINE*

- The Problem
- Current Status
- The potential
- Examples - Past and Present
- Conclusions



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## *The Problem*

- Economics education tends to ignore social and community entrepreneurship, and the alternative business structures that arise from such entrepreneurship.
- This omission begins as early as elementary school, and is striking by high school and college.



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## *The Problem cont'd*

- Few HS economics curricula identify or expose students to the cooperative model and the ways co-ops address current issues in economic development.
- Participatory democracy requires some level of economic sophistication, if only for the training of productive citizens.



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## *The Problem cont'd*

- As global competition intensifies, and many jobs require flexible thinking and employee participation, there is growing agreement that economics is an important general subject matter in high school and college.



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## *The Problem cont'd*

- With increasing calls for government, non-profit, and even corporate transparency and accountability, and as we move more toward workplace democracy, economic literacy becomes increasingly important.



6

## *The Problem cont'd*

- The lack of cooperative economics content in most economics curricula suggests missed opportunities both for how we train our youth and for prospects in community economic development.



7

## *Current Status*

- Economics education appears to be a growing field in public schools.
- Forty-six percent of all high school graduates take a course titled "economics" before they receive their diplomas (NCES 2001).



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## *Current Status cont'd*

- Public schools appear to offer economic education more thoroughly than private schools.
- Grimes (1994) found that holding everything else constant, including student ability, aptitude, and prior exposure to economic concepts, public schools do a better job teaching economics than private schools do.



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## *Current Status cont'd*

According to Walsted and Rebeck (2000)

- "In 1994, a significantly higher percentage of high school graduates who were black, Hispanic, or Asian/Pacific Islanders took economics relative to those who were white."
- Probably because states with economics mandates (eg. NY and CA) have higher proportions of students of color.



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## *Current Status cont'd*

- Public school students and students of color may therefore be exposed to economics more than their white counterparts in private schools,
- but what economic content are they learning?



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## *Current Status cont'd*

- The National Council on Economics Education has elucidated twenty guidelines for economics courses .
- The guidelines reflect mainstream economic thought and focus on issues of scarcity, marginal analysis, competition, rationality, trade, investment, and government structure.



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## *Current Status cont'd*

- Cooperation is included only as an eighth grade level benchmark pertaining to collective bargaining and labor unions, and not as a business organizing principle, or as an entrepreneurial response to a business problem.



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## *Current Status cont'd*

- The guidelines do include a study of firm structure, but classroom instruction on firm structure continues to be biased toward corporations at the exclusion of cooperatives.



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## *Current Status cont'd*

- The Consumers Union (1998) found, for example, that 80 percent of corporate sponsored education materials provided biased or incomplete information that favored the sponsor's products and views.
- Schools increasingly rely on materials supplied by corporate benefactors, especially in the area of economics.



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## *Current Status cont'd*

- Hill's (2000) survey of 19 leading Canadian and American introductory economics textbooks found that nine of them mentioned cooperatives.
- Eight included some analysis of cooperatives, but not one included more than a page describing or analyzing cooperatives.



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## *Current Status cont'd*

- On the other hand, rural schools in agricultural areas have a history of providing some kind of training in cooperative economics, often not in the public school but during the summer and through farmer's unions (you've heard more about this today).



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## *Current Status cont'd*

- In addition, the largest educators of cooperatives are the Department of Agriculture and 4-H (a nonprofit) which sometimes provide school programs in entrepreneurship and cooperative development. Less on the theoretical analysis.



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## *Current Status cont'd*

- Many of these resources provide more "how-to" information about starting a grain cooperative or how a credit union works, rather than more detailed analysis about cooperative economics.



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## *Current Status cont'd*

- Interestingly, a 1940s study of curricula in southern "Negro" colleges found that 37 of 57 respondents from universities, colleges, or junior colleges (equivalent to HS) they taught about the cooperative movement (Brooks and Lynch, 1944).



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## *Current Status cont'd*

- Of those, 8 entire courses were devoted to the cooperative movement, and the rest were partial sections of a course or incidental mention, often connected to courses on consumer problems (which were taught more widely). I have found no new research about this.



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## *Current Status cont'd*

Why no cooperatives?

- Cooperatives may not appear in the curriculum because non-traditional economics may be viewed as controversial and HS teachers often do not want to address complicated or "political" issues.



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## *Current Status cont'd*

- Corporate hegemony and thus a focus on content that supports corporate development, and increasing involvement of corporations in public as well as private schools, may also help explain the lack of cooperative economics education.



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## *Current Status cont'd*

- Also, cooperative education falls in between the theoretical economics often taught to upper level students and the practical consumer science taught to other students.



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## *Current Status cont'd*

- In many ways, cooperatives and firm structure alternatives could serve as a topic that covers both the practical and the "pure," but instead is often dropped as not appropriate in either setting.



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## *Current Status cont'd*

- If cooperative economics is taught it seems to be in schools where there is an existing cooperative nearby.
- "Chicken and egg" problem? - schools teach about cooperatives if there is one in their midst; if not, schools need to teach it but probably do not.



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## *Current Status cont'd*

- There are some examples of school-based cooperative business development along with a cooperative economic curriculum (more below).



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## *The Potential*

- This marginalization of cooperative economics (or at best, oversight) limits not just the development of the cooperative movement but also prospects for innovations in economic development strategies and policy.
- Cooperatives offer interesting and creative solutions to age-old problems of capital and labor.



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## *The Potential cont'd*

Adams and Hansen (1992) suggest 3 relevant motivations for worker cooperatives:

- The dissatisfaction with the inability of private enterprise or government to provide good jobs—even enough work—for all people who want work.



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## *The Potential cont'd*

- Workers, especially those joining labor unions, have sought more control over working conditions as well as an equitable share in the fruits of their labor.
- Workers have sought to make work creatively useful - not drudgery endured to feed a family.



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## *The Potential cont'd*

- The cooperative model helps to address issues about equitable development in urban and rural areas, asset building among low resource people, greater worker participation and control at the workplace, market failure, and



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## *The Potential cont'd*

- even STUDENT MOTIVATION.
- We all can think of many rationalizations and motivations for a variety of different kinds of cooperatives. Students similarly respond to such motivations.



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## *The Potential cont'd*

There is increasing evidence that students who engage in entrepreneurial projects, especially cooperative businesses, gain benefits including increased learning, more motivation, and incentive (and sometimes financing) to go on to college. [see my research in these areas].



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## *The Potential cont'd*

- In my research on urban educational reform I find examples of programs and/or curricula for youth that both help motivate them to be academic achievers, and provide economic experiences where they learn by doing and participate democratically in coop businesses, as well as develop leadership, advocacy and entrepreneurial skills - and earn some money.



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## *Examples*

- The Canadian Cooperative Association provides a multi-volume module for teachers to aid in cooperative economics pedagogy.
- The curriculum, based on a series of case studies, elucidates necessary goals and concepts for student mastery, and is aimed at upper level secondary school students.



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## *Examples cont'd*

- The three volumes, entitled *Co-Operative Development: A Case Study in Global Development*, *Co-Operative Entrepreneurship: A Case Study in Worker Ownership*, and *Co-Operative Finance: A Study of Credit Unions*, address cooperative responses to socially suboptimal market outcomes.



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## *Examples cont'd*

- Quebec and Puerto Rican programs (on this panel).
- Examples from inner-city schools in the U.S. (from my research):



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## *Examples cont'd*

- The young people's branch of the Consumers' Cooperative Trading Company, a Black-owned cooperative in Gary Indiana, operated its own ice-cream parlor and candy store.



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## *Examples cont'd*

- In addition, members of Consumers' Cooperative held weekly educational meetings for 18 months before opening any of the businesses.
- In 1933 they instituted a cooperative economics course in Roosevelt High School's evening school. By 1936 it had the largest enrollment of any academic class offered by the high school (Hope, 1940).



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## *Examples cont'd*

- In the Fall of 1992 students from Crenshaw High School (South Central Los Angeles) revitalized the school garden to help rebuild their community after the 1992 uprising, and in particular to donate the food to the homeless.



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## *Examples cont'd*

- After turning a profit selling in a farmer's market, they developed a business plan.
- Food From The 'Hood began selling salad dressing made from the produce they grew in the school garden.



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## *Examples cont'd*

- Managed by the students and run similarly to a cooperative business.
- At least 50% of the profits are saved for scholarships to college.
- Awarded over \$180,000 in college scholarships to 77 graduated student managers (over the past ten years).



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## *Examples cont'd*

- In addition to their main branch, Alternatives Credit Union (Ithaca, NY) has branches open in local middle and high schools - their Student Credit Unions.
- These credit unions are run by the students themselves.



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## *Examples cont'd*

- The student members who run the school branches receive training from Alternatives, and work alongside the adult tellers in the main branch each Friday afternoon. (Nagel, Shahyd, Weisman, 2005).



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## *Examples cont'd*

- The 8th grade workers in So Fresh and So Clean (Learning Tree School, Bronx, NY) turn herbs from a community garden into soaps, air fresheners, and bubble bath products, and own the business jointly. (Nagel, Shahyd, Weisman, 2005)



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## *Examples cont'd*

- Chain Reaction
- Urban Nutrition Initiative Project



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## *Conclusions*

- With proper preparation and more opportunities—traditional and non-traditional—young people can be active participants in democratic enterprises and in democratizing the global economy.



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## *Conclusions cont'd*

- Participation in such alternatives and cutting edge economic processes require flexibility, critical thinking, good communication skills and continuous learning habits.



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## Conclusions cont'd

- Schools can promote this kind of learning, but also can facilitate experiences that develop good learning habits and creative, flexible thinking by teaching cooperative economics and providing cooperative entrepreneurship experiences.



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## Conclusions cont'd

- Curriculum development sensitive to the needs of democratic businesses can combine teaching critical thinking, problem solving and team building, along with the necessary technical and business skills.



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## Conclusions cont'd

- Moreover, since one of the characteristics of the global Information Age is to leave a void of economic activity in certain communities, school-based projects involving youth can fill the void by focusing on the local economy and community economic development.



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## Conclusions cont'd

- Youth can learn to be economic innovators in a changing economy that relies more on information, technology and technological change, problem solving, and team work and collaboration than ever before.



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## Conclusions cont'd

- At the same time, they can be exposed to and help create new forms of economic organization and management that put people and communities more in control.



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## Conclusions cont'd

- More research is needed, both about existing curricula of this kind, and evaluations studying the successful programs.

Thank you.  
jnembhar@umd.edu



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