

DARTMOUTH COLLEGE
Nelson A. Rockefeller Center & Department of Economics

Public Policy 43/Economics 77
Social Entrepreneurship

Professor Andrew Samwick
Winter 2017

Course Description

Public Policy 43/Economics 77 provides an introduction to the theory and practice of social entrepreneurship, defined generally as the process of finding innovative, sustainable solutions to social problems and, more specifically for this course, social problems that are a cause or consequence of poverty.

Course Objectives

The course has three objectives. First, students will understand the nature and causes of poverty, in both domestic and international contexts, as well as the emergence of social entrepreneurship as a means of addressing poverty. Second, students will learn about the process of social innovation and the ways social entrepreneurs have transformed those innovations into poverty-relieving initiatives. Third, as a means of experiential learning, students will build on the first two objectives to identify manageable aspects of the larger problem of poverty and to propose, refine, and pitch a venture to address that aspect.

It is expected that the best of these ventures will be eligible for continued support from the Rockefeller Center and for additional development at the DEN Innovation Center and New Venture Incubator.

This course is designed to serve any one of three purposes as part of a major or minor: as a “Policy Methods Course” for the Public Policy Minor; as a course, not part of a sequence, in the Economics Major or Minor; or as a “Design Elective” in the Human-Centered Design Minor.

Prerequisites: Economics 1 is required. Also suggested is one course conveying quantitative or qualitative research methods. Options include: Economics 10 (or its equivalent), Geography 11, Geography 50, Sociology 11, or Education 11.

Academic Rigor

You should expect to have to come to every class prepared to learn and to commit significant time outside of class in order to master the material and complete the assignments in a way that demonstrates analytical and creative aptitude. You should expect to be graded according to your demonstrated mastery of the material as reflected on your assignments, as indicated in the ORC at: <http://bit.ly/ScholarshipRating>. Consistent with grading policies in the Economics Department, the median grade for this course is expected but not guaranteed to be a B+.

Course Readings

The following four books are required. They are available at Wheelock Books and at Amazon.com using the links below. The first is a recent overview of the field of social entrepreneurship as it has evolved. The second focuses on the work of Muhammad Yunus, whose pioneering work in microfinance in Bangladesh helped launch and define the field of social entrepreneurship and who was honored with the 2006 Nobel Peace Prize. The third presents a framework for creating and analyzing business models, and the fourth explains the Lean Startup method for building a business.

Martin, Roger L. and Sally R. **Osberg** (2015). *Getting Beyond Better: How Social Entrepreneurship Works*. Boston: Harvard Business School Publishing. <https://www.amazon.com/Getting-Beyond-Better-Social-Entrepreneurship-ebook/dp/B00WDDOSCS/>

Yunus, Muhammad (2010). *Building Social Business: The New Kind of Capitalism that Serves Humanity's Most Pressing Needs*. New York: PublicAffairs. <http://www.amazon.com/Building-Social-Business-Capitalism-ebook/dp/B003KK55DO>

Osterwalder, Alexander and Yves **Pigneur** (2013). *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*. Hoboken, NJ: John Wiley & Sons, Inc. <http://www.amazon.com/Business-Model-Generation-Visionaries-Challengers-ebook/dp/B00BD6RFFS/>

Ries, Eric (2011). *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation To Create Radically Successful Businesses*. New York: Crown Business. <http://www.amazon.com/Lean-Startup-Entrepreneurs-Continuous-Innovation-ebook/dp/B004J4XGN6>. See also <http://theleanstartup.com>.

Sections of these books are referred to in the Course Outline below by the last name of the **author(s)**. Several articles are also listed in the Course Outline, along with links to where they may be downloaded from any computer on the Dartmouth network.

The books are expected to cost \$60 - \$70, depending on the format (ebook or paperback). You should also expect some additional costs, perhaps \$30, for software to assist with the production of your video. An example is VideoScribe, <http://www.videoscribe.co/>, although free alternatives exist, <http://open-sankore.org/>.

The course will draw on material covered in Economics 1, a course pre-requisite. To review this material, you can work through videos in the Microeconomics course at Khan Academy (particularly the first, third, fifth, and sixth sets of videos), available at: <https://www.khanacademy.org/economics-finance-domain/microeconomics?t=table-of-contents>.

Course Grade Components

Your grade in the course is determined by your performance on writing, research, and speaking assignments. For students who complete all of the assignments, the final course grade will be determined based on those assignments as follows:

In-Class Exam	30%
Poverty Research Assignment	20%
Business Model Assignment	
Written business model, including funding request	25%
Video business venture pitch	25%

1) In-Class Exam

There will be one exam in the course, scheduled for the class period of **Monday, January 30**, covering the material in **Martin & Osberg, Yunus**, and all lectures and readings on poverty and social entrepreneurship prior to that date.

2) Poverty Research Assignment

To develop an innovation that is feasible, desirable, and viable requires subject matter expertise. The gap between what you currently know and what you need to know to produce an innovation is research. This assignment gets you started. You may work individually or in groups of 2 – 3. All groups must be formed and certified to me via e-mail by **Thursday, January 12, at 5 p.m.**

Due Date for this assignment: **Thursday, January 26**, uploaded to Canvas by 5 p.m.

3) Business Model Assignment

For this project, students will work in teams of 2 – 3 to develop and present a business model for a social enterprise that generates net income for those in poverty or increases the purchasing power of low-income households by reducing the cost of a product or service on which they typically spend money. All groups must be formed and certified to me via e-mail by **Friday, February 3, at 5 p.m.**

This assignment will require you to research the need for the enterprise's product or service and the latent customer demand for the product or service; to design a product or service that draws from the class discussions of innovation; and to present your business model in both written and oral form.

At the heart of the Lean Startup framework is the Build-Measure-Learn feedback loop, which is designed to test the key assumptions of your business model as a work in progress. The final section of your written assignment is a grant application for funding to test the value and growth hypotheses of your business model during a leave-term.

Due Dates for this project:

Monday, February 27, 9 a.m.: Earliest time to submit rough drafts of the project.

Friday, March 3, 5 p.m.: Latest time to upload class presentation materials to Canvas.

Monday, March 6, and Wednesday, March 8: In-class presentations of projects

Friday, March 10, noon: Latest time to submit final drafts of the project.

I am happy to give feedback on rough drafts of the written business model, subject to two conditions. First, I require a minimum of 2-days' turnaround time. Second, the feedback that I provide should not be considered a punch list for the final draft.

Additional Information

Class Meetings: **MWF 11** (11:30 a.m. – 12:35 p.m., x-period Tu 12:15 – 1:05 p.m.) or **MWF 12** (12:50 – 1:55 p.m., x-period Tu 1:20 – 2:10 p.m.) In addition to weekly office hours, some use of the x-period is planned. All x-periods are clearly indicated on the course schedule below.

Office Hours: **Rockefeller 112**, Tuesdays, 12:15 – 2:15 p.m. Regular office hours are on a walk-in basis. Because my office hours are scheduled to include the x-period, which is reserved for this course, I expect you to use office hours if you need to see me in person outside of class.

Honor Principle: Students are expected to follow the College's guidelines for the proper attribution of sources in the conduct of their own research. While offering assistance to fellow classmates outside of graded assignments is encouraged, all written, oral, and computer assignments that are not group-based are expected to reflect each student's own individual work. All in-class, graded assignments will be timed and done without reference to books, notes, or computers unless otherwise specified. Any student referring to such materials or giving or receiving assistance during a graded assignment violates the Academic Honor Principle.

Equal Access: Students with learning, physical, or psychiatric disabilities who may need disability-related classroom accommodations are encouraged to make an appointment as soon as possible. The Academic Skills Center will be asked to verify that the student is approved for these services. All discussions will remain confidential, although the Student Disabilities Coordinator may be consulted to discuss appropriate implementation.

Religious Observances: Some students may wish to take part in religious observances that occur during this academic term. If you have a religious observance that conflicts with your participation in the course, please meet with me before the end of the second week of the term to discuss appropriate accommodations.

Course Outline

Assigned readings are to be completed **before** the class period during which they will be discussed unless otherwise noted. Items in **red** are subject to change.

Wednesday, January 4, Welcome and Introduction

Martin & Osberg, Introduction “What Is Social Entrepreneurship?”

If you cannot obtain the Martin & Osberg book in advance, you can prepare the following article as an alternative for class:

Martin, Roger L. and Sally Osberg. (2007). “Social Entrepreneurship: The Case for Definition.” *Stanford Social Innovation Review*. Vol. 5, Issue 2 (Spring), 28 – 39. <http://libcat.dartmouth.edu/record=b3328261~S1>

Andersson, Frederik O. (2012). “Social Entrepreneurship as Fetish.” *Nonprofit Quarterly*. (November 18). <https://nonprofitquarterly.org/management/20140-social-entrepreneurship-as-fetish.html>

Holiday, Ryan (2016). “The Crucial Thing Commencement Speakers Get Wrong About Success.” *Fast Company*. (May 28).

<http://www.fastcompany.com/3060275/the-crucial-thing-commencement-speakers-get-wrong-about-success>

Brown, Tim and Jocelyn Wyatt (2010). “Design Thinking for Social Innovation.” *Stanford Social Innovation Review*. Vol. 8, Issue 1 (Winter), 30-35.

<http://libcat.dartmouth.edu/record=b3328261~S1>

http://ssir.org/articles/entry/design_thinking_for_social_innovation

In-Class Case Discussion: Premama, <http://www.drinkpremama.com> Magic Bus Ticketing, <http://www.npr.org/sections/goatsandsoda/2016/09/26/495466938/a-million-dollars-goes-to-an-app-that-leads-to-a-better-bus-commute>

Friday, January 6, Business Model Canvases

Osterwalder & Pigneur, Section I: Canvas

The Startup Experience Framework (Templates Posted to Course Website)

Class visit from Jamie Coughlin, Director of Entrepreneurship and the DEN Innovation Center

In-Class Exercises: The 16 Business Models from Summer 2014 & 2015, <http://bit.ly/PBPL43Projects> and http://bit.ly/PBPL43_2015; Posting your profile as a social entrepreneur

Monday, January 9, The Nature of Social Entrepreneurship

Martin & Osberg, Chapters 1 – 3
Chapter 1: Shifting an Equilibrium
Chapter 2: The Nature of Social Entrepreneurship
Chapter 3: Understanding the World

Wednesday, January 11, Building Models for Change

Martin & Osberg, Chapters 4 – 7
Chapter 4: Envisioning a New Future
Chapter 5: Building a Model for Change
Chapter 6: Scaling the Solution
Chapter 7: A Path Forward

Friday, January 13, Domestic Poverty: An Introduction

“Income, Poverty and Health Insurance Coverage in the United States: 2015,” U.S. Bureau of the Census, Release Number: CB16-158. September 13, 2016. <http://www.census.gov/newsroom/press-releases/2016/cb16-158.html> [including the linked reports on “income and poverty” and “supplemental poverty measure” – not just the press release]

“Learning from Concentrated Poverty in America: A Synthesis of Themes from the Case Studies,” in *The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S.* Washington: The Federal Reserve System and the Brookings Institution, 2008, 169 – 194. <http://www.frbsf.org/cpreport>

Arieff, Allison (2016). “Solving All the Wrong Problems.” *The New York Times, Sunday Review* (July 9). http://www.nytimes.com/2016/07/10/opinion/sunday/solving-all-the-wrong-problems.html?_r=0

Nnaemeka, C.Z. (2013). “The Unexotic Underclass.” *Entrepreneurship Review* (May 19). <http://miter.mit.edu/the-unexotic-underclass/>

Gudrais, Elizabeth (2014). “Disrupted Lives,” *Harvard-Magazine*. January-February. <http://harvardmagazine.com/2014/01/disrupted-lives>

Tuesday, January 17, X-Period, Domestic Poverty: Continued Study

Sawhill, Isabel, Edward Rodrigue, and Nathan Joo (2016). “One Third of a Nation: Strategies for Helping Working Families.” Brookings Institution (May). <http://www.brookings.edu/research/papers/2016/05/31-one-third-of-a-nation-strategies-for-working-families-sawhill>

Schneider, Rachel and Nancy Castillo (2016). “Start-Ups Bring New Solutions to Cash Flow Challenges.” *Stanford Social Innovation Review* (February 2).
http://ssir.org/the_hidden_lives_of_americas_poor_and_middle_class/entry/start_ups_bring_new_solutions_to_cash_flow_challenges

Kirp, David L. (2015). “What Do the Poor Need? Try Asking Them.” *The New York Times* (August 8).
http://www.nytimes.com/2015/08/09/opinion/sunday/david-l-kirp-what-do-the-poor-need-try-asking-them.html?smid=tw-nytopinion&_r=1

Badger, Emily (2016). “Why the Poor Pay More for Toilet Paper and Just about Everything Else.” *The Washington Post* (March 8).
<https://www.washingtonpost.com/news/wonk/wp/2016/03/08/why-the-poor-pay-more-for-toilet-paper-and-just-about-everything-else>

Premack, Rachel (2016). “A Simple Change that Could Help Solve One of the Biggest Problems Facing Poor People.” *The Washington Post* (July 15).
<https://www.washingtonpost.com/news/wonk/wp/2016/07/15/the-simple-change-that-could-get-affordable-food-to-the-poor-people-who-need-it/>

Marya, Radhika (2013). “Cellphones are Now Essentials for the Poor,” *USAToday* (September 14).
<http://www.usatoday.com/story/money/personalfinance/2013/09/14/cellphones-for-poor-people/2805735/>

Wednesday, January 18, Domestic Poverty: Addressing Vulnerability

Smoke Alarm Outreach based on Data Analytics:

<http://www.nola.gov/performance-and-accountability/nolalytics/files/full-report-on-analytics-informed-smoke-alarm-outr/> and <http://labs.enigma.io/smoke-signals/>

Housing Solutions for Vulnerable Populations

Apartment Angel: <http://www.apartmentangel.org>

Co-abode: <http://www.coabode.org/>

Social Impact Bonds

<https://www.washingtonpost.com/news/answer-sheet/wp/2016/09/14/wall-streets-new-way-of-making-money-from-public-education-and-why-its-a-problem/>

Preventing Recidivism

The Last Mile: <https://thelastmile.org/>

Accessible Style

The MIT Open Style Lab: <http://www.openstylelab.com>

Another Look at the 16 Business Models from Summer 2014 & 2015,
<http://bit.ly/PBPL43Projects> and http://bit.ly/PBPL43_2015

Friday, January 20, Global Poverty and Social Entrepreneurship in the Developing World

Yunus, Chapter 1, Why Social Business
Yunus, Chapter 2, Growing Pains

Kochi, Erica (2012). “How the Future of Mobile Lies in the Developing World,”
TechCrunch (May 27).

<http://techcrunch.com/2012/05/27/mobile-developing-world/>

Olapade, Dayo (2014). “Africa’s Tech Edge,” *The Atlantic* (May).

<http://www.theatlantic.com/magazine/archive/2014/05/africas-tech-edge/359808/>

Eyring, Matthew, Mark W. Johnson, and Hari Nair (2011). “New Business Models in Emerging Markets,” *Harvard Business Review*. Vol. 89, Issue 1/2 (January-February), 88 – 95.

<http://libcat.dartmouth.edu/record=b3059459~S1>

Monday, January 23, Social Enterprises as Redistribution in an Economic Framework

This is the class period that will draw most heavily on your review of the Microeconomics course at Khan Academy, described above. See, in particular, the first, third, fifth, and sixth sets of videos at:

<https://www.khanacademy.org/economics-finance-domain/microeconomics>.

Samwick, Andrew A. (2015). “Notes on Social Versus Private Value.” Manuscript, Dartmouth College, Summer. [Posted to Canvas]

Yunus, Chapter 4, To Cure One Child

Yunus, Chapter 6, Grameen Veolia Water

[You should read the rest of *Building Social Business* before the exam, but not necessarily for this class period.]

Furman, Jason. (2005). “Wal-Mart: A Progressive Success Story.” Mackinac Center for Public Policy. November 28.

<http://www.mackinac.org/archives/2006/walmart.pdf>

Wednesday, January 25, Critiques of Microenterprise and Microfinance

Abdul Latif Jameel Poverty Action Lab (2015). “Where Credit Is Due,” *Bulletin* (February). <http://www.povertyactionlab.org/publication/where-credit-is-due>

Blattman, Christopher and Paul Niehaus (2014). “Show Them the Money: Why Giving Cash Helps Alleviate Poverty,” *Foreign Affairs* (May/June).
<http://www.foreignaffairs.com/articles/141214/christopher-blattman-and-paul-niehaus/show-them-the-money>

Karnani, Aneel. (2007). “Microfinance Misses its Mark.” *Stanford Social Innovation Review*. (Summer), 34 – 40.
<http://libcat.dartmouth.edu/record=b3328261~S1>

Kuo, Lily (2015). “Video: Ory Okolloh Explains Why Africa Can’t Entrepreneur Itself Out of Basic Problems.” *Quartz Africa*.
<http://qz.com/502149/video-ory-okolloh-explains-why-africa-cant-entrepreneur-itself-out-of-its-basic-problems/>

Friday, January 27, NO CLASS MEETING

Monday, January 30, EXAM

Wednesday, February 1, Business Model Patterns: Platforms and Databases

Osterwalder & Pigneur, Section II: Patterns

Moazed, Alex (2016). “What Is a Platform?” (May 1).
<http://www.applicoinc.com/blog/what-is-a-platform-business-model/>

Bonchek, Mark and Sangeet Paul Choudary (2013). “Three Elements of a Successful Platform Strategy.” *Harvard Business Review* (January 31).
<https://hbr.org/2013/01/three-elements-of-a-successful-platform>

Weinstock, Matthew (2000). “Moving Toward a Successful Alliance,” *Government Executive*. (December 1).
<http://www.govexec.com/magazine/2000/12/moving-toward-a-successful-alliance/8022/>

Friday, February 3, Business Model Patterns: Donated Inputs & Outputs

Cook, Scott (2008). “The Contribution Revolution: Letting Volunteers Build Your Business,” *Harvard Business Review*. Vol. 86, Issue 10 (October), 60-69.
<http://libcat.dartmouth.edu/record=b3059459~S1>

Marquis, Christopher and Andrew Park (2014). “Inside the Buy-one Give-one Model,” *Stanford Social Innovation Review*. Vol. 12, Issue 1 (Winter), 28 – 33.
<http://libcat.dartmouth.edu/record=b3328261~S1>

Joyner, April (2014). "Beyond Buy-One-Give-One Retails," *The New Yorker*. (April 7). <http://www.newyorker.com/online/blogs/currency/2014/04/beyond-the-buy-one-give-one-model.html>

Knowledge@Wharton (2015). "The One-for-one Business Model: Avoiding Unintended Consequences," (February 16). <http://knowledge.wharton.upenn.edu/article/one-one-business-model-social-impact-avoiding-unintended-consequences/>

DiStasio, Cat (2016). "ByFusion Turns All Types of Ocean Plastic into Eco-Friendly Construction Blocks," *Inhabitat* (July 27). <http://inhabitat.com/byfusion-turns-all-types-of-ocean-plastic-into-eco-friendly-construction-blocks/>

Wu, Tim (2015). "Facebook Should Pay All of Us," *The New Yorker* (August 14). <http://www.newyorker.com/business/currency/facebook-should-pay-all-of-us>

Monday, February 6, Business Model Patterns: The Sharing Economy

Botsman, Rachel (2014). "Sharing's Not Just for Startups," *Harvard Business Review*. Vol. 92, Issue 9 (September), 23-25. <http://libcat.dartmouth.edu/record=b3059459~S1>

Knowledge @ Wharton (2014). "Sharing Economy 2.0: Can Innovation and Regulation Work Together?" <http://knowledge.wharton.upenn.edu/article/the-next-phase-for-the-sharing-economy/>

Badger, Emily (2014). "Why We Can't Figure Out How to Regulate Airbnb," *The Washington Post, Wonkblog* (April). <http://bit.ly/WSJ-regulateAirBnB>

Dorsey, Sherrell (2015). "Bike-Share Programs Extend into Underserved Neighborhoods," *Triple Pundit* (May 7). <http://www.triplepundit.com/2015/05/bike-share-programs-focus-shared-equity-underserved-communities/>

Beck, Melinda (2015). "Startups Vie to Build an Uber for Health Care," *Wall Street Journal* (August 11). <http://www.wsj.com/articles/startups-vie-to-build-an-uber-for-health-care-1439265847>

Tuesday, February 7, X-Period, Ideation Part I

Osterwalder & Pigneur, Section III: Design and Section IV.3 Blue Ocean Strategy

Parrish, Shane (2013). "Building Blocks and Innovation," (January 20).

<http://www.farnamstreetblog.com/2013/01/building-blocks-and-innovation/>

Wednesday, February 8, Ideation Part II

Class visit from Jamie Coughlin, Director of Entrepreneurship and the DEN Innovation Center

Friday, February 10, The Video Pitch – Meet in Jones Media Center

Review the “Pitch Structure” [Stage 5] template of the SXP framework.

Review the multimedia resource guide at <http://bit.ly/dartmouthmediaguide>. Using this guide, create or find (online) images, audio, and video that pertain to your final business model assignment. Bring these multimedia resources with you (or have them available) when we meet in the Jones Media Center for this class period.

Monday, February 13, The Lean Startup I

Ries, Part One, Vision (Chapters 1 – 4)

Blank, Steve (2013). “Why the Lean Startup Changes Everything,” *Harvard Business Review*. Vol. 91, Issue 5 (May), 63 – 72.
<http://libcat.dartmouth.edu/record=b3059459~S1>

Gross, Bill (2015). “The Single Biggest Reason Why Startups Succeed,” *TED2015* (March).
http://www.ted.com/talks/bill_gross_the_single_biggest_reason_why_startups_succeed

Wednesday, February 15, Lean Startup II

Ries, Part Two, Steer (Chapters 5 – 8)

Hausmann, Ricardo (2016). “The Problem with Evidence-Based Policies.” *Project Syndicate*. (February 25). <https://www.project-syndicate.org/commentary/evidence-based-policy-problems-by-ricardo-hausmann-2016-02>

Friday, February 17, Lean Startup III

Ries, Part Three, Accelerate (Chapters 9 – 11 with 12-14 optional)

Monday, February 20, Finance & Scale I

Bhide, Amar (1992). "Bootstrap Finance: The Art of Start-ups," *Harvard Business Review*. Vol 70, No. 6 (Nov/Dec), 98 – 107.
<http://libcat.dartmouth.edu/record=b3059459~S1>

Simon, Jed (2013). "7 Financial Terms Every Serious Entrepreneur Should Know," *Venture Beat* (June 8). <http://venturebeat.com/2013/06/08/startups-financial-terms/>

Wednesday, February 22, Finance & Scale II

Readings TBD

Friday, February 24, NO CLASS

Monday, February 27, In-Class Business Model Workshop

No new reading or assignments. Class period provides time for feedback on and further refinement of business model assignments.

Wednesday, March 1, In-Class Business Model Workshop

No new reading or assignments. Class period provides time for feedback on and further refinement of business model assignments.

Friday, March 3, In-Class Business Model Workshop

No new reading or assignments. Class period provides time for feedback on and further refinement of business model assignments.

Monday, March 6, In-Class Business Model Presentations

Class visit from Jamie Coughlin, Director of Entrepreneurship and the DEN Innovation Center

Wednesday, March 8, In-Class Business Model Presentations

Class visit from Jamie Coughlin, Director of Entrepreneurship and the DEN Innovation Center