

DARTMOUTH COLLEGE
Nelson A. Rockefeller Center & Department of Economics

Public Policy 43/Economics 77
Social Entrepreneurship

Professor Andrew Samwick
Winter 2018

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 a manageable aspect 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.

Prerequisite: Economics 1 is required. 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>.

Course Readings

The following three books are required. They are available at Wheelock Books and at Amazon.com using the links below. The first 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

second presents a framework for creating and analyzing business models, and the third explains the “Lean Startup” method for building a business.

Yunus, Muhammad (2010). *Building Social Business: The New Kind of Capitalism that Serves Humanity’s Most Pressing Needs*. New York: PublicAffairs. <https://www.amazon.com/Building-Social-Business-Capitalism-Humanitys/dp/1586489569/>

Osterwalder, Alexander and Yves **Pigneur** (2013). *Business Model Generation: A Handbook for Visionaries, Game Changes, and Challengers*. Hoboken, NJ: John Wiley & Sons, Inc. <https://www.amazon.com/Business-Model-Generation-Visionaries-Challengers/dp/0470876417/>

Ries, Eric (2011). *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation To Create Radically Successful Businesses*. New York: Crown Business. <https://www.amazon.com/Lean-Startup-Entrepreneurs-Continuous-Innovation/dp/0670921602>. 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 about \$50, 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/>. See also <https://goanimate.com/> and <https://www.powtoon.com/>. Make sure that the software you use can export the final product for offline viewing.

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	35%
Poverty Research Assignment	15%
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 **Tuesday, February 13**, covering the material in all lectures and readings 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 **Monday, January 15, at 5 p.m.**

Due Date for this assignment: **Friday, 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 **Monday, February 5, 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 26, 9 a.m.: Earliest time to submit rough drafts of the project.

Friday, March 2, 5 p.m.: Latest time to upload class presentation materials to Canvas.

Tuesday, March 6: In-class presentations of projects

Thursday, March 8, 5 p.m.: 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.

Academic Rigor

You should expect 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 will be graded according to your 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+.

Additional Information

Class Meetings: **Rockefeller 209, TuTh 10A** (10:10 a.m. – 12:00 p.m., x-period W 3:30 – 4:20 p.m.) or **TuTh 2A** (2:25 – 4:15 p.m., x-period W 4:35 – 5:25 p.m.) As noted below, x-periods are used for weekly office hours.

Office Hours: **Rockefeller 112**, Wednesdays, 3:30 – 5:30 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. Appointments to see me at other times must be confirmed by e-mail.

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 to see me 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.

1 Thursday, January 4, Welcome and Introduction

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*. (April 11). <https://nonprofitquarterly.org/2012/04/11/social-entrepreneurship-as-fetish-2/>

Holiday, Ryan (2016). "The Crucial Thing Commencement Speakers Get Wrong About Success." *Fast Company*. (May 28). <https://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

2 Tuesday, January 9, The Lean Startup

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>

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

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

Ries, Part Three, Accelerate (Chapters 9 – 10)

[You should read the rest of *The Lean Startup* (Chapters 11 – 14) before the exam, but not necessarily for this class period.]

3 Thursday, January 11, The Business Model Canvas

Osterwalder & Pigneur, Section I: Canvas

The Startup Experience Framework (Templates Posted to Course Website)

In-Class Discussions:

- Premama: <http://www.drinkpremama.com>
- The 27 Business Models from 14X, 15X, and 17W
<http://bit.ly/PBPL43Projects>, http://bit.ly/PBPL43_2015, and
http://bit.ly/PBPL43_Projects_2017

4 Tuesday, January 16, Domestic Poverty: An Introduction

"The War on Poverty 50 Years Later: A Progress Report," Chapter 6 in *The Economic Report of the President 2014*.

<http://www.gpo.gov/fdsys/pkg/ERP-2014/pdf/ERP-2014-chapter6.pdf>

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. “Overview,” 3 – 20, and “Synthesis,” 169 – 194. https://www.frbsf.org/community-development/files/cp_fullreport.pdf

Rosen, Rebecca (2015). “A Study of the 1.5 Million American Households with Practically No Income at All.” *The Atlantic* (September 11). <https://www.theatlantic.com/business/archive/2015/09/americas-poorest-two-dollars-a-day/404659/>. For a video of Kathy Edin’s lecture at the Rockefeller Center last year, see <https://www.youtube.com/watch?v=1TbJ10ZkpVM>

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

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.” *The MIT Entrepreneurship Review* (May 19). <http://mter.mit.edu/the-unexotic-underclass/>

5 Thursday, January 18, 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). <https://www.brookings.edu/wp-content/uploads/2016/07/one-third-of-a-nation.pdf>

Schneider, Rachel and Nancy Castillo (2016). “Start-Ups Bring New Solutions to Cash Flow Challenges.” *Stanford Social Innovation Review* (February 2). <http://libcat.dartmouth.edu/record=b3328261~S1>, <http://ssir.org/the-hidden-lives-of-americas-poor-and-middle-class/entry/start-ups-bring-new-solutions-to-cash-flow-challenges>

Morrell, Alex (2017). “An Ivy League Professor Who Spent 4 Months Working in a South Bronx Check-cashing Store Says We’re Getting It All Wrong.” *Business Insider* (February 12). <https://finance.yahoo.com/news/ivy-league-professor-spent-4-160000876.html>

Pinsker, Joe (2016). “The Privilege of Buying 36 Rolls of Toilet Paper at Once.” *The Atlantic* (May 12). <https://www.theatlantic.com/business/archive/2016/05/privilege-of-buying-in-bulk/482361/>

Pishko, Jessica (2017). “Restorative Justice for Shoplifting? A Court Calls It Extortion.” *The Nation* (October 30).

<https://www.thenation.com/article/restorative-justice-for-shoplifting-a-court-calls-it-extortion/> See also <https://www.correctiveeducation.com/home/index.php>

Housing Solutions for Vulnerable Populations:

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

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

6 Tuesday, January 23, Global Poverty and Social Entrepreneurship in the Developing World

Yunus, Chapter 1, Why Social Business

Yunus, Chapter 2, Growing Pains

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>

Abdul Latif Jameel Poverty Action Lab (2015). “Where Credit Is Due,” *Bulletin* (February).

<https://www.povertyactionlab.org/sites/default/files/publications/where-credit-is-due.pdf>

Karnani, Aneel. (2007). “Microfinance Misses its Mark.” *Stanford Social Innovation Review*. (Summer), 34 – 40.

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

In-Class Discussions:

- Magic Bus Ticketing: <https://www.blog.buupass.com/>, and <http://www.npr.org/sections/goatsandsoda/2016/09/26/495466938/a-million-dollars-goes-to-an-app-that-leads-to-a-better-bus-commute>

7 Thursday, January 25, 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.]

Bannick, Matt, Paula Goldman, Michael Kubzansky, and Yasemin Saltuk. (2017). "Across the Returns Continuum," *Stanford Social Innovation Review* (Winter).
<http://libcat.dartmouth.edu/record=b3328261~S1>,
https://ssir.org/articles/entry/across_the_returns_continuum

Furman, Jason. (2005). "Wal-Mart: A Progressive Success Story." Mackinac Center for Public Policy. November 28.
<http://www.mackinac.org/archives/2006/walmart.pdf>

8 Tuesday, January 30, Business Model Patterns: Databases and Platforms

Osterwalder & Pigneur, Section II: Patterns

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/>

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>

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>

9 Thursday, February 1, Business Model Patterns: Donated Inputs and 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 Retailers," *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/>

10 Tuesday, February 6, Business Model Patterns: The Collaborative 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).

https://www.washingtonpost.com/news/wonk/wp/2014/04/23/why-we-cant-figure-out-how-to-regulate-airbnb/?utm_term=.d4eabbd894ad

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> [Posted to Canvas]

11 Thursday, February 8, The Video Pitch – Meet in Jones Media Center

iMovie Introduction from Susan Simon, Media Learning Technologist

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. Have these multimedia resources available when we meet in the Jones Media Center for this class period.

12 Tuesday, February 13, EXAM

13 Thursday, February 15, Ideation

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/>

Additional resources to be posted to Canvas from Strategyzer and Acumen Plus

14 Tuesday, February 20, In-Class Business Model Workshop

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

15 Thursday, February 22, Finance & Scale

Ries, Part Three, Accelerate (Chapters 9 – 10) [Review]

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>

Additional resources to be posted to Canvas from Strategyzer and Acumen Plus

16 Tuesday, February 27, Meet in Jones Media Center

No new reading or assignments. Class period provides time for feedback on and further refinement of business model assignments, including specific feedback on Video Projects.

17 Thursday, 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.

18 Tuesday, March 6, In-Class Business Model Presentations