Public Policy 43/Economics 77
Social Entrepreneurship

Professor Andrew Samwick
Summer 2015

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 two will serve as textbooks for the course, laying out the intellectual frameworks to understand the process and impact of social entrepreneurship and the Lean Startup method for building a business, respectively. The third 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 fourth provides a more general overview of the field of social entrepreneurship as it has developed, including what differentiates social entrepreneurship from the work of the more traditional private sector, the nonprofit sector, and the public sector.


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

Finally, the course will draw on material covered in Economics 1, a course pre-requisite. To review this material, I suggest working through videos in the Microeconomics course at Khan Academy (particularly the first, third, fifth, and sixth sets of videos), which are found here: [https://www.khanacademy.org/economics-finance-domain/microeconomics](https://www.khanacademy.org/economics-finance-domain/microeconomics).

For some class periods, I will post in advance some discussion questions to give an idea of the focus of the lecture that day. Students should come to class prepared to answer and discuss these questions if called upon to do so.
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:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Poverty Research Assignment</td>
<td>10%</td>
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<tr>
<td>Recognizing Opportunity in Change Assignment</td>
<td>10%</td>
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<tr>
<td>In-Class Exam</td>
<td>30%</td>
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<tr>
<td>Business Model Assignment</td>
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<tr>
<td>Written business model, including funding request</td>
<td>30%</td>
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<tr>
<td>Video business venture pitch</td>
<td>20%</td>
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1) 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, July 2, at 1 p.m.**

**Due Date for this assignment:** Monday, July 13, uploaded to Canvas by 3 p.m.

2) Recognizing Opportunity in Change Assignment

During the course, we will discuss several types of societal change that create opportunity for social entrepreneurs. Working in groups of 3, you will identify and analyze social ventures that have taken advantage of each of these types of change. Groups will be assigned **in class on Tuesday, July 14.**

**Due Date for this assignment:** Wednesday, July 22, uploaded to Canvas by 3 p.m.

3) In-Class Exam

There will be one exam in the course, scheduled for the class period of **Tuesday, August 11,** covering the lectures, readings, and prior assignments on poverty, innovation, and social entrepreneurship.

4) 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, July 27, at 1 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, August 17, 9:00 a.m.: Earliest time to submit rough drafts of the project.
Monday, August 24, noon: Latest time to upload class presentation materials to Canvas.
Tuesday, August 25: In-class presentations of projects during class period.
Friday, August 28, 5:00 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 3-days’ turnaround time. Second, the feedback that I provide should not be considered a punch list for the final draft.

**Additional Information:**

**Class Meetings:** Kemeny 105, TTh 2:00 – 3:50 p.m. (x-period W 4:15 – 5:05 p.m.). Other than weekly office hours, no use of the X-period is planned for this term, but students are expected to keep the X-period open in case it is needed.

**Office Hours:** Rockefeller 112, Wednesdays, 3:00 – 5:00 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 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.

Thursday, June 25, Welcome and Introduction

Background reading (to be read in advance, posted to Canvas):


Additional Reading (need not be done in advance):

Bornstein, Part I, Defining Social Entrepreneurship, pages 1 – 47.

In-Class Exercise: Applying an entrepreneurial mindset to common campus problems

Tuesday, June 30, Pitching Ideas and Building a Business

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


In-Class Exercise: The 9 Business Models from Summer 2014

**Thursday, July 2, Background on Domestic Poverty**

Assigned reading (to be done in advance):


In-Class Case Discussion: Apartment Angel, [http://www.apartmentangel.org](http://www.apartmentangel.org)

**Tuesday, July 7, Global Poverty and Social Entrepreneurship in the Developing World**

Assigned reading (to be done in advance):

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


In-Class Case Discussion: Street Food Biodiesel

**Thursday, July 9, Global Poverty and Social Entrepreneurship in the Developing World**

Assigned reading (to be done in advance):

[http://www.povertyactionlab.org/publication/where-credit-is-due](http://www.povertyactionlab.org/publication/where-credit-is-due)


[http://libcat.dartmouth.edu/record=b3328261~S1](http://libcat.dartmouth.edu/record=b3328261~S1)

**Tuesday, July 14, Social Enterprises as Redistribution in an Economic Framework**

Assigned reading (to be done in advance):

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](https://www.khanacademy.org/economics-finance-domain/microeconomics)

Manuscript, Dartmouth College, Summer. [Posted to Canvas]

Yunus, Chapter 4, To Cure One Child  
Yunus, Chapter 6, Grameen Veolia Water
Thursday, July 16, Ideas, Opportunities, and Innovations in Social Entrepreneurship

Assigned reading (to be done in advance):

Brooks, Chapter 1, An Introduction to Social Entrepreneurship
Brooks, Chapter 2, Ideas and Opportunities


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

[You should read the rest of The Lean Startup before the exam, but not necessarily for this class period.]

http://www.ted.com/talks/bill_gross_the_single_biggest_reason_why_startups_succeed

In-Class Case Discussions: End-of-Chapter examples from Brooks, Chapters 1 and 2; Premama, http://www.drinkpremama.com

Tuesday, July 21, Ideation in the Startup Experience Framework

Today’s class will be a workshop devoted to strategies for coming up with ideas to address social challenges, based on the SXP framework.

Assigned reading (to be done in advance):

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

Thursday, July 23, Building a Business around Donated Inputs and Outputs
Assigned reading (to be done in advance):


In-Class Case Discussions:

- Bombas, [http://www.bombas.com](http://www.bombas.com)

**Tuesday, July 28, Building a Business around an Advertising Model**

Guest lecture by Brett Matthews ’88, Co-Founder, Former Chairman, CEO, Imagitas. [https://www.linkedin.com/pub/brett-matthews/13/2a8/928](https://www.linkedin.com/pub/brett-matthews/13/2a8/928)

Assigned reading (to be done in advance):


In-Class Case Discussion: Imagitas, [http://www.imagitas.com/](http://www.imagitas.com/)

**Thursday, July 30, Raising Purchasing Power through Collaborative Consumption**

Assigned reading (to be done in advance):


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://www.vox.com/2014/10/29/7087331/low-income-bicycle-share

http://www.triplepundit.com/2015/05/bike-share-programs-focus-shared-equity-underserved-communities/

In-Class Case Discussion: Airbnb, http://www.airbnb.com

Tuesday, August 4, Building a Business around a Platform

Guest lecture by Dave Girouard ’88, CEO and Founder, Upstart.com,
hp://www.linkedin.com/in/davegirouard

Assigned reading (to be done in advance):


Thursday, August 6, Applying Business Models to Social Enterprise

Guest lecture by Kim Ogden ’84, Managing Director, Ventures for Hope
Assigned reading (to be done in advance):

- Brooks, Chapter 3, Developing the Social Enterprise Concept
- Brooks, Chapter 4, Social Enterprise Business Plans
- Brooks, Chapter 6, Earned Income


**Tuesday, August 11, In-Class Exam**

**Thursday, August 13, Pitching Your Social Venture**

Assigned research (to be done in advance):

- Review the “Pitch Structure” [Stage 5] template of the SXP framework.
- Review the multimedia resource guide at [http://bit.ly/dartmouthmediaguide](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.

**Tuesday, August 18, In-Class Business Model Workshop**

No new reading or assignments. We will discuss an honest accounting framework for a business model. The remainder of the class period provides time for feedback on and further refinement of business model assignments.

**Thursday, August 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.

**Tuesday, August 25, In-Class Business Model Presentations**