

DARTMOUTH COLLEGE
Department of Economics

Economics 77/Public Policy 43
Social Entrepreneurship

Professor Andrew Samwick
Fall 2021

Course Description

Economics 77/Public Policy 43 introduces 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 that 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.

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 an elective 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 the videos in the [Microeconomics](#) course at Khan Academy.
- For reference, a free [textbook](#) is available at OpenStax.

Guest Lectures

To provide a complementary perspective and subject matter expertise on innovation, organizations, and fundraising, we will welcome Mark Bernfeld '78 for four guest lectures this term. Mark is an experienced entrepreneur and angel investor with a commitment to environmentally and socially responsible businesses. He is a [Professor of Practice](#) in the Finance Department at Northeastern University. He will guest lecture on September 22, October 6, October 18, and November 3 and join us on September 13 for introductions and on November 15 for the final presentations. Mark can be reached via e-mail at mbernfeld@outlook.com or via text at 508-654-1767.

Course Readings

The following four books are required. Links to where they may be purchased at Amazon or, in some cases, accessed (possibly with restrictions) through the Dartmouth library system are provided 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 is an in-depth study of poverty in a domestic context. The third presents a framework for creating and analyzing business models, and the fourth 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. [Dartmouth Library](#). [Library 2](#). [Library Audio](#). [Amazon](#).

Edin, Kathryn and H. Luke **Shaefer** (2015). *\$2.00 a Day: Living on Almost Nothing in America*. New York: Houghton Mifflin Harcourt. [Amazon](#).

Osterwalder, Alexander and Yves **Pigneur** (2013). *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*. Hoboken, NJ: John Wiley & Sons, Inc. [Dartmouth Library](#). [Amazon](#).

Ries, Eric (2011). *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation To Create Radically Successful Businesses*. New York: Crown Business. [Amazon](#). See also <http://theleanstartup.com>.

Two other books that are not formally assigned but may be of interest, depending on your research projects, are:

Banerjee, Abhijit and Esther **Duflo** (2011). *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. New York: PublicAffairs. [Dartmouth Library](#). [Amazon](#).

Desmond, Matthew (2016). *Evicted: Poverty and Profit in the American City*. New York: Crown Publishing. [Dartmouth Library](#). [Amazon](#).

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. Note that if you are off campus, you may need to use the [Dartmouth VPN](#).

The required books are expected to cost about \$70, depending on the format you choose. If you encounter financial challenges related to this class, please let me know.

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:

Two In-class exams (20% each)	40%
Poverty Research Assignment	20%
Business Venture Assignment	
Written model, including funding request	20%
Video pitch	20%

1) In-Class Exams

There will be two exams in the course, scheduled for **Friday, October 8**, and **Friday, November 5**. The second exam will cover only the material since the first exam. All students are expected to take the exams during the scheduled time periods.

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 will work in groups of 2 – 3. All groups must be formed and certified to me via e-mail by **Tuesday, September 21**, at 5 p.m.

Due Date for this assignment: **Sunday, October 3**, uploaded to Canvas by 5 p.m.

3) Business Venture 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. This assignment is typically a continuation of the Poverty Research Assignment, but new groups can form if that is desired. Any new groups must be formed and certified to me via e-mail by **Tuesday, October 12**, 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 drawing from the class discussions of innovation; and to present your business model in both written and video 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:

Tuesday, November 9, 5 p.m.: Earliest time to submit rough drafts of the project.

Sunday, November 14, 5 p.m.: Latest time to upload presentation materials to Canvas.

Monday, November 15: In-class presentations of projects

Friday, November 19, 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 three conditions. First, I cannot commit to a turnaround time of less than two days. Second, the feedback that I provide should not be considered a [punch list](#) for getting an A on the final draft. Third, I will only read one rough draft per group in detail.

Academic Rigor

You should expect to come to every class prepared to learn and to commit significant time outside of class 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: 9L (MWF 8:50 – 9:55 a.m., x-period Th 9:05 – 9:55 a.m.) in Berry Library, Room 277. (Inside Jones Media Center)

Office Hours: Zoom. I expect to meet frequently with students, usually in project groups, outside of class. Please sign up using <https://calendly.com/asamwick>. Appointments are 20-minutes, generally available at any time during 2:00 – 5:00 p.m. each afternoon when I am not otherwise committed. When no available time is convenient for you, I will expect you to arrange to meet with me during the x-period, during which time students have no competing academic priority. Please be courteous to me and to your classmates by keeping your appointments or, if you cannot keep them, cancelling them with ample notice.

Honor Principle: Students are encouraged to review the [Academic Honor Principle](#) and are expected to follow the College's [guidelines](#) for the proper attribution of sources in the conduct of their own research. While aiding fellow classmates outside of graded assignments is encouraged, all written, oral, and digital assignments that are not group-based are expected to reflect each student's own individual work. Any student giving or receiving assistance during an individual assignment violates the Academic Honor Principle.

Equal Access: Students requesting disability-related accommodations and services for this course are required to register with Student Accessibility Services (SAS; [Getting Started with SAS webpage](#); student.accessibility.services@dartmouth.edu; 1-603-646-

9900) and to request that an accommodation email be sent to me in advance of the need for an accommodation. Then, students should schedule a follow-up meeting with me to determine relevant details such as what role SAS or its [Testing Center](#) may play in accommodation implementation. This process works best for everyone when completed as early in the quarter as possible. If students have questions about whether they are eligible for accommodations or have concerns about the implementation of their accommodations, they should contact the SAS office. All inquiries and discussions will remain confidential.

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 as soon as possible, or before the end of the second week of the term—at the latest, to discuss appropriate adjustments.

Names and Pronouns: In this classroom, we will respect and refer to people using the names and personal pronouns that they share. If you think I may use incorrect pronouns for you or if I have used incorrect pronouns for you, please email me and I will do my best to use the pronouns with which you identify.

COVID-19 Information

You are expected to attend class in person unless you have made alternative arrangements due to illness, medical reasons, or the need to isolate due to COVID-19. For the health and safety of our class community, please: **do not attend class when you are sick**, nor when you have been instructed by Student Health Services to stay home.

In accordance with [current College policy](#), all members of the Dartmouth community are required to wear a suitable face covering when indoors, regardless of vaccination status. This includes our classroom and other course-related locations, such as labs, studios, and office hours. If you need to take a quick drink during class, please dip your mask briefly for each sip. Eating is never permitted in the classroom. (The only exception to the mask requirement is for students with an approved disability-related accommodation; see above.) If you do not have an accommodation and refuse to comply with masking or other safety protocols, I am obligated to assure that the Covid health and safety standards are followed, and you will be asked to leave the classroom. You remain subject to course attendance policies, and dismissal from class will result in an unexcused absence. If you refuse to comply with masking or other safety protocols, and to ensure the health and safety of our community, I am obligated to report you to the Dean's office for disciplinary action under Dartmouth's [Standards of Conduct](#). Additional COVID-19 protocols may emerge. Pay attention to emails from the senior administrators at the College.

Consent to Recording of Course and Group Office Hours: By enrolling in this course, you are agreeing to the following statements:

- a) I affirm my understanding that the instructor may record this course and any associated group meetings involving students and the instructor, including but not limited to scheduled and ad hoc office hours and other consultations, within any digital platform used to offer remote instruction for this course;
- b) I further affirm that the instructor owns the copyright to their instructional materials, of which these recordings constitute a part, and my distribution of any of these recordings in whole or in part without prior written consent of the instructor may be subject to discipline by Dartmouth up to and including expulsion;

Consent to One-on-One Recordings: By enrolling in this course, you are agreeing to the following statement:

I hereby affirm that I will not under any circumstance make a recording in any medium of any one-on-one meeting with the instructor without obtaining the prior written consent of all those participating, and I understand that if I violate this prohibition, I will be subject to discipline by Dartmouth up to and including expulsion, as well as any other civil or criminal penalties under applicable law.

Course Outline

Assigned readings are to be completed **before** the class period during which they will be discussed unless otherwise noted. Many class periods conclude with additional suggested readings.

1 Monday, September 13, Welcome and Introduction

Samwick, Andrew (2021). “The Economics of Social Entrepreneurship.” [Manuscript](#), May. Forthcoming, *Journal of Economic Education*.

The Startup Experience Framework [Templates [Posted](#) to Canvas]

2 Wednesday, September 15, Corporate Social Responsibility and Social Entrepreneurship

Hart, Oliver (2020). “Shareholders Don’t Always Want to Maximize Shareholder Value.” *Promarket* (September 14).

<https://promarket.org/2020/09/14/shareholders-dont-always-want-to-maximize-shareholder-value/>

Martin, Roger L., and Sally Osberg (2007). “Social Entrepreneurship: The Case for Definition.” *Stanford Social Innovation Review*. Vol. 5, Issue 2 (Spring), 28 – 39.

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

3 Friday, September 17, Measuring Poverty over Time

“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>

Kahloon, Idrees (2019). “The Best Way to Eradicate Poverty in America Is to Focus on Children,” *The Economist*. September 26. [Dartmouth Library](#).

<https://www.economist.com/special-report/2019/09/26/the-best-way-to-eradicate-poverty-in-america-is-to-focus-on-children>

4 Monday, September 20, Poverty after Welfare Reform

Edin & Shaefer, entire book

“Q&A with David Ellwood: Can an expanded child tax credit make a dent in American poverty?” <https://www.hks.harvard.edu/faculty-research/policy-topics/poverty-inequality-opportunity/qa-david-ellwood-can-expanded-child>

Policy Research Assignment Class Discussion: Reviewing the literature

5 Wednesday, September 22, Guest Lecture #1, Mark Bernfeld, Problem Identification and a Broader View of Social Entrepreneurship

Nnaemeka, C.Z. (2013). "The Unexotic Underclass." *MIT Entrepreneurship Review* (May/June). <https://unexoticunderclass.wordpress.com/2013/05/20/the-unexotic-underclass-mit-entrepreneurship-review-mayjune-2013/>

Arieff, Allison (2016). "Solving All the Wrong Problems." *New York Times* (July 9). <https://www.nytimes.com/2016/07/10/opinion/sunday/solving-all-the-wrong-problems.html>

Case Studies for In-Class Discussion:

MentorWorks: <https://mentorworks.com>

CleanFiber: <https://www.cleanfiber.com/>

6 Friday, September 24, Generating Income

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>

Thompson, Derek (2019). "Why Child Care Is So Ridiculously Expensive." *The Atlantic*. (November 26). <https://www.theatlantic.com/ideas/archive/2019/11/why-child-care-so-expensive/602599/>

Badger, Emily (2017). "What Happens When the Richest U.S. Cities Turn to the World?" *The New York Times* (December 12). <https://www.nytimes.com/2017/12/22/upshot/the-great-disconnect-megacities-go-global-but-lose-local-links.html>

Krugman, Paul (2017). "The Gambler's Ruin of Small Cities (Wonkish)," *The New York Times* (December 30). <https://www.nytimes.com/2017/12/30/opinion/the-gamblers-ruin-of-small-cities-wonkish.html>

Policy Research Assignment Class Discussion: Proper use and citation of sources

7 Monday, September 27, Reducing the Cost of Living

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

Case Studies for In-Class Discussion:

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

CoAbode <http://www.coabode.org/>

“Food Deserts in America (Infographic)” (2018). Tulane University School of Social Work. (May 10). <https://socialwork.tulane.edu/blog/food-deserts-in-america>

da Costa, Pedro Nicolaci (2018). “There’s a Major Hurdle to Employment that Many Americans Don’t Even Think About – and It’s Holding the Economy Back.” *Business Insider* (January 27). <https://www.businessinsider.com/lack-of-transport-is-a-major-obstacle-to-employment-for-americas-poor-2018-1>

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/>

8 Wednesday, September 29, The Social Business Model of Muhammad Yunus

Yunus, Introduction, Social Business – From Dream to Reality

Yunus, Chapter 1, Why Social Business

Yunus, Chapter 2, Growing Pains

9 Friday, October 1, Critiques of Microfinance and Social Entrepreneurship

Angelucci, Manuela et al. (2015). “Where Credit Is Due,” *Policy Bulletin* (February 26). <https://www.poverty-action.org/publication/where-credit-due>

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

10 Monday, October 4, Social Enterprises as Redistribution in an Economic Framework

This class period draws heavily on the Economics 1 prerequisite for the course. The [Microeconomics](#) course at Khan Academy can be used for review.

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).

11 Wednesday, October 6, Guest Lecture #2, Mark Bernfeld, Funding Social Ventures

“The Ultimate Introductory Guide to Funding Your Social Enterprise.” Acumen Academy (July 27, 2019). <https://www.acumenacademy.org/blog/impact-capital-funding-your-social-enterprise>

Additional Materials to Be Posted to Canvas

12 Friday, October 8, In-Class Exam #1

Monday, October 11, No class meetings

13 Wednesday, October 13, The Business Model Canvas

Osterwalder & Pigneur, entire book

Case Study for In-Class Discussion: Premama Wellness

- <https://www.premamawellness.com/>
- <http://brownengineering.blogspot.com/2011/05/brown-students-win-for-third.html>

Discuss Business Model Assignment

14 Friday, October 15, The Lean Startup

Ries, Parts I & II (Chapters 1 – 8), Chapters 9 – 10

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

Blank, Steve (2013). “Why the Lean Startup Changes Everything,” *Harvard Business Review*. Vol. 91, Issue 5 (May), 63 – 72.

Both, Thomas (2018). “Human-Centered, Systems-Minded Design,” *Stanford Social Innovation Review* (March 9).

15 Monday, October 18, Guest Lecture #3, Mark Bernfeld, Business Models, Going to Market, Building a Team

Additional Materials to Be Posted to Canvas

16 Wednesday, October 20, Ideation

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

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.

Additional resources from [Strategyzer](#) and [IDEO](#) [Posted to Canvas]

17 Friday, October 22, The Video Pitch

Digital Media Workshop with Susan Simon, Media Learning Technologist at the [Jones Media Center](#). Meet in the JMC Innovation Studio.

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

Review the [multimedia resource 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 for this class period.

18 Monday, October 25, Business Model Patterns: Databases and Platforms

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/>

Moazed, Alex (2016). “What Is a Platform?” (May 1).

<http://www.apploinc.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).

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>

19 Wednesday, October 27, 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.

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> [Sign up for your free subscription [here](#).]

Petropoulos, Georgios (2017). *An Economic Review of the Collaborative Economy*. No. 2017/5. Bruegel Policy Contribution.

<https://core.ac.uk/download/pdf/80601043.pdf>

Smith, Noah (2021). “Why Has the Gig Economy Been a Disappointment?”
<https://noahpinion.substack.com/p/why-has-the-gig-economy-been-a-disappointment>

20 Friday, October 29, 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.

Marquis, Christopher and Andrew Park (2014). “Inside the Buy-one Give-one Model,” *Stanford Social Innovation Review*. Vol. 12, Issue 1 (Winter), 28 – 33.

Knowledge@Wharton (2017). “Designing for the Circular Economy.” (April 4).
<https://knowledge.wharton.upenn.edu/article/designing-circular-economy/>

21 Monday, November 1, Finance and Scale

“Income Statement Template,” Vertex 42.
<https://www.vertex42.com/ExcelTemplates/income-statement.html>

Additional resources from Acumen Plus [[Posted](#) to Canvas]

22 Wednesday, November 3, Guest Lecture #4, Mark Bernfeld, Building Your Financial Model

Materials to Be Posted to Canvas

23 Friday, November 5, In-Class Exam #2

24 Monday, November 8, In-Class Business Model Workshop

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

25 Wednesday, November 10, Meet in Jones Media Lab

No new reading or assignments. Class period provides time for feedback specifically on the video part of the business model assignment.

26 Friday, November 12, In-Class Business Model Workshop

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

27 Monday, November 15 In-Class Business Model Presentations