Social Impact and Responsibility: Foundations
LGST 230x: Spring 2010

Syllabus and Reading List

Topics and readings subject to change to accommodate student interests and speaker schedules.
This version: 9 April 2010

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Office: JMHH 665
Office hours: Mon. 3.00-4.30pm and Tues. 2.30-4.00pm

Time: Mon. and Wed. 1.30-3.00pm
Place: SH-DH 1201
Prerequisites: None

OVERVIEW

What role can business play in helping to meet global societal needs, whether it involves protecting the environment, improving health, or eradicating poverty? Is there any responsibility on the part of business to help meet those needs? In many cases, business can help to address important societal challenges profitably. Consider the success of for-profit microfinance institutions in providing credit to individuals who otherwise would not be served by regular banks. In other cases, it seems there are limits to the potential for business enterprises and business thinking to address societal needs. In these cases, if business enterprises are to help address societal needs, their form and mission may need to be modified.

This course provides students the opportunity to engage in the critical analysis of these and other issues that lie at the foundation of social impact and responsibility as an area of study. The course is designed to help students address the question: “How should business enterprises and business thinking be engaged to improve society in areas not always associated with business?”

COURSE OUTLINE AND CONTENT

Section 1 begins by developing frameworks to define, evaluate and measure societal improvement. Section 2 examines the adaptation of business thinking to address societal needs traditionally met by non-business entities. This section includes studying the application of two key concepts from business: sustainability and efficiency. Section 3 examines ways in which for-profit business enterprises have been engaged to improve society further without fundamentally altering the basic business model. Topics in this section include corporate philanthropy, corporate social responsibility, socially responsible investing, and business-non-profit partnerships. Section 4 analyzes the provision of goods and services to individuals not currently served by the market. Topics in this section include “bottom of the pyramid” marketing strategies and microfinance. Section 5 involves the study of business enterprises guided explicitly by a social mission as well as the profit-motive. Topics in this section include conceptions of social enterprises, the nature of social entrepreneurship, and the question of what, if anything, distinguishes these business enterprises from for-profit business enterprises as traditionally understood. Section 6 considers investment and funding from the perspective of social impact and responsibility.

The course involves analyzing successful strategies for positive social impact as well as broader framework questions about the area: How should this area be defined? What counts as positive
social impact? How large is this area and what is its potential? To this end, the course is designed to be multidisciplinary and interactive. Examples are drawn from a range of areas, including the environment, education, health, economic development, microfinance, human rights, and community engagement. In addition to case analyses and theoretical readings, the course involves guest lecturers from leading social impact organizations.

**GUEST SPEAKERS**

Guest speakers are an important part of the course and for the project, “Analysis of Potential for Social Impact” (see below). Whenever possible, opportunities will be arranged for students to interact with speakers outside of class. The order and content of topics in the syllabus are open to change depending on the availability of guest speakers invited from the following organizations: Center for High Impact Philanthropy, The Enterprise Center, University of Pennsylvania Graduate School of Education, Incentives for Global Health, PhillyCarShare, and The World Bank. In addition, opportunities will be available whenever possible to interact with speakers who are not in the course, but who are involved in the area of social impact and responsibility.

**TARGET AUDIENCE**

The course is designed to meet the interests of a wide range of students, including those who seek to pursue careers in social impact and those interested in learning more about a quickly growing and increasingly visible area of business. The course also is designed for students whose primary interest is not necessarily business but are interested to learn how the application of business thinking can address challenges in their area of interest, such as education or health.

**GRADING AND LOGISTICS**

The grade in the course is based on the following components.

**Class Participation (20%)**

The course is intended to allow students to develop the analytic skills and substantive framework to address challenges as they arise in business. Many of these challenges will involve justifying one’s position to those in disagreement. To this end, the course emphasizes articulating reasoned arguments. Class participation is an integral component of this emphasis. Accordingly, absences for no good reason will count against one’s grade.

**Defining and Measuring Social Impact (20%)**

This assignment provides an opportunity for students to engage in a critical analysis of ways to define and to measure social impact.

**Midterm Exam (25%)**

The midterm exam is scheduled for the last class before Spring Break and will cover the readings in the first half of the course.

**Analysis of Potential for Social Impact: Four Themes (35%)**

Over the course of the semester, students are to choose a societal need and to evaluate the potential and appropriateness for the need to be met through a business-based approach. Examples of business-based approaches include harnessing existing business enterprises, starting a new business enterprise, government policies to encourage business involvement, and applying
business skills and thinking to non-business organizations. The specific societal need is to be chosen from within one of four areas selected especially for the course: economic development, education, environment, and health. The guest lectures are meant to provide students with background on the societal needs in each of these four areas and some solutions that have been put forward to address them.

To avoid disruption, electronic devices must be turned off prior to class.

**CONTACTING ME**
Should you have any questions or concerns about the class, please do not hesitate to see me. No appointment is needed to meet during office hours; you should feel free to drop by. If you are not able to meet during office hours, please email me to arrange an alternative meeting time.

**READING LIST AND CALENDAR**
Readings are open to modification in order to accommodate the interests and flow of the class.

<table>
<thead>
<tr>
<th>Date</th>
<th>Reading</th>
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| W. Jan. 13 | **The Role of Business in Society**  
Case: Grameen Bank, Pro Mujer, and Compartamos Banco  
http://www.newyorker.com/archive/2006/10/30/061030fa_fact1 |
| M. Jan. 18 | **Martin Luther King, Jr. Day (no class)**                           |
| W. Jan. 20 | **Defining Social Impact**  
| M. Jan. 25 | **Defining Social Impact (continued)**  
*Universal Declaration of Human Rights*  
http://www.un.org/Overview/rights.html |
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<th>Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td>M. Feb. 1</td>
<td><strong>Evaluating Social Impact</strong></td>
<td>Guest: Kat Rosqueta, Center for High Impact Philanthropy</td>
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| M. Feb. 8  | **Nonprofits: Impact**                    | Case: Teach for America 2005 (HBS Case: 9-406-125)  
| W. Feb. 10 | **University Closed (weather)**            |                                                       |
| M. Feb. 15 | **Nonprofits: Sustainability**            | William Foster and Jeffrey Bradach, “Should Nonprofits Seek Profits?”  
| 3. **Corporate Philanthropy and Responsibility** |                             |                                                       |
| W. Feb. 17 | **Business-Nonprofit Sponsorship and Partnership** | Case: Timberland: Commerce and Justice (HBS Case: 9-305-002)  
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<th>Date</th>
<th>Topic</th>
<th>Details</th>
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<tr>
<td>M. Feb. 22</td>
<td><strong>Project Background: Health</strong></td>
<td>Guest: Arnold Rosoff, Legal Studies and Business Ethics</td>
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<td>W. Feb. 24</td>
<td><strong>Project Background: Environment</strong></td>
<td>Guest: Gerald A. Furgione, Executive Director, Philly Car Share</td>
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<td>W. March 3</td>
<td><strong>Midterm Exam</strong></td>
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<td>M. March 8</td>
<td><strong>Spring Break</strong></td>
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<td>W. March 10</td>
<td><strong>Spring Break</strong></td>
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<td><strong>4. Market Extension</strong></td>
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<td>M. March 15</td>
<td><strong>Review of Midterm and Final Project</strong></td>
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### 5. SOCIAL ENTERPRISE

#### M. March 29
**Business with a Social Mission**
Case: Ben & Jerry’s: Preserving Mission & Brand Within Unilever (HBS Case; 306037)

#### W. March 31
**Social Entrepreneurship: Blurring the Lines?**
[http://www.caseatduke.org/articles/1004/corner.htm](http://www.caseatduke.org/articles/1004/corner.htm)

### M. April 5
**Project Background: Economic Development**
Guest: Andy Toy, The Enterprise Center

### W. April 7
**Social Entrepreneurship: Continuation and Summary of Course**

### 6. INVESTMENT AND FUNDING

#### M. April 12
**Socially Responsible Investing**
Case: University Endowments (links in webCafé)

#### W. April 14
**Project Background: Health**
Guest: Thomas Pogge, Incentives for Global Health
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<tr>
<td>M. April 19</td>
<td><strong>Funding: Philanthropy and Venture Philanthropy</strong></td>
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<td>Case: REDF, Gates Foundation and Google.org</td>
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<td>Helmut K. Anheier and Diana Leat, <em>Creative Philanthropy: Toward a New</em></td>
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<td><em>Philanthropy for the Twenty-First Century</em> (Routledge, 2006).</td>
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<td>Case: Kenneth Prewitt, Mattei Dogan, Steven Heydemann, and Stefan</td>
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<td>Toepler, eds., <em>The Legitimacy of Philanthropic Foundations: United</em></td>
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<td><em>States and European Perspectives</em> (Russell Sage, 2006).</td>
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<td>W. April 21</td>
<td><strong>Project Background: Economic Development</strong></td>
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<td>Guest: Djordjida Petkovski, The World Bank</td>
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<td>M. April 26</td>
<td><strong>Conclusion</strong></td>
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