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COURSE DESCRIPTION

Emerging firms are a critical element of economic growth, and a key source of gains in innovation and social welfare. This course is designed to depart from the U.S.-centric conversation on startups – with its outsized focus on Silicon Valley – and train a critical eye on some of the unique innovations emerging from new regional hotspots across the globe, with a particular focus on developing and emerging economies. We will discuss the challenges faced by founders in different global contexts, the components of a robust institutional ecosystem, and the ways in which creative solutions may flourish in response to local problems. Along the way, students will gain a virtual view into global startup communities, and personalized insights from firm founders operating around the world – from Rio to Accra to Bangkok.

The course will be structured in three primary parts. The first and longest section will discuss the Key Challenges for emerging firm growth across the globe, such as access to talent and resources, political risk, and legal institutions. The second section will highlight particularly active areas of Context-Driven Innovation that are thriving in various regions, such as financial technology, mobile health products, and clean energy. The final section will train Regional Spotlights on different geographic areas in turn, so that we may focus on the challenges and opportunities specific to various parts of the world.

This course is relevant to both U.S. and non-U.S. students, and it is expected that students will bring their own backgrounds and experiences to contribute to lively class discussions. The course will culminate with a final salon, in which you and a group will engage with a reading list developed by one of your classmates.

COURSE READINGS

You can find the readings in one of three places: (1) the Study.net course pack, (2) the library, or (3) the hyperlinks provided for those readings that are publicly available online. If you have any issues accessing the readings or any other course materials, please contact me so that we can find a solution.

Recommended Listening
For most of the sessions, I have included recommended podcast episodes that complement the course content. These are not required, but I encourage you to listen, as they allow opportunities to apply the course materials and may provide inspiration for assignments and class discussion.

GRADING

This course is discussion-based, and regular attendance and participation are expected. I am not interested in assigning or grading “busywork.” I encourage you to use the (very flexible) assignments to deepen your own interests and pursue lines of inquiry that are valuable to you.

Generative AI is part of our new reality, and so this course has an unrestricted policy with respect to its use. You will be responsible for any inaccurate, biased, offensive, or otherwise unethical content you submit regardless of whether it originally comes from you or an AI program. If you use an AI program, its contribution must be acknowledged in the assignment. The university's policy on plagiarism still applies to any uncited or improperly cited use of work by other human beings, or submission of work by other human beings as your own.

Information about each of these assignment components can be found below.

Attendance and Participation (25%)

Lecture attendance is required and counts toward your grade. Attendance will be taken at every lecture through Canvas check-in (barring the first lecture).

*Authorized Absences:* You have two “freebie” absences throughout the semester, no questions asked. Each additional absence beyond the two permitted ones will result in a 1-point deduction from your attendance grade.

*Participation:* To earn full participation points, you must actively and productively engage in any group discussions and exercises. I will give you a heads up the day before class if I plan to “warm call” you during a given discussion.

Mini-Lecture (25%)

Given the broad base of content that this course covers, I have found that one of the most valuable aspects for students has been learning from their peers’ experiences and expertise. Mini-lectures are an opportunity for students to share a 10-15 minute presentation on a topic of their choosing, on a day in which it complements the syllabus content. The second class of the semester will be dedicated to choosing a topic and date for your mini-lecture, after having a chance to network with classmates.

Mini-lectures can be conducted solo (10 minutes) or in groups of two (15 minutes). In brainstorming topics for your lecture, think about what unique expertise you bring that could enrich your classmates’ knowledge. Some brief examples:

- I consulted for a healthcare startup in Colombia last summer. Here’s what I learned from that experience. [*For the session on Healthcare (3/21) or Latin America (4/9)*]
• I spent years working in the insurance industry. Given my experience, here are some challenges I think insurtech faces, particularly in emerging economies. [*For the Fintech II session (3/19)*]

• My classmate and I are both from [country]. Here’s what outsiders misunderstand about the business culture and what you should know if you want to do business there. [*For one of the regional spotlights sessions (4/4-4/16)*]

If you don’t feel you have any relevant experiences to share, you can also pursue a small research project on a topic related to the course. For example:

• How is AI being used to increase agricultural yields, and how well do these technologies really work? I dug into the research and here’s what I found. [*For the session on AI (3/12) or Agribusiness (3/28)*]

You have broad license to structure your mini-lecture however you like (feel free to make it interactive or incorporate interviews with others). At the end of each presentation, though, I’d like you to present a concise set of takeaways for your classmates. That is, think clearly about the most important things you’d like them to learn and remember from your presentation.

After each mini-lecture, we will have an opportunity for Q&A. This is not a test, just a learning opportunity. Don’t panic if you’re not sure right away what your lecture should be – we can work together to choose something you’re excited about.

**Your Personal Syllabus (25%)**

The midterm assignment will be a personal syllabus or reading list that you develop on a topic of your choosing, related to the course. The syllabus should be two to five pages long and comprise:

• A roughly paragraph-long thesis statement explaining the motivation of the syllabus and what readers should learn from following your curriculum

• A variety of different types of material (academic articles, popular media, books, cases, podcasts – even novels or films are welcome, if they complement the subject!)

• Discussion questions and commentary on the materials

You can find an example of what a completed version of the syllabus might look like on Canvas under *Files*. I encourage you to develop your syllabus on a topic that is meaningful and relevant to you. It can contain a mix of materials you have already read and things you plan to read – that is, it’s okay if you haven’t read every item included from cover to cover, but each choice should be considered and justified.

Please choose a topic by Thursday, February 8th and list it on this sheet for approval.

The syllabus will be due before break on Friday, February 23rd, by 11:59pm. I will be posting the completed assignments on Canvas to share with your classmates. Along with your reading group, you will then be choosing a syllabus to follow for the final assignment (see below).
Final Reading Group and Salon (25%)

For the final project, I’d like you to form reading groups of four to six students. You have until Tuesday, March 12th, to choose your own group and list them on this sheet; after that, I will assign groups of the remaining students randomly.

Each reading group will choose a classmate’s syllabus (not written by someone in your group) to follow collectively. Please choose at least two pieces from the syllabus that you will all read, and the other pieces can be divided among the group members. We will have an in-class salon (think book club – if the weather is nice we can take it outside) on Thursday, April 18th, the last day of class. I will be floating among the groups and will expect to hear robust and energetic discussion.

After the salon, I would like each of you to write an individual paper of roughly two to three pages (750-1500 words) reflecting on your experience with the readings and the group discussion. This essay can be informal in tone; I am more interested in hearing what you found challenging, thought-provoking, or novel about the readings than I am in reading a summary.

The reflection paper will be due Thursday, April 25th, by 11:59pm.

COURSE POLICIES

All students are responsible for reading, understanding, and following the course policies posted below and on Canvas regarding class expectations, absences, withdrawals, exam conflicts, and academic integrity.

Fancy Friday breakfasts: I will host semi-regular Friday breakfasts at the Four Seasons for groups of up to five students. These are of course optional but I encourage you to join for at least one if you are free – it’s the best view in the city! Note that these breakfasts may be joint with my undergrad students. Sign-up can be found here and linked to the home page on Canvas.

Final class conflicts: Per university policy, excused absences are only granted in cases of a conflicting class, a conflicting exam, a religious holiday, a serious illness or a grave family emergency, and each of these situations must be documented to our satisfaction. Note that Student Health Services do not deliver justifications for absences from class or exams, per their policy. Job interviews, incompatible travel plans, and forgetfulness will be considered unexcused absences. We require at least two weeks’ notice for foreseeable conflicts.

Special needs: If you have any kind of learning or physical disability, please notify me (by email or during office hours) so that we can discuss how best to support you. Any students who require special arrangements for their classes or exams must have an official letter from student disability services. They should submit this letter together with their request for special arrangements to the professor as early in the semester as possible.
**Academic integrity:** Students are required to abide by the University’s policy of academic integrity at all times.

**Ethics and use of prior materials:** You should not use previously completed case write-ups, summaries of readings, or other “cheat sheets”.
READINGS AND SCHEDULE

Part 1: Key Challenges

An Introduction to International Emerging Firms (1/16)

Readings


Discussion Questions

- Contrast the approaches to global innovation found in the Breznitz and Lazarow readings. Which piece resonated more with you?
- Consider a city or region you know well. Is it an innovation center? Which of the four stages of innovation describes it best?
- What are some of the unifying features that distinguish the environments of entrepreneurs operating in emerging economies from those in more mature economies?
- Take a look at Rest of World’s list of 40 companies. What strikes you about the selections? Any unifying themes connecting the business models of the selected firms?
- What global forces are likely to shift the geography of innovation in 2024 and beyond?

Internal Networking/Collaborative Course Planning (1/18)

No assigned readings for this session! In this class we will:
Spend the first half getting to meet the classmates you don’t yet know and learn a bit more about their expertise and interests.

Choose a topic and date for your mini-lecture (see details of this assignment above).

In preparation, please review the syllabus in detail and begin thinking about when you might like to contribute your mini-lecture.

If you are new to the course and missed the first lecture, take the opportunity to review the readings from the first session.

**Ecosystems and Hubs (1/23)**

**Readings**


**Discussion Questions**

- Evaluate the eight pillars framework given by the Stanford case note. Is there anything you would change, add, or subtract if you were creating your own taxonomy of an entrepreneurial ecosystem?
- Do you think dynamic entrepreneurial ecosystems can be deliberately engineered by public or private actors? If yes, how? If not, why not?
- Using the eight pillars, evaluate Philadelphia or another ecosystem you know well. What are the strongest and weakest aspects of the ecosystem?
How does this framework intersect with the four stages of innovation discussed in the reading from Innovation in Real Places from the previous class? Are they compatible?

Hubs and coworking spaces are an aggregate of several functions: how do they provide value to emerging firms? What do you view as the most important function?

The study of Start-Up Chile found that entrepreneurship schooling improved venture performance, but basic services like coworking space didn’t have much impact. Why do you think this might be? Do you think this generalizes to other countries and contexts?

Talent (1/25)

Readings

- Recommended Listening: “Investing in Future Africa with Iyinoluwa Aboyeji,” Glocal Citizens, <https://podcasts.google.com/feed/aHR0cHM6Ly9mZWVkcy5maXJlc2lkZS5mbS9jYWxjaXRpemVucy9ye3M/episode/YzZiMjU5NTEtYzQ5Yi00NDc2LWFjZmItNmUxMWM1MzZkYWNk>

**Discussion Questions**

- How did the three Vietnamese entrepreneurs in the case navigate the market reform transition period?
- Dispute resolution is a key theme in each of the three entrepreneurs’ stories. How do they approach disputes in the absence of reliable courts?
- How do intermediaries and credibility-enhancing organizations impact the trust environment in a given market?
- How does economic inequality within a country interact with its institutional environment?
- Discuss one or two of what you view as the most important institutional factors (e.g. tax policies, labor market regulations, stock markets) impacting the venture capital industry.

**Geopolitics and Political Risk (2/1)**

**Readings**

Discussion Questions

- How can firms prepare differently for local political risk (e.g. the Arab Spring) versus global political risk (e.g. the 2008 crisis)?
- Discuss the importance of on-the-ground knowledge with respect to assessing local political risk.
- In what ways do geopolitical tensions, like those between the U.S. and China, influence the global semiconductor industry? How should global companies navigate these tensions?
- Discuss the ethical and economic considerations involved in restricting technology exports to certain countries, as seen in the case of the U.S. pressuring the Netherlands to limit exports to China.

Early-Stage Financing (2/6)

Readings


Discussion Questions

- Discuss some of the benefits and drawbacks of bootstrapping in the early stages of growth.
- Zaccaria (2023) shows that in the U.S., informal financing can reduce the likelihood of future fundraising. Do you think this finding would extend to emerging markets? Why or why not?
- How do legal regimes and country of incorporation affect a firm’s ability to raise funding?
- How do investors broker relationships with state officials and why is that important?
**Venture Capital (2/8)**

**Readings**


**Discussion Questions**

- What makes it difficult for the government or other players to engineer a dynamic venture capital market?
- How does staged financing assist in managing uncertainty?
- Is traditional venture capital investment the best funding structure for firms in developing and emerging economies? What aspects could be changed to better suit these contexts?
- Are you sold on the “fixer-upper” strategy described in the Alvarez-Garrido paper? Why or why not?

**Boundary of the Firm & Professional Services (2/13)**

**Readings**


**Discussion Questions**
• Discuss when and why a start-up might prefer to use professional services versus building a capability in-house. What are some of the considerations that go into these decisions?
• What are some of the particular challenges faced in emerging markets with respect to business services?
• What do you think about Polymath’s dilemma with respect to shared services? Should they spin them off, dissolve them, or keep them in house?
• Discuss the results of the Anderson and McKenzie (2023) experiment in Nigeria. Why do you think they found what they did?

Impact (2/15)

Readings

• Recommended Listening: “Jane Chen – Embrace the Entrepreneurial Journey,” Stanford eCorner, <https://podcasts.google.com/feed/aHR0cHM6Ly9mZWVkcy5zb3VzZGNsb3VkLmNvbS91c2Vycy9zb3VzZGNsb3VkOnVzZXJQOiJwMTg2ODAvc291bmRzLnJzcyw/episode/dGFnOnNvdW5kY2xvdWQsMjAxMDp0cmFja3MvMjkwMDgyNzE1>

Discussion Questions

• How can investors estimate the value of social or environmental returns? What are some of the associated practical and moral issues?
• What are some of the advantages and disadvantages of trying to simultaneously maximize financial and social returns (i.e., the double- or triple-bottom line approach)?
• How should entrepreneurs in emerging markets think about approaching an impact investor versus a more traditional funding source?
• How does a firm’s legal status affect its ability to raise funding?
Context-Specific Innovation (2/20)

Readings

- “ZipDial: Reaching the Next Three Billion Consumers.” Stanford GSB Case IDE07

Discussion Questions

- What role does experimentation play in the development of products for local markets?
- Discuss some of the ways that ZipDial leveraged understanding of local consumer behavior in designing their campaigns.
- What is the value in being able to connect offline to online behaviors?

Wildcard Session (2/22)

The wildcard session is not a free-for-all, but rather time allocated to address emergent themes that have come up over the semester and do not neatly fit into any of the prior scheduled sessions. Our topics for the day will therefore emerge from your interests.

In the wildcard spirit, I have included some readings that do not fit any specific session topic, but are simply some of the more thought-provoking materials I have recently encountered (and some are truly off-the-wall). I am happy to take suggestions for other materials to recommend to your classmates! All of the below are optional.

Readings (all optional)

Part 2: Areas of Innovation

Artificial Intelligence (3/12)

Readings


Discussion Questions

- How is the rise of generative AI tools reshaping the global outsourcing industry? Discuss the implications for businesses in industrialized nations that rely on outsourced labor.
- What are the ethical considerations for businesses when replacing human labor with AI-generated content or services?
- Considering that many outsourced workers are in developing countries, what could be the economic impact of AI on these regions? How might this affect the global economic balance?
- What strategies can freelancers and contract workers employ to adapt to the increasing use of AI in their fields?

FinTech 1: Mobile Money & Payments (3/14)

Readings

Discussion Questions

- What factors contribute to the varying adoption rates of mobile money services across different countries? Discuss the role of institutional and economic factors in this context.
- How did M-Pesa become one of the world's most successful mobile money services? Analyze the interplay of regulatory, institutional, and private sector factors in its success.
- Despite the apparent suitability of mobile money for developing countries, its success has been uneven. What are the potential barriers or challenges that hinder the widespread adoption of mobile money services?
- Compare the development and diffusion of mobile money services in different regions (e.g., Sub-Saharan Africa vs. Southeast Asia). What lessons can be learned from these comparisons?

FinTech 2: Lending, Insurance, and Other Financial Products (3/19)

Readings

Discussion Questions

- What are the key regulatory challenges faced by fintech lending and insurance companies in developing countries?
- What strategies do fintech companies employ to manage credit risk, especially in markets with limited credit history data?
- Compare and contrast the roles of microfinance institutions and fintech lending platforms in providing financial services to underserved populations.
- How do fintech lending and insurance platforms ensure consumer protection and build trust among users, especially in regions with high skepticism towards non-traditional financial services?

Healthcare (3/21)

Readings

- Koning, Rembrand, and Namrata Arora. "mPharma (A) and (B)." Harvard Business School Case, March 2022.

Discussion Questions

- What are some of the unique challenges inherent in the provision of healthcare versus other types of goods?
- What are some of the ways in which healthcare innovations can piggyback on existing technology and infrastructure to lower costs?
- Discuss the potential risks and rewards associated with a private company like mPharma taking over the management of a struggling state medicines distribution agency in a developing country.
- How has the Covid-19 pandemic shifted the global landscape of healthcare innovation?

Energy (3/26)

Readings


**Discussion Questions**

- What are some of the infrastructure challenges inherent to electrifying rural areas in developing countries?
- Discuss the centrality of pay-as-you-go (PAYG) systems to solar offerings like M-Kopa.
- How does the increase in temperature correlate with the rise in poverty, as suggested by Dang and Trong-Ahn’s (2022) findings? Discuss the mechanisms through which hotter temperatures might exacerbate poverty.

**Agribusiness (3/28)**

**Readings**


**Discussion Questions**

- How do digital technologies like AI, IoT, and mobile platforms transform traditional agricultural practices in emerging markets? What are the key benefits and potential drawbacks of this transformation?
- What are the main challenges in scaling AgriTech solutions in emerging markets? How can these challenges be overcome, and what opportunities do they present?
• Analyze the proposed role of Agriculture Innovation Hubs in countries like Indonesia. How can these hubs facilitate the growth and development of the agribusiness sector?

Logistics (4/2)

Readings


Discussion Questions

• How would you map out the landscape of logistics innovation? What do you see as some of the most promising subareas for entrepreneurial firms?
• Discuss the difficulties in maintaining the cold chain in regions like rural Rwanda.
• How do efforts to digitize global supply chains intersect with decarbonization goals?
• Evaluate the role of technology in solving coordination issues among small retailers.

Part 3: Regional Spotlights

Africa (4/4)

Readings

Discussion Questions

- Discuss some of the challenges and opportunities related to manufacturing and food production on the African continent.
- Consider the commonly cited hubs for innovation on the continent – e.g., Lagos, Nairobi, Johannesburg – and write about some of the advantages and disadvantages of these ecosystems.
- What are some of the differences and barriers between Anglophone and Francophone Africa?
- Discuss the complexities and importance of the Sino-African relationship.

Latin America (4/9)

Readings


Discussion Questions

- Discuss Nubank’s founding team. How did their prior experience prime theme for Nubank’s development? What complementarities exist between the founders?
- What do you view as Nubank’s most promising pathways for expansion, both geographically in Latin America and into different financial products?
- How can “missing middles” hold back the productivity of a region?
• Discuss some of the challenges of expanding throughout the Latin American region, based upon the country of origin.

South Asia (4/11)

Readings


Discussion Questions

- What are the key components of the India Stack, and how do they collectively contribute to the transformation of the financial sector in India?
- How does India’s approach to open banking and financial inclusion compare with similar initiatives in other countries? What lessons can be learned from these comparisons?
- How do the economic and political dynamics of the South Asian region influence the adoption and effectiveness of digital banking and financial inclusion strategies?
- What role can regional organizations (like SAARC) play in promoting and harmonizing digital banking and financial inclusion efforts across South Asia?

Southeast Asia (4/13)

Readings


**Discussion Questions**

• What is unique about the market in Southeast Asia, and what are some of the factors that have led to the rise of “super-apps” like the ones we see in the case?
  o Do you think we will see a continued retreat in the super-app approach? Why or why not?
• What role do large investors like SoftBank play in shaping competition between major regional players in a nascent industry like ridesharing?
• Discuss some of the ways in which Grab and Go-Jek instituted a tailored or “hyperlocal” strategy.

**Final Class:** Reading Group Salon (4/18)