Social Entrepreneurship as a Tool for Poverty Reduction: A Sustainable Approach to Development

Instructors: Brad Barham, Eric Giordano and John Hoffmire
August 3-24, 2013
A Course Taught For UW-Madison and UW Colleges Study Abroad
3 Credits for Traditional Course for UW-Madison

Global Overview of the Traditional Course

Social entrepreneurship refers to the practice of combining innovation, opportunity and resourcefulness to address some of our most challenging social, economic and environmental problems. As such, it is a promising approach to development work that seeks to eliminate the causes of poverty and environmental degradation. To accomplish their transformational goals, social entrepreneurs create ventures that may be for-profit or non-profit, but the priority is often on using market-oriented activities to generate systems change that improves the lives of people and the planet. Social entrepreneurship has a particular function in the economic ecosystem, but because it is focused primarily on value creation rather than value appropriation, specialists working in these areas must juggle multiple bottom lines.

The course will examine how innovative social ventures are tackling some of the world’s most pressing questions and engaging with more traditional actors seeking to learn from and support these efforts. Some of the key questions are: What are the particular challenges these ventures with a social or environmental mission face as they start up, strengthen and scale their organizations? How are they different from charitable non-profits or from mainstream businesses? What leadership role do they play in society? Why does social entrepreneurship matter, and what is the future of these emerging practices? And how does the context in which they are spawned influence the problems they address, the innovative approaches they spearhead, the organizational and business models they pursue, and the partnerships they forge?

These questions will be examined along with an overview of the following aspects:

- **The role of social entrepreneurship in the economic and development system**, clarifying what makes social entrepreneurs different from typical business people or government employees, but also from social welfare and social advocacy organizations. What are the implications for how these organizations can scale to achieve greater impact?

- **A global snapshot of entrepreneurship for social change**, comparing and contrasting evolution in these regions with how it has evolved in the U.S. The overview includes the business models and growth options pursued by social entrepreneurs in different parts of the world, enriched by illustrations of leading examples of each model that highlight the strategic, resource and legal factors influencing their choice of model and growth plan.

- **The growing trend in “impact investing” and new legal forms that recognize the hybrid nature of social entrepreneurial ventures**. Social entrepreneurial ventures are “neither fish nor fowl”; they fall between government, philanthropy and commercial entities. Recognizing this new breed of organization, some governments are scrambling to put in place the legal and fiscal architecture that supports these ventures’ abilities to capture the types of investment needed if they are to grow and live up to their promise. What are these new structures, and what are the implications for “impact investors”?
Leading social entrepreneurs and others in the supporting ecosystem working nationally and internationally will participate in the course, sharing insights and experiences on the issues examined. The course will draw upon lectures, case studies (live and documented), and group work.

Logistics for the lecture part of the course:

This part of the course is offered August 5-8. It comprises 4 class sessions as follows:

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<th>Monday – 9 to 12:30 and 3-6:30pm</th>
<th>Tuesday – 9 to 12:30 and 3-6:30pm</th>
<th>Wednesday 9 to 12:30 and 3-6:30pm</th>
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<td>August 5</td>
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The first Saturday and Sunday of the class, August 3rd and 4th will be taken up with social events, tours of Oxford and the surrounding area, getting adjusted to the new time zone and getting to know each other. Students will be expected to arrive by 4pm on August 3rd. Nothing earlier than that on the 3rd will be required of students. But, at least one faculty member will be available to students who arrive as early as 9am to the dorms. The first two Fridays of the class, August 9th and 16th will be taken up in field trips to London to see Parliament and museums and to see Bath and the Roman baths present in that city. The final Friday will be spent doing a sum-up exercise, an evaluation, and having a final lunch.

The first four days’ sessions will focus on the following themes and include the following types of speakers:

Day 1 – Session 1 - *Where Are We Going Over 3 Weeks* – Professors Barham, Giordano and Hoffmire

Day 1 – Session 2 - *An Interview* – **Guest Speaker**: Pamela Hartigan, Executive Director, Skoll Centre for Social Entrepreneurship, Saïd Business School, Oxford University (or replacement)

Day 1 - Session 3 – *Overview of Development and Poverty Alleviation* – Professor Brad Braham

Day 1 – Session 4 – *How Does Ownership Relate to Poverty & Development?* – Professor John Hoffmire

Day 2 - Session 1 – *Globalization and Development: Contending Views* – Professor Brad Barham

Day 2 – Session 2 – *A Beginners’ Look at Trade* – Professor Brad Barham

Day 2 – Session 3 – *Financing All Types of Entrepreneurship* – Professor John Hoffmire

Day 2 – Session 4 – *Fair Trade Coffee, Markets, and the Environment* – Professor Brad Barham

Day 3 – Session 1 – *Alternative Models of Development* – Professor Brad Barham

Day 3 – Session 2 - *Foreign Direct Investment* – Professor Brad Barham

Day 3 – Session 3 – *Stories of Social Entrepreneurship in the Private Sector* – Professor John Hoffmire

Day 3 - Session 4 – *Rethinking Development and Development Assistance* - Professor Brad Barham

Day 4 – Session 1 – *Aid and Agriculture in the US/World Interaction* - Professor Brad Barham
Assessment

Students will be evaluated based on attendance and individual class participation (33%), and two individual writing assignments (due August 8th and August 21st). The assignment due August 8th (34%) will be a 3-5 page reflective essay that for several countries compares alternative indicators of development (available at World Bank web sites). Instructions for the essay will be circulated in class on the first day. The final assignment, which is worth 33% of the grade, will be due August 22nd. Details regarding this assignment are provided below in the section entitled “final paper and PowerPoint”. Grades will be given on an A-F scale.

Suggested Reading For Before You Arrive In Oxford (not required):
€ “From Enterprise to Ecosystem: Rebooting the Scale Debate”. P. Hartigan, J. Elkington and A. Litovsky in P. Bloom (ed.)
€ Re-examining Scale in Social Ventures, Palgrave Macmillan, in press. Stanford Graduate School of Business Case Study on Endeavor (Feb. 2008)
€ Linda Rottenberg, Keynote Address at Harvard University’s Social Enterprise Conference, March 1, 2009

Logistics for Hands-on Field Trips

This part of the class will be based on group work. Any group that wants to see the presentation of another group will be encouraged to do so. But, it is not required. It is more important that you complete work for your organization.
Final Paper and PowerPoint

Each individual student, in 2,000 words or less, will explain:

- how your team benefitted directly from your contributions. Please include direct quotes from members of your consulting team. And please copy your team members when you turn in your final paper. Please list your quotes in a section that is easily identifiable so that your team members can read the quotes you include.
- how your organization benefitted from your hands-on project
- what social impact your organization would expect to show in 5 years time
- why this organization or concept will deliver more impact than others

The paper will be assessed based on:

- the validity of your argument that you were a significantly better-than-average contributor to your team of students
- the goal for impact of your intervention for your organization which is specific and measurable
- the impact that your team of students actually had (or will have) on your organization
- the logic for why this organization or concept would produce more impact than the others is strong and well-articulated
- the clarity and brevity of the student’s paper

Each PowerPoint will be ten slides and students will be evaluated on the basis of their contribution to preparing, presenting and allowing the involvement of others. Since it is well-known that often the biggest problem with these types of group presentations is that some students allow others to do most of the work, the professors will be on the look-out for this type of behavior and will dock students’ grades who do not pull their weight.

Hands-on Field Trips

In the hands-on field trip part of the course, each student will invest at least 64 hours in one of seven “field trip” opportunities for which they will sign up on a first-come first-serve basis. The students will be graded on all of the aspects mentioned in the paragraph above, but also on the impressions of the professors, the feedback of the supervisor (if there is one other than the professors).

The “field trips” will be associated with portfolio companies of the Saïd Business School Venture Fund, which one of the professors runs. Please do not contact any of the firms directly. John Hoffmire will be your contact for each of these firms between now and when the class ends in August.

The Companies That We Will Work With During The Hands-on Field Trips

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<tr>
<th>Company Name</th>
<th>Industry</th>
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<tr>
<td>Cignifi</td>
<td>Mobile phone credit scoring</td>
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<tr>
<td>GreenPoint</td>
<td>Printer waste reduction</td>
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<tr>
<td>HiretheWorld</td>
<td>Crowd-sourcing and freelance hiring</td>
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<td>JamBase</td>
<td>Live music events search</td>
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<td>MoBank</td>
<td>Mobile commerce and payments</td>
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<tr>
<td>KnowHowMart</td>
<td>Online consultant connecting</td>
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<td>Oxford nanoSystems</td>
<td>Environmental protection through boiler life extension</td>
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