

**DPI 312:
Sparking Social Change
Fall 2009**

Syllabus Revision: 0.9

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Course Objectives

This new course examines strategies and processes of contemporary social change in the United States, other developed countries, developing countries, and transnational contexts. This course is aimed at students who hope to produce social change but have not settled on the particular organizational “platform” from which they will try to make change. That is, individuals might try to make change from government organization, from social movements in civil society, as private sector social entrepreneurs, or even as unencumbered individuals. We hope that students with imagination, initiative, and social ambition will enroll in this course. Through an inductive examination of a large number of social change projects, students will gain a knowledge strategies of change that include activities centering on government, law, social movements, joint governance, philanthropy, and private markets.

The course is organized into three parts. The first introductory section examines several successful individuals who have catalyzed important positive social changes through very different organizational platforms — through social entrepreneurship in the market, through government, and through community organizing. The second section provides a framework for thinking about how to make important social change that focuses upon two general questions: What is the value proposition in a particular social change effort? What are the strategic considerations necessary to realize that proposition? The third section examines the dynamics of bringing “sparks” of

change to scale through various institutions and sectors such as philanthropy, law and regulation, the private market of exchanges, political mobilization, and cross sector collaboration.

Sparkling Social Change aims to foster an expertise in social change that consists of keen strategic sensibilities and an analogical ability to know what has worked elsewhere and how that can be adopted to one's own circumstances.

Assignments and Course Evaluation

Students will be evaluated according to five tasks in the course.

1. Students are expected to be *prepared for every class and participate actively* in discussions.
2. Each student will be expected to *write and distribute a memo* of 500-750 words analyzing the case and readings for one particular class session.
3. Each student will be expected to write and submit to the Professors a "public narrative" that presents a story of self, a story of us, and a story of now..
4. Finally, each student will be asked to write a *10-15 page strategic plan for initiating or dramatically expanding a particular effort to produce social change*. We will offer several different cases that students could choose to analyze. If there are students currently engaged with a social change effort that they would like to use as the focus of their analysis, they may do so with the permission of the instructors. Such students should submit in writing a request to exercise this option, and providing sufficient background materials on the effort they would like to analyze that the Professors can make an informed choice about whether the analysis can serve the educational purposes of the course.

Required Materials

Required materials will be provided in course packets to be purchased at the Course Materials Office.

I. Social Catalysts:

The Will and Capacity to Act for Social Purposes in Social Contexts

(Wednesday, September 2, 2009)

1. Social Entrepreneurship: Muhammad Yunus and the Grameen Bank: The Origins

Case: Mohammed Yunus and the Grameen Bank (A)

Case Questions:

- 1) Has Mohammed Yunus discovered an important opportunity for social entrepreneurship? What is the nature of that opportunity? How large is it? What is necessary to exploit it? How could it go wrong?
- 2) What, if anything about the opportunity Yunus sees makes it an opportunity for “social” as opposed to “commercial” entrepreneurship?
- 3) Why has this opportunity not previously been seen or exploited?
- 4) What does Yunus bring to this opportunity that others have not had?

Readings:

William Drayton, *Everyone a Changemaker; Social Entrepreneurship's Ultimate Goal*, Innovatinos, Vol. 1, Issue 1 Winter, 2006

William Drayton, *The Citizen Sector: Becoming as Entrepreneurial and Competitive as Business*, California Management Review Reprint Series CMR vol . 44, number 3, Spring 2002

Moore, On The Social Structure and Dynamics of Public Leadership

Reading Questions:

- 1) What do you think you bring to society's efforts to identify and solve problems, or find and exploit significant opportunities for improvement? What assets can you personally call on to improve the quality of individual and social life?

- 2) What is the most significant thing you have done so far to make a significant social change? How did it start? What did you see that others had missed? What allowed you to exploit the opportunity?
- 3) How would you define social entrepreneurship? What, if anything, makes it different from community organizing, political advocacy, or public leadership? What seems similar to you among these different concepts?
- 4) What “institutional platforms” seem to fit you best? For-profit organizations? Political organizations? Community self-help organizations? Government agencies? What is it about those platforms that suit you better than others? What do you think gives these platforms leverage in trying to produce social change?

(Monday, September 7 — NO CLASS — Labor Day)

(Wednesday, September 9, 2009)

2. Government Innovators: Jean Ekins and the Family Learning Center

Case: Jean Ekins and the Family Learning Center (A)

Case Questions:

- 1) Is Jean Ekins a “public innovator”? What is it about what she does that makes it reasonable to describe her as such? How important do you think her work is? Is it something you would be proud to have done?
- 2) What motivations and purposes seem to animate and guide her action? What kind of person is she trying to be? What values seem to guide her innovative efforts?
- 3) What personal assets does she bring to her work in general, and more particularly for creating the Family Learning Center in Leslie, Michigan? What liabilities does she have?
- 4) What are the key opportunities she spots, and the key actions she takes that breathe life into the Family Learning Center?
- 5) At the end of the case, Jean Ekins and the Family Learning Center seem threatened. What is the size and character of the threat? What do you think will happen if Jean Ekins does nothing? What can she do to preserve her program? What should she do?

Readings: (Tim; Please complete references here)

Charles Leadbetter and Sue Goss, *Civic Entrepreneurship*, Introduction, pp. 9-18 (London, Demos, 1998)

Altshuler and Behn, *Innovating in the Public Sector*, Chapters 1 and 13

Moore, *Accounting for Change*,

Reading Questions:

- 1) How much room is there for innovation in government? Is entrepreneurship possible? What are the principal constraints to innovation in government? What opportunities does government afford?
- 2) What criteria would you use to decide whether a particular government innovation was significant or not?
- 3) What role can government play in replicating or scaling up important social innovations? Can you think of some examples when government has done this?

(Monday, September 14)

3. Community Organizing: The Orange Hats of Fairlawn

Case: The Orange Hats of Fairlawn: A Washington, D.C. Neighborhood Battles Drugs (HKS Case #C16-91-1034.0)

Case Questions:

- 1) Can neighborhoods count on having people like Edward Johnson? How special is he?
- 2) Was Johnson right when he “blamed himself and his neighbors” rather than the police for the problems of Fairlawn? (case, page 5).
- 3) How did Johnson move his neighbors from inaction to action?
- 4) What were their strategic choices with respect to the extent and timing of “help” from outsiders such as the police?

Readings:

Robert Putnam, Chapter 18 “Safe and Productive Neighborhoods” in *Bowling Alone: The Decline and Rise of American Community* (): 307-318.

Michael Taylor, Chapter 1 “Introduction: The Problem of Collective Action” in *The Possibility of Cooperation* (Cambridge: Cambridge University Press, 1987): 1-30.

Reading Questions:

- 1) Does Fairlawn have a lot of social capital or only a little?
- 2) What kind of collective action problem does Fairlawn have, in Michael Taylor’s terms?
- 3) Taylor discusses political entrepreneurship as a solution to the collective action problem. If we think of Johnson as a political entrepreneur in Taylor’s sense, what does Johnson do to solve the collective action problem in Fairlawn?

Further Reading [not provided]:

Jane Jacobs. Chapter 2 “The Uses of Sidewalks: Safety” in *The Death and Life of Great American Cities* (New York: Modern Library, 1993 [1961]): 37-71.

(Wednesday, September 16)

4. Shifting Platforms: Aruna Roy, Village Action, and the Right to Information

Case: Aruna Roy and the Birth of a People’s Movement in India (Draft May 28, 2009)
case by Kenneth Winston

Case Questions:

- 1) What considerations led Roy to leave the prestigious and powerful IAS?
- 2) What does she lose as a social change agent in moving from the organizational “platform” of the IAS to work in civil society organizations? What does she gain? Is this a good choice for her, for anyone?
- 3) How important is Roy’s vow of poverty and commitment to “living simply?” Why is this choice important or unimportant?

Readings:

Jenkins, Rob and Anne Marie Goetz. "Accounts and Accountability: Theoretical Implications of the Right-to-Information Movement in India." *Third World Quarterly* 20.3 (1999): 603-22.

Reading Questions:

- 1) What is the goal of the MKSS? How does information relate to social justice in their view?
- 2) What is their method for making information available to villagers? What obstacles face information campaigns?
- 3) How does information contribute to social action in the MKSS model? What are the other factors, other than just information, that produce social action?

(Monday, September 21)

5. Developing a Public Narrative of Self, Us, and Now

[Marshall Ganz]

II. Techniques for Sparking Change: Spotting Opportunities/Developing Plans

(Wednesday, September 23)

6. Developing and Testing Value Propositions (I): Diagnosing Social Problems, Searching for Leverage

Case: National Campaign to Prevent Teen Pregnancy (HBS Case #9-300-105)

Case Questions:

- 1) Is “teen pregnancy” a “social problem”? What do you think is implied by the claim that it is a social problem? Who gets to nominate a particular feature of social life as a social problem? Is there some kind of system or process that selects some conditions to be viewed as high priority social problems and others as less important? How does this system work?
- 2) According to the case, Isabel Sawhill is “convinced” that “reducing teen pregnancy was one of the most highly leveraged ways to reduce child poverty and other related social problems.” What do you think she means when she describes efforts to reduce teen pregnancy as “highly leveraged”? What evidence do you think she is relying on to make this claim?
- 3) What is the National Campaign’s basic idea (its “theory of value creation” or “value proposition”) about how and why its actions should be expected to reduce the teen pregnancy rate? Is it searching for the most effective means for reducing teen pregnancy in the expectation that it will then put its full support behind the programs that work? Or, is it interested primarily in building a broad political movement behind the goal of reducing teen pregnancy without worrying too much about the particular means used to achieve the goal?
- 4) The National Campaign seems to be quite focused on trying to improve its effectiveness. What is your judgment of their efforts to develop a “performance” orientation? Are they using the right measures, or would you suggest different measures?

Readings:

Mark H. Moore, Social Problem-Solving

Eugene Bardach, *The Eight Step Path of Policy Analysis (A Handbook for Practice)* (Berkeley, CA. Berkeley Academic Press. 1996) pp. 1-34

Mark H. Moore, *What Sort of Ideas Become Public Ideas* in Robert Reich, ed. *The Power of Public Ideas* (Cambridge, Mass. Ballinger Press, 1988) pp. 55-85

Questions for the Readings:

- 1) What is the relationship between the techniques of policy analysis and design as outlined by Bardach, and the technique that social catalysts could use to assess the social significance of finding a method of dealing with some important social problem? Is the underlying logic similar or different?
- 2) Moore argues that only certain kinds of ideas become powerful ideas. To what extent do you think the idea of “reducing teen pregnancy” has the qualities that could make it a powerful social idea? Consider some alternative ways of defining the problem to which Sawhill and her colleagues seek to solve. Are there some ideas that are potentially more powerful?

Monday, September 28

7. Developing and Testing Value Propositions (II): Positioning Organizations in “Problem Spaces”

Case: The Harlem Children’s Zone (HBS Case #9-303-109)

Case Questions:

- 1) What is the key value proposition that is now guiding the actions of Harlem Children’s zone? How plausible do you think it is? What evidence do we have that the value proposition is correct? Is it an argument based on fact, on logic, or on ideology?
- 2) Do you think the value proposition being advanced and tested by the Harlem Children’s Zone is a scalable idea? How can the enterprise grow? What will be the principal constraints to scaling up?

Readings:

Susan Colby, Nan Stone, Paul Carttar, “Zeroing in on Impact” Stanford Social Innovation, Fall, 2004

Mark H. Moore, A Feasibility Estimate of a Policy Decision to Expand Methadone Maintenance Public Policy, vol. 26. No. 2 (Spring, 1978) pp.286-304

Reading Questions:

- 1) A “market opportunity” in the private sector consists of a group of individuals with desires and needs that could be satisfied by a product or service offered by a producing firm at a price that those potential customers would be both able and willing to pay. How would one describe the nature of the “social opportunity” that is the distinctive focus of a social entrepreneur? To what extent is that opportunity defined by the desires and needs of a particular group of individuals considered particularly needy and deserving? To what extent is that opportunity defined by some concept of a social problem that needs to be ameliorated? How do some social conditions get identified as social problems that should be addressed even if the individuals benefited from the solution cannot pay for the solution? How do some individuals get identified as being needy or deserving of help from third parties of one kind or another?

- 2) To exploit a market opportunity in the private sector, entrepreneurs must figure out a way to produce a product or service that potential customers will buy at a price that will more than cover the costs of production, and find a way to attract their attention to the product and service and get it into their hands. To exploit a social opportunity, a social entrepreneur has to either figure out a way to produce a product or service that meets the desires and needs and deserts of a particular group of individuals whom he does not plan to charge the full price of the service, or to achieve some desired social outcome. If the problem is to figure out how to produce some desired social outcome, or the amelioration of some social problem, the entrepreneur has to think a little less like a commercial entrepreneur positioning a product or service in a world of individual need, and more like a (gasp) social engineer who is trying to find some point of leverage that could be used to produce the desired social outcome. One way to think about this is that the social entrepreneur has to position his organization in something that could be called “social problem space” rather than “market space.” The social entrepreneur has to figure out actions taken by the organization they plan to create can materially alter the social conditions they seek to change. There are often many choices about how best to alter some social condition. Success in social entrepreneurship means finding concrete actions a social enterprise can take that will alter those conditions in the most significant ways. What analytic techniques beyond those required in marketing analysis, or competitive strategy analysis, are required to figure out how a social entrepreneur could produce the greatest impact on a problem? Does the social entrepreneur have an obligation to make the determination of the best possible way of proceeding? Or is it enough that he or she has a plausible idea about something that could make some difference? What would the process of product development and market testing look like in this world? What would potential investors want to know?

- 3) In the essay on the feasibility of expanding methadone maintenance, Moore takes two key analytical steps. One is to look at particular features of the program that is described as a “methadone maintenance program,” and try to make judgments about which programmatic elements are particularly important to achieving the desired results. The second is to look at the degree to which the particular elements of the program present special challenges when the pro-

gram is scaled up. What would a feasibility analysis of the program being tested and advanced by the Harlem Children's Zone look like?

(Wednesday, Sept. 30)

8. Developing and Testing Value Propositions (III): Organizing for Economic and Social Advantage

Case: Other People's Garbage: Brazil's Waste Pickers Struggle for Income, Solidarity, and Respect

[video segment to be shown at beginning of class]

Case Questions:

- 1) Waste pickers pursue a variety of value: income, social status, self-government. Are there trade offs between these values?
- 2) There are complicated relationships between different kinds of organizations in this case: small cooperatives, networks of cooperatives, the local state, national state. Draw a figure depicting, as best you can, the relationship between the different organizational actors in this case.
- 3) What is the "public value" that is captured by the organization of the waste pickers and the creation of a public policy that benefits those organizations?
- 4) The democratic self-management of cooperatives seems to be important to the waste pickers. Is the cooperative structure, as opposed to a more conventional hierarchical form of organization, a help or obstacle to the goals of the waste pickers?
- 5) What is, and what should be, the relationship between city authorities — such as those charged with maintaining streets and sanitation — be to the waste pickers?

Readings:

Offe, Claus, and Helmut Wiesenthal. "Two Logics of Collective Action" in *Political Power and Social Theory* 1 (1980): 67-115.

Reading Questions:

- 1) Earlier in this class, we have encountered the problem of collective action and the role of the political entrepreneur in solving collective action problems. Constructions such as the "prisoners dilemma" and "assurance games" are highly abstract. What, if

- anything, does the more “sociological” approach to collective action of Offe and Wiesenenthal add to these abstractions.
- 2) The central claim of Offe and Wiesenenthal is that individuals with different social positions (workers, capitalists) face fundamentally different kinds of collective action problems. Why do they think it is far more difficult for workers to act collectively than for capitalists? Are they right?
 - 3) Offe and Wiesenenthal argue that workers must agree on what interests they hope to advance through organization — they must alter their very identities — and that this makes their collective action quite difficult. Did the waste pickers have to reach such agreements and reinvent themselves in order to organize? How difficult was this?

(Monday, October 5)

9. Strategy in the Public Sphere (I): The Strategic Triangle **MHM**

Case: Prison Fellowship (A) (KSG Case # C16-99-1517)

Case Questions:

- 1) Imagine yourself as a Board Member of the Prison Fellowship attending the meeting at which the decision about whether to go ahead with the APAC Program. Make up your mind about how you would vote. Be prepared to give a 3 minute explanation for why you are voting as you are.

Readings:

Mark H. Moore, *On Creating Public Value: What Business (And Non-Profit Organizations) Might Learn from Government About Strategic Management*

Reading Questions:

- 1) Michael Porter’s model of competitive strategy has become the dominant idea of strategy in the private, commercial sector. That model does not have anything in it that looks much like the “legitimacy and support” circle that is so prominent in the strategy model developed for government managers at the Kennedy School. Why do you think that is true? Do private commercial companies not need “legitimacy and support” to survive and flourish? Where do private commercial firms get their “legitimacy and support” from?
- 2) Why is legitimacy and support particularly important to government agencies? How about non-profit organizations? Is it just that both of these organizations are at least

partially dependent on “third party payers” as well as investors and customers for financial resources? Or, is there something more? Does it matter that both government and nonprofit organizations claim to be producing something that is publicly and collectively valued rather than privately and individually valued?

(Wednesday, October 7)

10. Strategy in the Public Sphere (II): Strategic Triangle (II)

Case: California Legal Services, Inc. (A) and (B), HKS Case #C24-75-009 and #C24-75-10

Case Questions:

- 1) There are three models of public legal services presented in the case: client services, law reform, and lawyer-organizer. What is the public value proposition of each of these models and how do they differ from one another?
- 2) David Goldman clearly believed in the lawyer-organizer model and wanted to try it out. Was California Legal Services a good platform for him? What were the pros and cons of CLS as a platform for Goldman?
- 3) What were the organizations that constituted the “authorizing environment” for CLS. How did Goldman and his colleagues attempt to create sufficient space in this authorizing environment for them to implement their lawyer-organizer model of legal services? What were the most serious constraints and challenges in their authorizing environment?
- 4) What were the resources available to CLS? In what ways did these resources fit and not fit the lawyer-organizer strategy? What did Goldman and his associates do to improve the character of the resources available to them?

Readings:

Cole, Luke W. “Empowerment as the Key to Environmental Protection: The Need for Environmental Poverty Law.” *Ecology Law Quarterly* 19.4 (1992): 619-83.

Reading Questions:

- 1) Luke Cole argues that traditional law reform and client service legal strategies may be *bad* for poor people, not just inferior as a strategic matter. How could they be bad for poor people? Is he right?
- 2) What is the basic idea and distinctive elements of legal strategy that empowers poor people?

3) How does this empowerment strategy differ from other views of social entrepreneurship?

4) How does one know if s/he is empowering successfully?

Monday, October 12: NO CLASS — Columbus Day

(Wednesday, October 14)

11. Building Legitimacy and Support (I): Public Narrative

Guest Speaker, Marshall Ganz

Readings:

(Monday, October 19)

12. Building Legitimacy and Support (II): Using the Law to Secure Social Change: Was *Roe v. Wade* a Good Thing for Pro-Choice?

Readings:

Gerald Rosenberg. "Introduction" and Chapter 6 "Transforming Women's Lives? The Courts and Abortion" in *The Hollow Hope: Can Courts Bring About Social Change* (Chicago: University of Chicago Press, 1991): 1-8; 175-201.

Mark Tushnet. Sections I and II of "Rights: An Essay in Informal Political Theory" in *Politics and Society* 17.4 (Dec 1989): 403-415.

Archon Fung. "Making Rights Real: *Roe's* Impact on Abortion Access." *Politics and Society* 21.4 (1993): 465-504.

Reading Questions:

1) What are the reasons to think that abortion access would have been widely available in the 1970s and 1980s *even if* the Court had not rendered an affirmative decision for a woman's right to choose in *Roe v. Wade*?

2) In his article, Mark Tushnet offers three arguments against social change through legal/constitutional rights. One of these is that legalization of reform is political debilitating. What is this argument? Is he right in the case of *Roe*? Why or why not?

- 3) Gerald Rosenberg argues that the Court is less attractive than many think as a vehicle for social change. Why does he think this? Do you agree?

(Wednesday, October 21)

13. Building Legitimacy and Support (III): Social Marketing, Political Mobilization and Political Campaigning

Case: GoodGuide: Daniel Goleman. "Full Disclosure" in *Ecological Intelligence: How Knowing the Hidden Impacts of What We Buy Can Change Everything* (New York: Broadway Books, 2009): 83-100.

Case Questions:

- 1) Go to GoodGuide.com [disclosure: Archon Fung is an advisor to GoodGuide] and look up a product that you regularly use. Can you envision this tool, or one like it, altering your purchasing decisions? Why or why not?
- 2) What is GoodGuide's public value proposition? Do you think this proposition is correct? What are the most likely ways that it is incorrect?
- 3) GoodGuide is incorporated as a for-profit corporation. It is financed principally through venture capital. What are the advantages and disadvantages of the for-profit platform for this enterprise, as opposed to a non-profit platform?
- 4) What are the largest barriers to GoodGuide becoming successful?

Reading:

Archon Fung, Mary Graham, and David Weil. Chapter 4, "What Makes Transparency Work" in *Full Disclosure: The Perils and Promise of Transparency* (New York: Cambridge University Press, 2007): 50-105.

Reading Questions:

- 1) What does it mean for a transparency policy or system to be "effective."
- 2) Think of various information policies and systems that you encounter in your own life. Which ones change your behavior and which ones do not? Do any of them actually make you behave in ways that are bad for you or bad for society?
- 3) What is the "action cycle" of transparency?

- 4) Do you think that GoodGuide's information efforts will be effective, in light of the "action cycle" analysis?

(Monday, October 26)

14. Building Legitimacy and Support (IV): Sustaining the Flow of Material Resources to the Enterprise

Case:

(SKIM) The Americorps Budget Crisis of 2003 (A): Why the National Service Faced Cutbacks and How it Responded? ;

(READ) The Americorps Budget Crisis of 2003 (B): Why the National Service Faced Cutbacks and How it Responded? (B).

Case Questions:

- 1) What do you think CEO Les Lenkowsky should do to stay within his authorized spending limits? Should he virtually halt new hiring under the program, as the GAO deems necessary to avoid a "budget deficiency" that could result in criminal prosecution of him and his staff? Should he cap program hiring at 30,000 as OMB suggests? Or, should he ask OMB for authorization to seek additional funds from Congress, and hope that there is enough political support to secure the additional funding?
- 2) What resources do you think are necessary to sustain the Americorps Program over the next decade or so? Do you think they can meet the demand for the program from volunteers, or will they have to ration spaces in the program? If they have to ration spaces, how can they do so?
- 3) Why does a program based on the mobilization of volunteers need so much money to operate?
- 4) Is there a Democratic and a Republican way of organizing national service and volunteering? If so, what are the differences in approach?
- 5) Is there any way that the program can be less politicized? If so, how? Does the formation of the Save Americorps Coalition further politicize the program? Is that good or bad?

Readings:

Tapping Financial Resources: Lessons from Social Entrepreneurship (Excerpted from: John Elkington, Pamela Hartigan, *The Power of Unreasonable People: How Social Entrepreneurs Create Markets that Change the World*) Cambridge, Mass: Harvard Business Press, ISBN-13:978-1-4221-8031-0, 8027BC

Reading Questions:

- 1) To what extent do social change organizations need money to achieve their objectives? What, if anything, is the problem of relying primarily on voluntary efforts of various kinds? What difficulties arise once money is brought into the organization and begins to shape its operations?
- 2) In general, what are possible sources of funding to organizations that seek to make social changes? Are there reasons to prefer some forms of funding over others? What are these?
- 3) To what extent do social change agents have to become skilled cost accountants and financial managers as well as charismatic social leaders?

III. Techniques for Creating Social Change (II): Pathways to Scale, Sustainability and Long Term Impact

(Wednesday, October 28)

15: Social Change (I): The Drivers of Social Change -- Human Desires, Social Conditions, Institutional Salients, and Points of Leverage

Case: Mohammed Yunus and the Grameen Bank (B, C, D)

Case Questions:

- 1) Who has owned and operated the Grameen Bank? For what purposes has it been operated? How were those purposes set? To whom were the leaders and managers of Grameen Bank accountable?
- 2) Has the Grameen Bank acquired equity over the years it has been operating up until 1983? By how much has its equity value increased do you think? Who do you think owns this equity? Does the equity give the owners financial claims on the organization? Does it give them control over Grameen's operations, and the distribution of financial returns?
- 3) What should the bargaining position of the Government be with respect to Grameen's proposal to go independent? Should they let it go, or not? Should they charge a price to Grameen, give it away free, or continue to subsidize it? What should Yunus and Grameen want? Why?
- 4) To best serve Yunus' goals, as you understand them, should the Grameen bank be incorporated as a for-profit or not-for-profit corporation? What real difference does this make?
- 5) How should Yunus construct the governance structures and processes of Grameen to ensure that it continues to be for the poor who are its principal clients and beneficiaries?

Readings:

Alice Oberfield and J. Gregory Dees, "Note on Starting a Nonprofit Venture" (Harvard Business School #9-391-096)

Reading Questions:

- 1) All societies make rules about the kinds of collective associations and organizations they will recognize as distinct social actors. By a distinct social actor I mean an entity

that can be recognized in courts as something that own assets, can make binding contracts with others, and takes actions that can produce consequences for others for which they can be held legally accountable. This is a necessary feature of a society that wants to be able to hold particular actors accountable for their actions in courts of law. For their part, individuals who want to create a collective enterprise have reasons to want to create social entities that can be distinguished from them as individuals. The main one being they would like to be able to depersonalize and collective their liability for the actions of the collective enterprise they are creating. But they would also like the organization to live on beyond their lives, and/or to be sold to others. Many societies make a distinction between for profit organizations on one hand, and nonprofit organizations on the other. What are the important distinctions among these different kinds of organizations? Are the most important distinctions legal or behavioral? What considerations should an entrepreneur have in mind when choosing to embrace a particular legal organizational form?

2) Legal form is one important feature of an organization. But this alone says relatively little about the structures and processes an organization will use to govern itself. These structures and processes are typically written into the founding documents of a collective enterprise. At a minimum, organizations have to name their officers – those individuals who act for the organization. They also have to give an address where they can be reached. Beyond that, organizations are pretty free to choose any structure and process of governance they want. They can choose a corporate form of governance with a small board, and a great deal of executive authority concentrated in the hands of a CEO. Or, they could choose to become a broad membership organization with both ownership of assets and decision rights within the organization broadly distributed across a large number of individual organizational stakeholders. What considerations should an entrepreneur have in mind when considering a particular structure and process of organizational governance?

3) How can one estimate the economic or social value of an organization? If a private, nonprofit organization has, over time, generated a significant amount of economic equity, who owns that equity? If the organization is sold to a for profit organization, should the public be compensated for the investment it made in the organization? If a publicly supported organization is spun off to become a private for profit or non-profit organization, how much should it have to pay the government for the initial public support?

(Monday, Nov. 2)

16. Social Change (II): Obstacles to Change – The Power of the Status Quo (I Will Make Selections from Goldsmith Materials at end of Weekend Before I leave on Trip)

Case: *Case: Aspire Public Schools: From 10 Schools to 6 Million Kids* (Cambridge, Mass.: Bridgespan, 2005)

Case Questions:

- 1) What do you think of the strategic calculation that Aspire has made about how they might best operate to catalyze a significant change in the California Public Schools? What are the strengths and what are the weaknesses of the strategy on which they are relying?
- 2) Who constitutes the customer or the market for transforming public education in California? What is it they want to buy?
- 3) Where does the government fit into Aspire's plans? What is the model of government, or school board decision-making that Aspire is relying on when they make their calculations about how best to produce system change? How do they think government makes decisions about authorizing particular innovations in public schools, or in spending government money?

Readings:

Goldsmith, *Networked Government*, Sections TBD

Goldsmith, *New Book*, Sections TBD

Moore, *Manifesto on Managing System Change in the Social Sector*

Reading Questions:

- 1) One of the important claims made about social entrepreneurship is that it is capable of catalyzing a system change. What are the principal ways that a social entrepreneur can actually succeed in catalyzing a system change in sectors that are dominated by both public financing and public regulation such as the public school system?
- 2) What different roles does the government play in creating the conditions under which social entrepreneurs can be effective in producing social innovations, and bringing them to scale? What does government do to discourage social entrepreneurship? What does it do to encourage it?
- 3) What could social entrepreneurs accomplish if government was indifferent or hostile to their efforts? Where would they have to go for required funding? Would they have a problem with social legitimacy and acceptance?
- 4) What can social entrepreneurs offer to government that can help the politicians and government managers who are now making choices about how to use government authority and money? What will they want in return?

Special Visitor: Steve Goldsmith

(Wednesday, Nov. 4)

17. Using Markets and Market Forces to Make Social Change (I):

Case:

A Model of Clean Energy Entrepreneurship in Africa: E+CO's Path to Scale (Richard Ivey School of Business, The University of Western Ontario)

Case Questions

Readings:

Schumpeter, Joseph A., *The Theory of Economic Development*, Harvard University Press: Cambridge, 1961. Pp.74-94

Drucker, Peter F., *Innovation and Entrepreneurship: Practices and Principles*, Harper & Row Publishers: New York, 1985. Introduction and Chapter 1.

Stevenson, Howard H., "A Perspective on Entrepreneurship," Apr. 13, 2006. HBS Case no. 9-384-131.

Prahalad, C. K. and Hammond, Allen, *Serving the World's Poor, Profitably* Harvard Business Review September, 2002 pp. 4-11

Reading Questions

(Monday, Nov. 9)

18. Using Markets and Market Forces to Make Social Change (II):

Case: LISC: Issues in Assessing the Impact of Social Investment (Kennedy School of Government Case # 1370.0)

Case Questions:

- 1) What social or public value is LISC trying to create?
- 2) What is the logic model, or idea about a value chain, that they are relying on to create that value?

3) How could one measure the degree to which LISC has been successful in creating that social or public value?

4) How important is it for LISC to be able to demonstrate objectively that any improvements in social conditions can be attributed to its operations? What burden does that place on the development of measurement systems?

Readings:

Moore, On Social Entrepreneurship

Moore, Recognizing Public Value: The Challenge of Measuring Performance in the Public Sector, Chapter 1

Reading Questions:

1) Why can't financial systems perform the same vital role in assessing the value creating performance of non-profit organizations that they can in the private sector?

2) What would private sector managers have to do to assess the value creating performance of the organizations they led if they could not have information about the revenues they earned through the sale of the goods and services they produced?

3) One way to think about the problem of "recognizing social or public value" is that it is merely a technical problem. All we have to do is find some way to impute value to effects that occur in society, and matter to individuals living in the society, but do not necessarily pass through markets where their value can be registered in explicit exchanges. The most common idea is that we should find some way of determining an individual's willingness to pay even when we can't observe them taking this action. The alternative idea is that the problem is not just that we can't see individuals valuing goods and services in markets, but that individuals are not necessarily the right "arbiter" of social or public value; the right arbiter of social or public value should be a collective, or at least an individual acting on an individually held view of what would be good for the collective, rather than individuals deciding what they want for themselves. Which seems more accurate to you?

(November 11 – No Class Veterans Day)

(Monday, Nov. 16)

19. Using Politics and Political Forces to Make Social Change (I):

Case: Kmart Union in Greensboro Fights for a Contract (A) and (B) HKS Case #C15-00-1603.0 and #C15-00-1604.0

Case Questions:

- 1) ACTWU and the Pulpit Forum are organizations that in different ways claim to advance the interests of workers at the Kmart distribution center in Greensboro. In what ways do these two organizations represent well and fail to represent the interests of workers?
- 2) Is unionization a good thing for workers in Greensboro? For Greensboro overall?
- 3) Was the disruption of the Greater Greensboro Open golf event (in the (A) case) strategically wise? What would have made this action more effective?
- 4) What was the effect of the Pastor's civil disobedience (in the (B) case) on the Kmart negotiations? Who are the different actors that figure, both in the foreground and background, of this negotiation and the drama around it?

Readings:

Richard Freeman and James Medoff. Chapter 1 "A New Portrait of U.S. Unionism" and Chapter 15 "The Slow Strangulation of Private Sector Unions" in *What Do Unions Do?* (New York: Basic Books, 1984): 3-25.

Reading Questions:

- 1) What are the two faces — monopoly and collective voice — faces of unionism?
- 2) Evaluate the arguments that unions help or hurt (i) efficiency and (ii) the distribution of income. What do you believe?
- 3) What are the competing explanations for the decline of private sector union density in chapter 15? What do you think killed U.S. unionism?

Further Reading [not provided]:

Marshal Ganz. "Why David Sometimes Wins: Strategic Capacity in Social Movements" in David M. Messick, Roderick Moreland Kramer eds., *The Psychology of Leadership: New Perspectives and Research* (Lawrence Erlbaum Press, 2004): 215-250.

Voss, Kim, and R Sherman. "Breaking the Iron Law of Oligarchy: Union Revitalization in the American Labor Movement 1." *American Journal of Sociology* 106.2 (2000): 303-49.

(Wednesday, Nov. 18)

20. Using Politics and Political Forces to Make Social Change (II): State, Society, and Social Change: Kerala, India

Case:

Patrick Heller and T.M. Thomas Isaac, "The Peoples' Campaign for Democratic Decentralization" in Archon Fung and Erik Olin Wright eds, *Deepening Democracy: Innovations in Empowered Participatory Governance* (London: Verso Press, 200x): 77-110.

Case Questions:

- 1) What are the important institutional design elements of the People's Campaign for Democratic Decentralization?
- 2) T.M. Thomas Isaac had a "big bang" theory of design. Instead of making sure that there was local democratic capacity before devolving control of resources, he thought that resources should be devolved first, and then capacity will come. What do you think of the big bang proposition?
- 3) Is this kind of local participatory planning a good strategy for development? Why or why not?
- 4) Is this kind of local participatory planning good for equality and social inclusion [for women, for low status individuals in scheduled castes/tribes]? Why or why not?

Readings:

Heller, Patrick, KN Harilal, and Shubum Chaudhuri. "Building Local Democracy: Evaluating the Impact of Decentralization in Kerala, India." *World Development* 35.4 (2007): 626-48.

James Scott, *Seeing Like a State* [cautionary tales about top-down change], *selections TBD*

Reading Questions:

1) Do you accept the evidence that the Peoples' Campaign has created large and valuable social change?

2) More participatory forms of decision-making are often thought to be less efficient and effective. What are the arguments for the decentralization strategy of the Peoples' Campaign being more effective than top-down forms of decision-making? Do you accept these reasons or reject them?

3) What is James Scott's notion of metis? He observes that many state directed efforts at social change destroy metis and have disastrous consequences. Does the state-directed People's Campaign fall into this trap, or avoid it? Why?

(Monday, Nov. 23)

21. Private Money for Public Change: Two Models of Philanthropy

Readings:

Covington, Sally. *Moving a Public Policy Agenda: The Strategic Philanthropy of Conservative Foundations* (National Committee for Responsive Philanthropy, July 1997).

Venture Philanthropy Partners. Selections from *High Engagement Philanthropy: A Bridge to a More Effective Social Sector* (March 2004): 7-22, 55-72.

URL: <http://www.vpppartners.org/learning/reports/report2004/report2004.pdf>

Reading Questions:

- 1) Sally Covington argues, to use a term latter developed by Sidney Blumenthal, that conservative philanthropy amounts to a vast "right wing conspiracy." Are the philanthropic strategies that allegedly support this policy network? Do you accept her argument?
- 2) She characterizes mainstream liberal philanthropy as "pragmatic." What are the characteristics of this liberal pragmatic philanthropy?
- 3) Does the venture philanthropy strategy articulated in "High Engagement Philanthropy" escape the problems with liberal-pragmatic philanthropy? Is venture philanthropy attractive as a social change strategy?
- 4) With enough philanthropic resources, would it be possible to use the strategies that Covington identifies to create a vast "left wing conspiracy?" Or, are there asymmetries between the two broad agendas (e.g. reducing the size and scope of government versus developing government that works in egalitarian and effective ways) that make it impossible to apply the conservative philanthropic strategies?

- 5) If you had \$100 million as a philanthropist interested in sparking social change, would you invest it in “moving a public policy agenda” using the strategies described by Covington or in a venture strategy such as that described in the VPP report?

Further Reading [not provided]:

Jeff Krehely, Meaghan House and Emily Kernan. *Axis of Ideology: Conservative Foundations and Public Policy*. (National Committee for Responsive Philanthropy, March 2004).

Sidney Blumenthal, *The Rise of the Counter-Establishment: The Conservative Ascent to Political Power* (original 1986, new version: Union Square Press, 2008).

T Medvetz, The Strength of Weekly Ties [On Grover Norquist and Americans for Tax Reform], *Politics & Society* 2006.

(Wednesday, Nov. 25)

22. Using Governmental Innovation to Make Social Change (I):

Readings on Community Policing:

Wilson, James Q., and George L. Kelling. “Making Neighborhoods Safe: Sometimes “Fixing Broken Windows” Does More to Reduce Crime Than Conventional “Incident-Oriented” Policing.” *The Atlantic Monthly* 263.2 (1989): 46-52.

Archon Fung. Selections from Chapter 2, “Down to the Neighborhoods” in *Empowered Participation: Reinventing Urban Democracy* (Princeton, 2004): 44-56; 63-68 (read sections 2.4-2.8; 2.10-2.11).

Goldstein, Herman. “On Further Developing Problem-Oriented Policing: The Most Critical Need, the Major Impediments, and a Proposal.” *Crime Prevention Studies* 15 (2003): 13-47.

Sparrow, Malcom K, Moore, Mark, et al. Chapter 3 “Beyond the Modern Major General” of *Beyond 911: A New Era for Policing*. (New York: Basic Books, 1990): 58-94.

Reading Questions:

- 1) Why did police departments all look the same, despite high decentralization and autonomy, by 1970?

- 2) In the 1980s, police reformers had very different notions of how to reinvent policing. What is the difference between the problem-oriented, broken-windows, and community-centered versions described in the readings?
- 3) Which strategy is most likely to result in substantial valuable social change? What is the value proposition?
- 4) Which strategy (if any) were/are police departments most likely to adopt?

(Monday, Nov. 30)

23. Building Cross-Sector Collaborations to Make Social Change:

Case: Broadmoor Lives! A New Orleans Neighborhood's Battle to Recover from Hurricane Katrina (A, B, Sequel) HKS Case #1893.0, 1894.0, 1894.1

[Broadmoor Lives! slideshow to be shown in class]

Case Questions:

- 1) Before Hurricane Katrina, was the Broadmoor neighborhood a place of high or low social capital? Was it well organized or not?
- 2) What are the different factions of neighbors in the Broadmoor neighborhood? What are their "natural" conflicts of interest?
- 3) Who were the leaders of the Broadmoor neighborhood? What capacities and resources did each bring to the effort?
- 4) What are the important steps in the processes that leaders designed to bring residents back to the neighborhood and to involve them in rebuilding efforts?
- 5) The Broadmoor Improvement Association formed many partnerships with organizations outside the neighborhood that brought critical resources of various kinds. Who were these partners? What made the BIA attractive as a partner for these outside entities?

Reading:

Xavier de Souza Briggs. Introduction [selections] and Chapter 2, "Democracy and Public Problems" of *Democracy as Problem Solving: Civic Capacity in Communities Across the Globe* (Cambridge: MIT Press, 2008): 3-17; 27-45.

Reading Questions:

- 1) What, if any, is the difference between civic capacity and social capital?

2) What distinguishes Briggs' problem-solving notion of democracy compared to what he calls pluralist and deliberative notions of democracy?

3) What are the reasons to think that democratic [participatory, inclusive, accountable] public action will be effective? Do you accept any of these reasons?

(Wednesday, Dec. 2)

24. Building Hybrid Organizations to Make Social Change (I will complete this section at end of weekend, before I leave for trip)

Case: Grameen Bank: