Sustainable Business & The New Economy
Opportunities and challenges for creating a just and equitable future

Spring 2017 Syllabus 6.1 Revised 12/15/16

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Office hours: By appointment before class
Office Location: Nearest coffee shop
Class Schedule: Thursdays 5pm-8pm, 1/26-5/4

Course Overview
Sustainability and Business, taught by Jeffrey Hollender, co-founder and former CEO of one of the most successful sustainable brands – Seventh Generation – explores the future of sustainability and sustainable business, the role business plays in concentration of money and power, and how “net-positive” business can contribute to a world of greater justice, equity, and wellbeing.

This course will focus on four central questions:
1. How does our understanding of sustainability need to evolve to create a future of health and wellbeing, a future that is regenerative rather than simply sustainable?
2. What historic, legal, policy, and political factors contributed to shaping the current business environment? Why is business obsessively focused on short-term results and has incentivized behavior that is dangerous and destructive for its long-term survival?
3. What role can business play in moving us towards a new economy, an economy driven by a regenerative understanding of wealth and happiness, equity, and justice that insists on a systems based, long-term point of view?
4. As social entrepreneurs, how do we build and manage organizations that contribute to these goals?
This class assumes that in some manner you desire to be an active contributor to a just, equitable, and regenerative world. That is my definition of a “social entrepreneur.” The course is committed to equipping you to be more effective in that pursuit.

**Class Format**
The class will combine theory with the exploration of the real challenges we face and how each of us can play a role in shaping a more sustainable future. Class time will be spent in active dialogue and debate, informed by readings, current events, and outside speakers.

**Readings**
There is no required textbook for this course, though a diverse and ambitious set of readings will be required.

**Evaluation**
a) Class Participation (35%)

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<tr>
<th>Evaluation Criteria (from lowest to highest)</th>
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<tr>
<td>1</td>
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<tr>
<td>• Present, not disruptive.</td>
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<td>• Demonstrates very infrequent involvement in discussion.</td>
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<td>• Demonstrates adequate preparation: knows basic case or reading facts, but does not show evidence of trying to interpret or analyze them.</td>
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<td>• Offers straightforward information (e.g., straight from the case or reading), without elaboration or very infrequently (perhaps once a class).</td>
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<td>• Does not offer to contribute to discussion, but contributes to a moderate degree when called on.</td>
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<td>• Demonstrates sporadic involvement.</td>
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<tr>
<td>• Demonstrates good preparation: knows case or reading facts well and has thought through implications of them.</td>
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<tr>
<td>• Offers interpretations and analysis of case material (more than just facts) to class.</td>
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<td>• Contributes well to discussion in an ongoing</td>
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Class participation will be evaluated in terms of responses to specific questions and assignments but most importantly the quality of your dialogue and the questions you pose in class.

b) Research & Writing Assignments (35%)
Research and writing assignments will be focused in the following areas:

1. Selecting a system and articulating how it functions.
2. Through your analysis of a leading edge company, that is committed to responsible business, you’ll be asked to determine which systems and practices they have put in place that have made the greatest positive impacts and where they have failed to solve critical challenges.
3. Each student will also be asked to research a structural aspect of the system that shapes business behavior to determine where the most significant barriers to a regenerative economy lie. These may include
the legal system, tax and accounting codes, government incentives and subsidies, human resource policies, finance practices, or compensation strategies.

The perspective that will emerge from the diversity of research projects described above will build a broad and holistic perspective for the class.

c) Final Project (30%)
The final group project will give each student a chance to work alone or in small groups of 2 – 3 students to define in no more than 10 pages a practical social or economic strategy to effect a significant change that will accelerate our progress toward an equitable, just and resilient future. A summary of each paper will be presented to the class.

Learning objective: Demonstrating skills for researching, strategizing, influencing, and implementing systemic change.

Week by Week

Session 1: Sustainability & Business – January 26
The opening session will discuss:
- Goals of the class – overview
- Writing assignments
- Overall grading
- Readings

At the opening of each class all students will be asked to share with the class something that happened in last week’s news that’s relevant to our class and explain why.

Learning objective: Sustainable leaders value news as a tool for civic engagement and that seeking out objective, novel, and differing points of view is important. Development of this competency begins with awareness of current news consumption behaviors. Optional Reading: [http://www.pewinternet.org/2010/03/01/understanding-the-participatory-news-consumer/](http://www.pewinternet.org/2010/03/01/understanding-the-participatory-news-consumer/)

Can you differentiate between objective news sources and point of view articles? Do you select articles that match your point of view or do you seek out points of view that differ from your own?
• **Rules:** No use of electronics in class, take notes with a pen & paper. What it means to be present.
• I don’t know all the answers – help me get better at what I do as I help you.
• My blog: [http://www.jeffreyhollender.com/?page_id=33](http://www.jeffreyhollender.com/?page_id=33). If you want to know what’s on my mind read it!
• Reading other relevant blogs:
  o [http://www.environmentalhealthnews.org](http://www.environmentalhealthnews.org)
  o [https://www.greenbiz.com/](https://www.greenbiz.com/)
• My spelling
• Photos & name cards
• What to do if you have problems or questions
• Do not miss a class

**Reflective Discussion:**
• What is reflection? What is a reflective discussion? Why is it an important capability for a sustainable leader?
• Come prepared to present why you selected to take this class, what you hope to learn and what questions you have about the syllabus.
• What “intentions” do you have for the class? What does it mean to be intentional? What intentions might you develop for how you hope to change as a result of the class?

**Presentation:** The story of Seventh Generation as an illustration of sustainable business.
• PowerPoint “My Journey & the History of Seventh Generation”

**Reading for Session 2:**
+ In Our Every Deliberation, Seventh Generation: The Journey Toward Corporate Consciousness by Jeffrey Hollender - Chapter 8: Thinking Like a System
Come prepared to class ready to discuss:
- How a systems framework is different from the way you might normally think.
- What value does it add?
- What does it enable you to see that you might not have seen before?

Session 2: An Introduction to Systems Thinking & Frameworks – February 2

If we can understand the way in which nature works to acquire and store energy, build bridges and tunnels, create community and manage population, then we might get some clues as to what we need to do to create a more sustainable economy. Nature, the ultimate system, is imaginative by necessity, and has already solved many of the problems we are grappling with. Animals, plants, and microbes are the consummate engineers. They have found what works, what is appropriate, and most important, what lasts here on Earth. As Janine Benyus writes, “The conscious emulation of life’s genius is a survival strategy for the human race, a path to a sustainable future. The more our world looks and functions like the natural world, the more likely we are to endure on this home that is ours, but not ours alone.”

Class Discussion:
1. What did you read or see anything in the news this week that relates to systems or systems thinking?
2. We will watch together: Peter Senge: "Systems Thinking for a Better World" - Aalto Systems Forum 2014
   - As you watch, list questions you have about what Senge says.
   - As Senge describes the transformation of Los Angeles, think if you have ever experienced the transformation of a “place” to development?
   - What does Peter Senge mean when he says this will require consciousness?
   - What does he mean when he says a “noun” that describes a thing is not accurate?
   - Afterwards:
     - Can you describe a time when you experienced “interdependence”?
     - What types of awareness are required for the survival of the human race?
     - Other than the collapse of fisheries, can you think of another “tragedy of the commons”?
     - What is systems intelligence?
What does it mean to be a “loving species”?
What have you have learned from nature?
What are the dangers and risks of not approaching things from a systemic point of view?

3. Not using systems thinking: Palm oil story, ethanol, sales vs. marketing

Class exercise in pairs: Less bad vs. “good products”

a. Describe a “good” product

Special Speaker: Jaimie Cloud: Jaimie P. Cloud is the founder and president of the Cloud Institute for Sustainability Education in New York City. The Cloud Institute is dedicated to the vital role of education in creating awareness, fostering commitment, and guiding actions toward a healthy, secure and sustainable future for ourselves and for future generations. Jaimie is a Founder and Principle Partner with Peter Senge of the Society for Organizational Learning’s (SOL) Education Partnership. She is a member of the Advisory Committee of The Buckminster Fuller Institute and a reviewer for the BFI Fuller Challenge. She serves on the advisory board of “The Future We Want” and the National Sustainable Communities Coalition with David Orr and Bill Becker.

Readings for Session 3:
In Our Every Deliberation, Seventh Generation: The Journey Toward Corporate Consciousness by Jeffrey Hollender (only available from Amazon.com) – Chapter 10: The Journey of a Developmental Leader
+ Values Americans Live
By: http://www1.cmc.edu/pages/faculty/alee/extra/American_values.html

Assignment due for Session 3:
Describe a system of your choosing in as holistic a manner as possible in no more than 2–3 pages.
- Don’t pick a big system
- Identify as many of the stakeholders as possible
- Examples of systems:
  - A piece of paper
  - Tom’s shoes
  - A bottle of wine
  - Garbage disposal in Manhattan
Session 3: The Meaning of Life: Our most important framework – February 9

Most of our lives fall within the pre-established patterns we seem to follow over and over. Whether it’s how we respond to each other, read the newspaper, participate in a meeting, or watch a sunset, most of what we do, we do as we have done before. Somehow the possibility of doing it differently doesn’t occur to us. Outside our patterns lies all the possibility. Whether it’s figuring out how to stop global warming, be a better lover, or design a new product, 99% of what is possible, but yet to be, lies outside these patterns.


Class discussion:
- An introduction to Values & Ethics
  - What values do you consider to be core American values?
  - What are core business values?
  - What do you do when you experience a business that does not follow these values?
  - Where do these values come from?
  - Why are values important?
  - What are your core personal values?
  - How aligned are these values with your current behaviors?
  - What changes would be required to bring these behaviors into alignment with values?
  - What is meaningful work? Do we deserve to have it?

Lecture: What’s wrong with America?

Readings for Session 4:
In Our Every Deliberation, Seventh Generation: The Journey Toward Corporate Consciousness by Jeffrey Hollender (only available from Amazon.com) Chapter 3: What is Sustainability

Watch the film “Sustainability” from The Lexicon of Sustainability: http://lexiconofsustainability.com/short-films/

Assignment due for session 4:
Write a short paper, 1-2 pages, that describe your philosophy of life. As you write the paper:
- Reflect on our class discussion.
- Where does your philosophy feel complete and where is it still evolving?
- What were the key influences that shaped it?

Session 4: Redefining the way we think about sustainability – February 16
Our failure to embrace systems thinking has led to a world that compartmentalizes every challenge and opportunity. The absence of definitions and metrics has allowed us to create the illusion of progress as we head ever closer to the edge of the cliff. Sustainability in not about the environment, but about the interrelationship of technology and nature, culture and politics, equity and justice, and how everything we do is endlessly interconnected to everything else. Sustainability starts inside our own being, our frameworks and worldviews. What we see and what we avoid looking at.

**Class Discussion: Sustainability**
- What is sustainability?
- How is sustainability traditionally defined?
- Is that definition based on “systems” thinking?
- If not what’s missing?
- How could it be defined to be “systems” based?
- How does our misunderstanding of sustainability lead to unintended consequences?

**Class Discussion:**
- Discuss your philosophy of life. Each student will read from their paper.
- As you listen to each paper reflect on:
  - What creates happiness and fulfillment?
  - How much is enough?
  - How will you balance your desire for material needs with needs for relationship, community, time to read and reflect, time to travel.....

**Class Discussion:** What is a “good” product?
- What “qualities” should a “good” product have?
- What “qualities” would make a product “bad?”
- Reflect on how you make choices about what products you purchase?
- Do products have values?
- How do you know what they are?
- In pairs of 2 or 3 select what you consider to be a “good” product and prepare to present your thinking to the class.

**Readings for Session 5:**

**Session 5: What is an economy? – February 23**
The economy is a system that provides the framework within which business takes place. That system is both shaped by business and influences and
shapes how business is conducted. An understanding of the economy allows business to strategically navigate through the system. The economy and its system is constantly changing.

Over the last decade a “new economy” has emerged within our traditional, formal economy. The “new economy” presents huge opportunity for new social entrepreneurs. From the sharing economy to crowd-funding, sophisticated barter systems that involve billions of dollars, Anchor Institution based businesses, local economies and alternative currencies; we’ll explore the most important trends that are emerging. We’ll also cover:

- What is an economy?
- What is capitalism?
- What is the new economy?
- Is capitalism compatible with sustainability?
- Economics in a Full World
- Full cost accounting (use graphics)
- The business case for sustainability

Discussion of America Beyond Capitalism
- What’s the fundamental framework of “stalemate & decay” vs. renewal and regeneration?
- Has America consistently become a more equal society?
- How has globalization impacted equality?
- Who controls the nations wealth?
- What are the key tax subsidies given to the middle & upper income Americans?
- How can you rationalize those tax subsidies?
- The concept of liberty
- What structures must be in place to protect individual liberty?
- The difference between big “D” Democracy and little “d” democracy
- What is the value of experience with local government?
- Do corporations have an obligation to serve the public good?

Readings for Session 6:
Selected chapters from Capitalism as if the World Matters, by Jonathan Porritt, Earthscan, 2005: Introduction; Part 1, Chapter 1 Conflicting Imperatives, Chapter 2 Sustainable Development for Real, Chapter 3 Re-engaging with economic Growth, Chapter 4 Unsustainable Capitalism.
+ Economics in a Full World By Herman E. Daly

Session 6: Is Capitalism compatible with Regenerative Business – March 2
Business is challenged by the notion that people might actually be better off by consuming less, and see any such discourse as a direct attack on the self-evident benefits of free market economics. For most business people, this has positioned sustainable development as a potentially dangerous concept that would limit ‘opportunity,’ ‘innovation,’ ‘increased market share,’ and ‘stronger brands.’ Given the dominant role of business in the world today, the ability to reconcile the goals of business with sustainable development is critically important. Is it possible to get the business community to be inspired and motivated to adjust to a world of diminishing resources where fulfillment will not come by the accumulation of more stuff?

Lecture: Economics in a Full World By Herman E. Daly.
- Invited to lecture: Joshua.Farley@uvm.edu

Discussion of Capitalism as if the World Matters
Exercise: Will things in the world get better before they get worse? Why or why not?
- What’s the difference between sustainability and wellbeing?
- The difference between corporate responsibility and sustainable development
- What does the fact that for every dollar spent on aid by wealth countries, $10 is spent on military expenditures, say about our society and it’s priorities?
- Must social justice and equity be considered as part of the discussion of sustainability?
- Why has discussion of sustainability so often ignored social justice and equity?
- What is “biophysical sustainability”?
- The UK Government developed five principles of sustainable development. In what ways are those principles perused and not perused in the US?
- Explain the concept of “overshoot.”
- What’s the difference between absolute and relative wealth?
- Gross Domestic Product “GDP”
- Is capitalism compatible with sustainable development?

Readings for Session 7:
+ Selected chapters from Capitalism as if the World Matters, by Jonathan Porritt, Earthscan, 2005 Introduction. Part 1, Chapter 1 Conflicting Imperatives,
Chapter 2 Sustainable Development for Real, Chapter 3 Re-engaging with economic Growth, Chapter 4 Unsustainable Capitalism.

Session 7: Why Greater Equality Makes Societies Stronger + What’s wrong with America and how can business make it better? – March 9

Discussion of Capitalism as if the World Matters, by Jonathan Porritt

Discussion of The Spirit Level, Why Greater Equality Makes Societies Stronger by Richard Wilkinson & Kate Pickett:
- What is the central thesis of The Spirit Level?
- Does America have a vision of a “better society”? If so how would you describe it?
- Does the concept, “As you get more and more of anything, ... each addition to what you have, contributes less and less to your wellbeing,” make sense?
- Explain the Gini coefficient. One person has everything = 1, everything equal = 0.
- Why do the authors suggest that, “governments may be unable to make big enough cuts to carbon emissions without also reducing inequality”?
- Why does “greater equality make growth less necessary”?
- How does inequality effect bankruptcy rates and why?

Guest Lecturer: An Introduction to the American Sustainable Business Council – David Levine, CEO & Co-Founder

Readings for Session 8:
The ROI of sustainability by Sustainable Brands
+
Creating Shared Value, How to Reinvent Capitalism and Unleash a Wave of Innovation and Growth by Michael Porter & Matt Kramer
+
Leveling the Playing Field by Jeffrey Hollender in the Stanford Social Innovation Review from April 5, 2012 available online at: http://www.ssireview.org/blog/entry/leveling_the_playing_field
+

Assignment for session 8:
Externalities Paper - Choose one product, business or industry and describe how being able to avoid paying the cost of externalities impacts it. 1–2 pages.
**Session 8: The Business Case for Sustainability Part 1 – March 23**

**Class discussion:** Winner-Take-All Politics: How Washington Made the Rich Richer

**Class activity – A New New Deal Part 1:**
- In teams of 2-3, propose ways to change to the tax, legal, regulatory, or incentive system that would most dramatically reduce inequality and increase sustainability.

**Guest Lecturer:** Jonathan Atwood, VP Sustainable Living & Corporate Communications, Unilever

**Session 9: The Business Case for sustainability & Why corporate sustainability programs and not sustainable – Part 2 – March 30**

**Class activity: A New New Deal Part 2:**
- In teams of 2-3 take the changes that were proposed last class to the tax, legal, regulatory or incentive system and select the proposal that would generate the greatest systemic change, explain why.

**Lecture:** The Business Case for sustainability, corporate responsibility & employee ownership

**Discussion of final paper:** Guidelines
- Outline for final paper due for session 10

**Assignment due for Session 10 – Final Paper Outline Due Monday April 29th.**

Leading up to your final paper

Select and then describe in 1 page the idea for a new business, new product or for a new non-profit organization that you will write your final paper on. The business/product/organization must address in a systemic fashion a significant social or environmental challenge that faces the world. The business/product/organization should address as many systemic problems as possible: low-income job creation, population, climate change, poverty, hunger – but must at the same time must be highly focused and specific.

- You must develop the business model
- You must describe the key challenges and risks the business faces

The 1 page overview for your final paper will be due by April 29th.

Your final paper will be an Executive Summary for the business of 4–8 pages. I will provide you with examples of executive summaries of other businesses.

I will comment on the one page summary and then the final paper will be due
on the final class.

Readings for session 10:
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**Session 10: The New Economy Part 1: Cooperatives & Community Development – April 6**

Additional questions about final paper.
**Presentation:** SUSTAIN Business Plan
**Preparation:** Bronx Cooperative Development Initiative
**Presentation:** Dan White & Nick Iuviene of the Bronx Cooperative Development Initiative

Readings for session 11:

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**Session 11: The New Economy Part 2: Good business – April 13**

**Lecture:** MEGA TRENDS
**Lecture:** Developing a transformative culture of responsibility

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**Session 12: April 20**

Readings for Class 13:
Christine Bader’s book chapter.
Session 13: April 27
Lecture: Christine Bader

Session 14: Final Class Thursday May 4th

Final paper due

Discussion:
- What did you learn
- What to remember
- What could I have done better
- Career thoughts