This class is sponsored by, and was developed in conjunction with, the NYU Reynolds Program in Social Entrepreneurship

Sustainability & the New Economy
Opportunities and challenges for a just and equitable future

Professor: Jeffrey Hollender
Contact Information
Email: jah25@nyu.edu

Course Overview
Sustainability and the New Economy, taught by Jeffrey Hollender, co-founder and former CEO of one of the most successful sustainable brands – Seventh Generation – explores the unfolding landscape in which the increasing challenges generated by the unsustainable use of non-renewable resources, the concentration of money and influence together with political landscape that no longer resembles a democracy collides with a new economy that may dramatically realign power and influence.

This course will focus on four central questions:
- How does our understanding of sustainability need to evolve to create a future of health and wellbeing, a future that is regenerative rather than destructive?
- What historic, legal, policy, political and dynamic factors contributed to the design of an economy so obsessively focused on short-term results that we have incentivized behavior that is dangerous and destructive for our long-term survival?
- How do we move towards a new economy driven by a sustainable understanding of wealth and happiness, equity and justice that insists on a systems based, long-term point of view? How do we build and manage organizations that personify this edict?
- Business has arguably become the most powerful force on the planet, how might the role it plays in society evolve to become a more beneficial to all stakeholders.

Hollender’s experience with sustainable business and the world of non-profit environmental organizations, as the Co-Chair of Greenpeace USA, shape his perspective. Combining his own experience with readings from other thought leaders and guest lecturers’ - the course will cover the frameworks that are required to understand this unfolding reality from a systems perspective. The course will also explore where the practice of sustainability has hindered our ability to meet the challenges we face, what key aspects of the new economy will most likely shape the coming decades and how that economy will become increasingly dependent on a radically more advanced practice of sustainability.

Sustainability will be explored as a system that requires the integration of environmental considerations with the impact of other key influences from population and policy to social equity, business strategy, consumer behavior, education and culture.
Economics has dominated the way in which we practice sustainability. A system of taxes, regulations, laws, accounting codes and zoning rules have conspired to allow business and society to externalize the negative costs associated with growth and development. This absence of “full-cost-accounting” is at the core of an unsustainable economic system that ensures “bad” products and services cost less than “good” products and services, driving consumer behavior in the wrong direction. These incentives also encourage organizations and businesses to peruse strategies obsessed with their short-term impact and disregard the long term, often-unintended consequences of their behavior.

The goal of the course will be to ensure that students gain an understanding of how sustainability can drive strategy at any organization whether in the public or the private sector. A critical part of this exploration will include one of the most significant challenges our society faces, our understanding of wealth and happiness, what it is and how it is created. Alternative possibilities related to the creation of wealth and happiness is critical to the development of a sustainable future.

The class will lead to an understanding of sustainability that is grounded in clarity about how we can and must co-create a “new economy” that supports a just and equitable future.

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 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%)
Class participation will be evaluated in terms of responses to specific questions and assignments but most importantly the quality of dialogue and questions posed in class.

b) Research & Writing Assignments (35%)
Research & writing assignments will be focused in two areas:
   i) Through the selection and analysis of organizations you admire, that are committed to sustainability, you’ll be asked to determine which practices they have put in place that have made the greatest measurable impacts and where they have failed to solve critical challenges.

   ii) Each student will also be asked to research aspects of the legal system, tax and accounting codes, government incentives and subsidies, human resource policies, finance practices, and compensation strategies, to determine where the most significant barriers to a sustainable economy lie.
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 Group Project (30%)
The final group project will give each student a chance to work together in small groups of 3 – 4 students to define in 10 to 20 pages a practical social or economic strategy to effect a significant change that will significantly accelerate our progress toward greater sustainability.

Students with Disabilities
Any students requiring accommodations should be in contact with me to make proper arrangements. Please be prepared to submit your documentation from the NYU disabilities office regarding appropriate accommodations.

Week by Week

**Session 1: Sustainability & the New Economy**  September 10th
The opening session will:
- Review the goals of the class, assignments, grading process, and readings.
- Rules: No use of electronics in class, take notes with a pen & paper.
- Discuss the importance of class participation and dialogue.
- Sequence of readings & discussions, help me improve them!
- I don’t know all the answer’s.
- Paying attention to the news.
- Reading my blog
- My spelling
- Explore why students selected the class and what they hope to learn.
- I’ll share my background and why this subject is of such great interest and importance.
  - What’s wrong with America and how it relates to sustainability & the economy
- I’ll introduce the subject with the story of Seventh Generation.
  - Use PowerPoint “History of Seventh Generation marketing”

**Reading for Session 2:**
**Read:** *In Our Every Deliberation, Seventh Generation: The Journey Toward Corporate Consciousness* by Jeffrey Hollender (only available from Amazon.com) Chapter 8: Thinking Like a System

**Watch** the TED Talk: Janine Benyus: Biomimicry in action at: http://www.ted.com/talks/janine_benyus_biomimicry_in_action.html

**Assignment:** Describe a system of your choosing in as holistic a manner as possible in no more than 2 – 3 pages.
Session 2: Our Economy as a System of Nature - A Brief Introduction to Systems Thinking
September 17th

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. Did you read or see anything in the news this week that relates to systems or systems thinking?
2. Not using systems thinking: Palm oil story, ethanol, sales vs. marketing
3. What are the dangers and risks of not approaching things from a systemic point of view?
4. What system did you choose to write about and why?
   a. Go around to all students
5. Less bad vs. “good products
   a. Describe a “good” product
6. What did you learn from the Janine Benyus video?
7. How is biomimicry & systems thinking related?

Readings for Session 3: In Our Every Deliberation, Seventh Generation: The Journey Toward Corporate Consciousness by Jeffrey Hollender (only available from Amazon.com) Chapter 2: What is Sustainability & Chapter 10: The Journey of a Developmental Leader

Assignment due for session 3: Write a short paper, 2 – 4 pages that describe your philosophy of life.

What is philosophy of life?
A dictionary definition of the philosophy of life notes: “Any philosophical view or vision of the nature or purpose of life or of the way that life should be lived.”

Everybody has his/her own philosophy of life. One need not be a philosopher to have a philosophy of life. One’s philosophy of life may not remain constant throughout the life. If a person continues to think on and feeds his/her mind on issues affecting life, he/she keeps on refining his/her philosophy of life.

Session 3 & 4: Redefining the way we think about sustainability
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 is 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.

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.

**Session 3: The Meaning of Life** No class on September 24th! Session 3 will be on October 1st
1. Watch together: The Meaning of Life
   http://www.youtube.com/watch?v=3rD9TjBYAgA
2. Why I do what I do: JAH lecture
3. Discuss your philosophy of life. Have students read from their papers.
4. What creates happiness and fulfillment?
5. How much is enough?
6. How will you balance your desire for material needs with needs for relationship, community, time to read and reflect, time to travel.....

**Readings for Session 4: The Spirit Level, Why Greater Equality Makes Societies Stronger**
Richard Wilkinson & Kate Pickett, Bloomsbury Press
Chapter 1: The End of an Era, Chapter 2: Poverty or inequality? Chapter 15: Equality and Sustainability. Optional – Chapter 16: Building the future

**Session 4: Why Greater Equality Makes Societies Stronger** October 8th
1. Did you read or see anything in the news this week that relates to:
   a. Your own search for meaning?
   b. The concepts presented in The Spirit Level?
2. What is the central thesis of The Spirit Level?
3. Does America have a vision of a “better society?” If so how would you describe it?
4. 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?
5. Explain the Gini coefficient. One person has everything = 1, everything equal = 0.
6. Why do the authors suggest that, “governments may be unable to make gig enough cuts to carbon emissions without also reducing inequality?”
7. Why does, “greater equality make growth less necessary?”
8. How does inequality effect bankruptcy rates and why?

**Readings for Session 5: Reading:**
The Bridge at the Edge of the World, Capitalism, the Environment and Crossing from Crisis to Sustainability by James Gustave Speth. Chapter 1: Looking into the Abyss & Chapter 2: Modern Capitalism: Out of Control.

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 5: Choose one product, business or industry and describe how it is impacted by being able to avoid paying the cost of externalities. 2 – 4 pages.

Session 5: The State of our Environment and the impact of Growth & Subsidies. October 15th
NO CLASS/ Session 5 is on: October 22nd

The Bridge at the Edge of the World details the impact human’s have had on the environment.

2. Story about Seventh Generation & tissue subsidies.
3. Why are “good” products often more expensive than “bad” products?
4. How effective has the environmental movement been at protecting our environment?
5. What questions do these statistics about the state of the environment raise for you?
6. Do you agree that our obsession with growth is at the root of the problem?
7. Can you see opportunities to de-link employment and consumption?
8. Explain the concept of “externalities” and why Speth considers this a “market failure.”
9. How do subsidies impact our economy and the environment?
10. Discuss how the selected products, businesses or industries are impacted by being able to avoid paying the cost of externalities.

Readings for Session 6:

Session 6: The devil is in the details: How Did Business Become a Weapon of Mass Destruction? October 29th

1. What does it say about our society that an individual hedge fund manager can earn $4 billion a year and pay less taxes on that income than his assistant?
2. Have you personally noticed sign of rising inequality in our society? What were they?
3. What do you find most interesting and surprising about “Figure 1: The Richest 1 Percent’s Share of National Income 1960 – 2007” and “Figure 2: Average Household After-Tax Income, 1979 – 2006?”(P18 & 23)
4. What’s the significance of the significant decline in intergenerational mobility in the US? (p29)
5. “Figure 3: Top 1 Percent’s Share of National Income” show’s the US to have moved toward a much greater concentration of wealth than other countries. What do you thing restrained than trend in much of Europe?
6. How can a “representative democracy” favor the interests of some people over the interests of others?
7. What factors have led to the downward “drift” of the incomes of people of most Americans?
8. How does the Government influence “market income?” (p.44)
9. What insights does the information in, “Table 1: Percentage of Taxpayers in the Top .01%,” generate for you? (p46)
10. What explains the dramatic reduction of income taxes on the top 1%, .1% and the .01% from 1970 to 2004? (p48)
11. Why would audit’s of the tax returns of the very rich decline while audits of poor taxpayers increase?
12. Argue both sides of the issue for limiting or not limiting the pay of CEO’s.
13. Why do market’s under produce “public goods?” (p.74)

Discuss the Assignment for Session 7.

Assignment for Session 7: If the US Government were to institute a new “new deal” how would you design it? See “The Politics of Renewal”

Readings for Session 7 & 8: 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 & 8: Is Capitalism compatible with Sustainable Development

November 5th & 12th
Business has been hostile to 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 box ‘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?

1. Discuss the assignment for Session 7: If the US Government were to institute a new “new deal” how would you design it? See “The Politics of Renewal”

2. Will things in the world getter worse before they get better? Why or why not?
3. What’s the difference between sustainability and wellbeing?
4. Explain the difference between corporate responsibility and sustainable development
5. 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? (p10)

6. Must social justice and equity be considered as part of the discussion of sustainability? (p34)

7. Why has discussion of sustainability so often ignored social justice and equity?

8. What is “biophysical sustainability?” (p36)

9. The UK Government developed five principles of sustainable development. In what ways are those principles perused and not perused in the US. (p39)

10. Explain the concept of “overshoot.” (p55)

11. What’s the difference between absolute and relative wealth? (p64)

12. Gross Domestic Product “GDP”
   a. What important information is left out of the way we calculate GDP?
   b. What are the dangers of measuring progress by GDP growth?

13. Is capitalism compatible with sustainable development? (p87)
   a. Where in the world is capitalism most compatible with sustainable development?
   b. Why?
   c. Why are market’s generally incompatible with sustainable development?
   d. Why do regulations often fail to encourage sustainable development?
   e. Should we limit how much any one individual wealth one can accumulate?
   f. Is there a potential conflict between “private property” and sustainable development? (p95)
   g. Is there a potential conflict between “free trade” and sustainable development? (p96)
   h. Is competition necessarily a natural way of society? (p103)


Readings for Session 9:


Assignment due for session 9: Select and analyze an organization you admire, one that you consider committed to sustainability, determine which practices the organization has put in place that have had the greatest measurable impact in improving their sustainability performance and where they have failed to solve critical challenges.


What is required of an economy that sustains and promotes equality, liberty & democracy? How do we define these foundational concepts? How do equality, liberty & democracy relate to sustainability? Why have progressive politics and the movement for corporate responsibility failed to tackle these deeper structural issues? Gar Alperovitz book, America Beyond Capitalism,
explores the case for a different type of capitalism and the role that money, power and large corporate interests have fundamentally changed the nature or our society.

1. **Discuss assignment:**
   a. What organization did you select and why?
   b. Why do you admire them?
   c. On what do you base their committed to sustainability?
   d. How did you determine which practices the organization has put in place that have had the greatest measurable impact in improving their sustainability performance?
   e. Where they have failed to solve critical challenges?
   f. Why?
   g. What changes would you recommend to them?
   h. Let them know and see how they respond?

**America Beyond Capitalism**
2. What’s the fundamental framework of “stalemate & decay” vs. renewal and regeneration?
3. Are there other options?
4. Has America consistently become a more equal society? (9)
5. How has globalization impacted equality? (15)
6. Who controls the nations wealth?
7. What are the key tax subsidies given to the middle & upper income Americans? (21)
8. How can you rationalize those tax subsidies?
9. Explain the concept of liberty.
10. What structures must be in place to protect individual liberty? (34)
11. Explain the difference between big “D” Democracy and little “d” democracy. (43)
12. What is the value of experience with local government?
13. Do corporations have an obligation to serve the public good?
14. Scale
   a. Where are you from?
   b. In what ways is the experience of growing up in a “small town” different than living in New York?
   c. How does “scale” impact and influence democracy?

**15. Discuss assignment for session 10 and preparation for the final paper.**

**Readings for Session 10:**
1) Evergreen Cooperatives Field Study  
2) Banking as if Society Mattered: The Case of Triodos Bank, Dr. Katrin Käufer, January 2011  
3) Sustainable Economic Democracy: Worker Cooperatives for the 21st Century by Nicholas Iuviene, Amy Stitely & Lorlene Hoyt  
Assignment due for Session 10: Select and describe in 1 page the system you’ll be writing your final paper on. The system may include an aspect of the law, tax and accounting codes, government incentives and subsidies, human resource policies, finance practices, or compensation strategies, to name a few of the possibilities. Your final paper will focus on where and how the most significant barriers to a sustainable economy exist within your chosen area of research/sub-system and what and how you propose to change that will lead to a more sustainable planet and economy.

**Session 10: Another economy is possible.** November 29th

The next series of sessions will focus on understanding the political, structural and practical ways in which we can address the long-term structural crisis we face. This session will include an introduction to the "new economy" with a review of the practical bottom-up efforts currently underway in communities across the United States and an exploration of how we democratize wealth and empower communities.

1. Evergreen Cooperatives Field Study
2. Triodos Bank
3. Worker Cooperatives & Mondragon
4. Discuss Final assignment

**ADD DISCUSSION OUTLINE**


Session 11: Chapters 1 – 4
Session 12 Chapters 5 – the Epilogue

Final assignment due for session 13: Based upon feedback for the proposed sub-system you’ll be writing your final paper on, begin writing your final paper.

**Session 11: The New Economy Part 1: The Role and Possibility of Business in Modern Society:** Is business is the only force strong enough to create a sustainable, just and equitable world. This section will focus on leading companies that have successfully navigated economic challenges and created businesses that are leading the way toward a more sustainable future.

**Session 12: The New Economy Part 2: Business as a Vehicle for Social, Environmental and Political Transformation**

Economic democracy that is a socio-economic arrangement in which a business enterprise is democratically controlled. While the form and structure of this control varies (think worker cooperatives, consumer cooperatives, ESOP’s and credit unions), these businesses are also organized to primarily benefit a group of stakeholders other than outside investors. Shared ownership helps diversify rather than concentrate wealth. It roots the value it generates in
communities, keeping assets and resources from being transferred from local communities and low-wage employees to multinational corporations and their owners.

Cooperatively owned businesses can range from small-scale local companies to multi-million dollar global businesses. Throughout the world, cooperatives today already employ more than 100 million people and have over 800 million members. In the U.S., nearly 14 million employees participate in 9,650 employee stock ownership programs (ESOPs) at public and private firms with combined assets of over $925 billion.

**Session 13: Building the movements that will create a brighter future**

From the Anti-Apartheid Movement to the Civil Rights and the Woman’s Movement, every few decades fundamental aspects of our society are overthrown and recreated bringing new hope and possibility. This session will explore the potential for a new modern movement to accelerate positive change.

While we are surrounded by highly focused and compartmentalized “movements,” from local food, to animal rights, sustainability, environmental justice, anti-fracking, and campaign finance reform to name just a few – what are the possibilities for creating a unifying movement that brings these disparate forces together to leverage large scale change.

1. What makes a movement?
2. Why do most fail to create lasting change?
3. What makes cooperation so difficult?
4. Is Social Media a game changer?
5. What makes http://avaaz.org/en/ the largest contemporary movement different?

Guest speaker: Alnoor Ladha is the head of Strategy at Purpose.com, Alnoor’s work focuses on the intersection of brand, political, and social strategy. Prior to joining Purpose, Alnoor spent a decade working at some of the leading advertising and communications agencies in the world including Ogilvy & Mather, J. Walter Thompson and Mother. At the latter agency, he started the London office’s social strategy practice.

He has worked on projects such as the global launch of Dove’s Campaign for Real Beauty, MTV’s Exit initiative against human trafficking and slavery, Amnesty International’s recent expansion of rights to cover cultural, economic & social rights, and Greenpeace’s anti-aviation campaign in Europe. Alnoor is on the Board of Directors of SEE (Social, Environmental, Ethical), a UK based transparency service to help consumer make more conscious purchasing decisions. He is the editor of BeyondOne.org, an online magazine focusing on long-term thinking. Alnoor holds an MSc in Philosophy and Public Policy from the London School of Economics and a BBA in International Business from Simon Fraser University in his hometown of Vancouver, Canada.

JEFFREY HOLLENDER is the founder of Jeffrey Hollender Partners, a business strategy consulting
firm and a leading authority on social entrepreneurship, corporate responsibility, sustainability and social equity. More than twenty-three years ago, he co-founded Seventh Generation and went on to build the company into a $150 million natural product brand known for its authenticity, transparency, and progressive business practices. Hollender is the author of seven books, including 2010's *The Responsibility Revolution: How the Next Generation of Businesses Will Win*. Hollender is also the 2011-2012 distinguished Citi Fellow in Leadership and Ethics at the NYU Stern School of Business.

Hollender’s first business ventures were in the fields of banking, education and publishing: he was a co-founder of Brooklyn’s Community Capital Bank, and the founder of the Skills Exchange in Toronto and Network for Learning in New York City. He sold Network for Learning to Warner Publishing, a division of Warner Communications in 1985. Jeffrey is the Chair of the Greenpeace Fund US; and a board member of Health Care With-Out Harm and Verité, a leading workers’ rights organization. He is also the co-founder and Board Chair of the American Sustainable Business Council, a coalition of 110,000 business leaders committed to changing the rules of business.