Sustaining Social Change in the New Economy
Opportunities and challenges for a just and equitable future

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

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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 collides with a new economy that will dramatically realign power and influence.

This course will focus on three 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?
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
The opening session will:
- Review the goals of the class, assignments, grading process, and readings.
- Discuss the importance of class participation.
- 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.
- I’ll introduce the subject with the story of Seventh Generation.

Reading for Session 2: *Thinking in Systems*, by Donelle Meadows
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
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.”

Readings for Session 3: *Presence* by Peter M. Senge, C. Otto Scharmer, Joseph
Jaworski, Betty S. Flowers, Bantam Dell Publishing Group, 2008
Readings for Session 4: select chapters from *The Great Disruption: Why the Climate
Crisis Will Bring On the End of Shopping and the Birth of a New World* by Paul Gilding,
Published by: Bloomsbury Press, March 29, 2011.
Assignment due for session 4: Write a short paper, 3 – 5 pages that argue for or
against the fundamental thesis of *The Great Disruption*.
Session 3 & 4: Redefining the way we practice 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 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.

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.

Readings for Session 5: Reading: Selected chapters from Managing Without Growth: Slower by Design, Not Disaster: Advances in Ecological Economics, Peter A Victor; Edward Elgar Pub (November 30, 2008)
Assignment for session 5: Choose one business or industry and be prepared to discuss in class how it can grow following the principles and within the constraints described in Managing Without Growth.

Session 5: A future without growth as we know it
Managing without Growth, contrasts the idea of genuine progress with economic growth. Progress is about creating a world that advances human rights, widespread wellbeing, increased educational opportunity, representative democracy and a sustainable environment. This often has little to do with the notion of economic growth as measured by increases in gross domestic product (GDP.) In this session we will examine some of our most fundamental assumptions and beliefs about the market, pricing, free trade and growth, prosperity and happiness that too often preclude a serious consideration of the environment and economy.

Session 6: The devil is in the details: How Did Business Become a Weapon of Mass Destruction?
6.1 No such thing as a free market
6.2 Politicians for sale
6.3 The most dangerous organization in America: the US Chamber of Commerce
6.4 A winner-takes-all game
6.5 Why good stuff costs more than bad stuff: how regulations and public policy incentivize business to do the wrong thing

Readings for Session 7: Readings from *America Beyond Capitalism: Reclaiming Our Wealth, Our Liberty, and Our Democracy*, by Gar Alperovitz, Wiley & Co. 2011
Readings for Session 8: Selected chapters from *Capitalism as if the World Matters*, by Jonathan Porritt, Earthscan, 2005
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.

Session 7 & 8: Another economy is possible
These sessions will focus on understanding the long-term structural crisis of the American economic and political system and practical answers to the problems we face as a society. 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.

Guest speaker: Gar Alperovitz, the Lionel R. Bauman Professor of Political Economy at the University of Maryland and is a former Fellow of Kings College, Cambridge University; Harvard’s Institute of Politics; the Institute for Policy Studies; and a Guest Scholar at the Brookings Institution. Alperovitz served as a legislative director in both houses of Congress and as a special assistant in the State Department and was nominated to be a member of the Council of Economic Advisers by leading national consumer, labor, and environmental organizations. He is currently the
president of the National Center for Economic and Security Alternatives and is a founding principal of the University of Maryland-based Democracy Collaborative.


Readings for Session 10: Selected chapters from Creating Wealth, Growing Local Economies with Local currencies; Gwendolyn Hallsmith & Bernard Lietaer; New Society Publishers, May 1, 2011

Assignment due for Session 10: Select and describe in 1 page which sub-system you’ll be writing your final paper on. Sub-systems may include an aspect of the legal system, 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 9 & 10: Redefining Wealth
One of the most significant challenges our society faces is our understanding of wealth and happiness, what it is and how it is created. There has been much written about this subject over the past decade, and we will examine several leading thinkers that present radical new ways to build wealth and find greater happiness that are deeply rooted in a more sustainable future. We’ll review the Toffler’s perspective on a huge new and uncharted part of our economy that they describe as “presuming,” the creation of “goods, services or experiences for our own use or satisfaction, rather than for sale or exchange.” We’ll also look at their notion of the co-creation of products and services, offered by a third parties who participate in their delivery but in a way that involves no direct financial compensation.


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: 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.

Readings for session 12: Selected chapters from Humanizing the Economy: Cooperatives in the Age of Capital, by John Restakis, New Society Publishers (November 2, 2010)

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

13.1 Co-creating value
13.2 The best sales force money can’t buy
13.3 Creating community
13.4 Your customers are your brand
13.5 Social Media

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.