

Syllabus

Class Meets:
Monday and Wednesday
1:00 pm – 2:30 pm
October 28 – December 11
Ross R0240
12 sessions

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Course Overview

Sustainability has become mainstream in both management practice and management research. Firms incorporate sustainability strategies into their core mission. University administrators promote sustainability as central to their curricula. Scholars pursue sustainability as a bona fide field of research inquiry. Given this level of attention and action, the world should be on the road to a sustainable future.

But it is not. In spite of the myriad of new programs under the rubric of sustainability, problems of social and environmental sustainability continue to worsen. Sustainability activities have been integrated into corporate practice without serious changes in core beliefs that underpin the root cause of the problems, such that the resultant solutions do not actually solve the core problems. If progress is to be made, it is important to look critically at the shape of corporate sustainability that is now emerging: what problems it seeks to address, what changes it entails, and what it means for the corporate organization and the market system as a whole. This next iteration in the distinctive waves of management frameworks will redefine the role of the corporation within society.

Where Part I (Enterprise Integration) looks at ways in which corporations fit sustainability within the parameters of the market, Part II (Market Transformation) looks at some new and emergent developments in the ways that markets are or may be transforming to address the critical sustainability issues of our day. Where Part I looks at the shifting role of the corporation within the market, Part II looks at the ways in which the market is and must shift if we are to fully address the sustainability challenges we face. As we do this, we will explore the shifting role of the corporation within society. We will explore this topic together. Sessions are designed around key topics and readings, videos and cases are assigned. But you are challenged to be a participant and bring additional materials to class to add to our discussion.

In the end, the market is the most powerful institution on earth, and the corporation is the most powerful entity within it (which also includes the government and civil society). So, if we are to solve out sustainability challenges, those solutions will have to come from business.

Course Expectations

Because this class depends on our interactive dialogue, **class participation** is essential, both for your and your classmate's learning. If you have reservations about speaking in class, you may wish to carefully consider your taking this class. When you speak in class, your emphasis should be on

quality as opposed to quantity. Your comments should be focused on one point and should be backed up with sound reasoning. Comments should transcend the “I feel” syndrome. This is too easy a topic to drift into easy platitudes and reactionary statements. You should build your comments on models, evidence or analysis of inherent tradeoffs. In other words, the comments should demonstrate some reflective thinking.

Generally a high participation grade is difficult to achieve if you are absent. Therefore, class **attendance** is critically important. If you must miss a class, please inform me in advance.

In this course you will be expected to do a lot of **reading**. On such a topical and emergent issue, discussion without solid analysis and evocative case examples would likely digress into a fruitless exchange of unsupported opinions. We will take a slightly different approach to reading in this class than you may be familiar with in other classes. There are many articles, videos and webpages (with [hyperlinks](#)). You are expected to review this material but are strongly encouraged to find additional materials on the topic of each class and bring that material to the class discussion. In this way, we will learn together.

Course Requirements

Requirement #1 – Contributions to Class Learning and Discussion (Individual) 30%

Class participation is a very important part of the learning process (as well as an important part of your grade). It is critical not only for your personal learning, but also for the learning of your fellow classmates. Much of the value of the class comes from prepared, thoughtful, and informed dialogue between you and your classmates. You are expected to read all the materials and you should apply the material in those readings to your class discussion. When engaging in classroom discussion, the following are some of the behaviors we look for as good contributions: Raising relevant, insightful questions; Making comments that build on the ideas of others, moving the discussion and analysis forward; Helping other students contribute their ideas; Offering your own ideas to help analyze the case and to develop a sound course of action; Sharing your own personal experiences in a way that adds to our understanding of the topic being discussed; Talking with appropriate frequency (i.e., neither dominating the conversation nor being too passive).

Requirement #2 – Sustainability Case Study (Group) 40%

In this assignment you will write a case study of a business challenge related to market transformation. You will be placed in groups of 4-6 members, asked to pick a company and the challenge they are facing and write a case study that you might expect to read in class. In fact, the best papers will be turned into formal case studies that will be used in subsequent year’s classes (with proper attribution). You must write a (minimum) **8 page case** and (minimum) **4 page teaching note** (each single spaced 12 point font). For the former, follow the format of cases you will see in this class and other classes – it has a central question that opens and closes the case; there is a protagonist that must make a decision; and the material inside the case provides the necessary information for answering the question, but it does not answer it. The Teaching Note provides the analysis that you think students will have to go through to answer the question, and the key learnings that you think students should take away from the experience. Some elements of the case might include the business challenge of the case (for the protagonist), the sustainability issues at play, the financial, technical, marketing, political, public relations, or other strategic considerations necessary for considering the full scope of the challenge. You may base your case on only secondary data (i.e. literature review) or primary data (i.e. interviews). Be creative in your writing. Remember, your classmates may be reading this in the future; what might you appreciate if your predecessors

had written one for you to read? Please use footnotes (at the bottom of the page) and cite any sources per the citation guide at the back of this syllabus. A few good sources of tips on writing case studies are posted on Canvas and listed here:

- How to write a business case study: https://wdi-publishing.com/wp-content/uploads/2016/08/How-to-Write-A-Business-Case_8-11-2017.pdf
- Hot to write a teaching note: https://wdi-publishing.com/wp-content/uploads/2016/08/HowToWriteaTeachingNote_8-11-2017.pdf

Requirement #3 – Position Paper (Individual)

10%

Throughout the course, one-page position papers are assigned to each class related to the evening's readings. The topics are listed at the bottom of each week's assignment. Each student must complete Position Paper #1 and Position Paper #12 – note that they are the same question and you will answer it at the beginning and again at the end of the course. In between, you will be assigned one paper to complete over the course of the semester and be prepared to discuss in class. These papers are meant to challenge you on some fundamental aspects of the future market transformation around sustainability. Treat them as something that you might submit to the *Wall Street Journal* or *New York Times* op/ed page. They must be no longer than **1 page** single spaced and must simply present a sound, yet unique argument taking a stand on the issue.

Requirement #4 – Reflective Journal Summary (Individual)

20%

To aid you in the reflection process inherent in a class such as this, you are encouraged to keep a journal of your thoughts as we progress through the semester. This journal will help you sort out issues that the course raises. You will not be asked to actually hand in your journals but the contents will inform your final assignment. You will be required to submit a **3 page** summary that consists of the following: (1) One page that offers 2-3 bullet points of your key takeaways from the class sessions, (2) one page that offers an integration of the concepts and ideas from your bullet points into a cohesive model that explains the market transformation that you will likely see in your career, and (3) one page that displays a graphic depiction of that model. This assignment must be grounded in some sense by the distant signals that we can already see in the market. This cannot be simply your value projection of how things "ought" to be. Your assignment will be due at 6:00pm on the evening of session #11 and we will discuss on session #12.

Required Course Materials

There is a book, a course packet of cases and on-line readings for this course (listed as [hyperlinks](#) in this document). This reading should be supplemented by steady reading of contemporary environmental issues as published in *The New York Times*, *Wall Street Journal*, *Business Week* etc.

Required:

- Ehrenfeld, J. and A. Hoffman (2013) *Flourishing: A Frank Conversation about Sustainability* (Palo Alto, CA: Stanford University Press).
- Case Packet

Academic Honor Code

Personal integrity and professionalism are fundamental values of the Ross Business School community. This course will be conducted in strict conformity with the Academic Honor Code. The Code and related procedures can be found [here](#). The site also contains comprehensive information on how to be sure that you have not plagiarized the work of others. Claimed ignorance of the Code and related information appearing on the site will be viewed as irrelevant should a violation take

place. Non-Ross Business School students taking the course should also familiarize themselves with the Code as they will be subject to the Code as well while in this course.

Policy on Testing Accommodations for Students with Disabilities

The University of Michigan is committed to providing equal opportunity for participation in all programs, services and activities. Students wishing to receive testing accommodations must register with the University of Michigan [Services for Students with Disabilities \(SSD\)](#) office as soon as possible. Students must then submit their Verified Individualized Services and Accommodations (VISA) form online as early as possible, **but no later than two weeks prior to the first test or quiz for which accommodations are requested.** Accommodations arrangements are not guaranteed for students who submit their VISA form with less than two weeks' notice. Requests must be sent using the [Ross Accommodations Request Form](#) and must include a scanned or photographed copy of the VISA form. This form only needs to be submitted once during your academic career with Ross unless your accommodations eligibility expires. In rare cases, the need for an accommodation arises after the two week deadline has passed (example: a broken wrist). In these cases, students should still contact SSD and the Ross Accommodations Coordinator. However, due to logistical constraints, we cannot guarantee that an accommodation can be made after the two week deadline has passed. Questions can be directed to the Ross Accommodations Coordinator at RossAccommodationsCoordinator@umich.edu.

STRAT 565/EAS 513: Class Schedule

Session #1	Reexamining Capitalism	Monday, October 28
READINGS:	<ul style="list-style-type: none"> • <i>Business Sustainability as Systems Change</i>, 2019, WDI/Erb Institute conceptual note #5-720-388. • "The next phase of business sustainability," <i>Stanford Social Innovation Review</i>, Spring 2018. • Beinhocker, E. and N. Hanauer (2014) "Redefining capitalism," <i>McKinsey Quarterly</i>, McKinsey & Co. • Klein, N. (2011) "Capitalism versus the climate," <i>The Nation</i>, November 9. • Brooks, D. (2015) "Two cheers for capitalism," <i>New York Times</i>, July 31. • Stout, L. (2012) "The problem of corporate purpose," <i>Issues in Governance Studies</i>, Brookings Institution. • Denning, S. (2013) "The origin of 'the world's dumbest idea': Milton Friedman," <i>Forbes</i>, June 26. • Levin, Y. (2010) "Recovering the case for capitalism," <i>National Affairs</i>, January 11. • Monastersky, R. (2015) "Anthropocene: The human age," <i>Nature</i>, March 12 (519): 144-147 	
POSITION PAPER 1:	<ul style="list-style-type: none"> • Can we achieve sustainability within a capitalist system? Naomi Klein says that we need to "shred the free-market ideology that has dominated the global economy for more than three decades." Is this realistic? Are our sustainability challenges (like climate change) the outcome of a consumerist market system run rampant? If so, must the result be a call to replace capitalism with a new system that will correct our present ills with regulations to curb market excesses? 	

Session #2	<i>Human Rights & the Supply Chain</i>	Wednesday, October 30
READINGS:	<ul style="list-style-type: none"> Ehrenfeld, J. & A. Hoffman (2013) <i>Flourishing</i>, Chapters 1 and 2. Mendoza, M. (2015) "Nestle admits slavery and coercion used in catching its seafood," <i>CBC News</i>, November 23 UN Guiding Principles on Business & Human Rights Transparency International 	
CASE:	<ul style="list-style-type: none"> <i>Intel: Undermining the Conflict Mineral Industry</i>, 2015, WDI/Erb Institute case study 1-429-411. 	
QUESTIONS:	<ul style="list-style-type: none"> Are human rights and social issues areas for competitive advantage or are they to be addressed strictly as noncompetitive? Identify the pros and cons of each side of the argument. Describe why Intel would engage with competitors when it can gain a competitive advantage under current SEC regulations with its head start in supply chain transparency and auditing. Explain the largest risks in a supply chain from a public relations perspective. Consider other issues associated with mining, such as labor rights and environmental justice. 	
POSITION PAPER 2:	<ul style="list-style-type: none"> What business does business have in addressing human rights? What are human rights? Where is the overlap between human rights and business strategy? One of the biggest challenges with human rights (and social issues in general) is quantification. We can quantify the costs of environmental pollution as well as the costs (or benefits) to address them, but social issues are more difficult. This makes it hard to communicate. Further, some see human rights issues strictly around human trafficking, slave labor, child labor, working conditions, etc. But what about access to healthy food, education, broadband access...the list goes on. Where does it stop when it comes to the domain of corporate responsibility and control? 	

Session #3	<i>Systems Change for Sustainable Outcomes</i>	Monday, November 4
READINGS:	<ul style="list-style-type: none"> Keurig Sustainability Report, pages 21-39 Product Stewardship World Economic Forum, 2016, The New Plastics Economy; Rethinking the Future of Plastics. US EPA, 2015, Advancing Sustainable Materials Management: Assessing Trends in Material Generation, Recycling and Disposal in the United States, Gunther, M. (2015) "The good, the bad and the ugly: Sustainability at Nespresso," <i>The Guardian</i>, May 27. William McDonough (2005) "Cradle to cradle design," TED Talk. 	
CASE:	<ul style="list-style-type: none"> <i>Recycling at Keurig Green Mountain: A Brewing Problem</i>, 2016, WDI/Erb Institute case study 1-430-482. 	
QUESTIONS:	<ul style="list-style-type: none"> Looking at the history of Keurig Green Mountain, at what points did the business make fundamental changes? How did these changes influence the scope of Keurig Green Mountain's influence, risk, and opportunity? How should a company weigh the balance of a product that has huge profit potential, but also brings large sustainability challenges? Is there a level of profit that makes any legal, but negative, environmental impact worthwhile? What is the actual environmental impact versus perceived environmental impact? What is the impact relative to waste in general? If 	

- you could travel back to 2006 would you advise Green Mountain Coffee not to acquire Keurig? Why or why not?
- POSITION PAPER 6:**
- **How can a company successfully determine thresholds for the required trade-offs among consumer demand/preferences, cost, quality, functionality and sustainability?** Companies survive based on the success of their products and services in the marketplace. And in offering these products and services, prioritization and tradeoffs are required. How do you weigh and quantify pros and cons, including reputational impacts of those decisions? What trends are you seeing across both the public and private sector as it relates to materials management and product marketing strategies? The majority of consumers and clients are not motivated to purchase or contract based on environmental impact alone. Can companies lead broad-based consumer choice and move environmental products and services from a niche market or minor consideration to a “default setting”? And finally, can one company do that, or must it be done by a network of companies?

Session #4 **Business and Personal Freedom** **Wednesday, November 6**

- READINGS:**
- Angwin, J. et al (2015) “[AT&T helped US spy on internet on a vast scale](#),” *New York Times*, August 15.
 - [Protecting Freedom of Expression](#), AT&T Issue Brief Library
 - Kendzior, S. (2016) “[Why young Americans are giving up on capitalism](#),” *Foreign Policy*, June 16.
 - de Rothschild, L. and D. Barton (2012) “[The case for inclusive capitalism](#),” *The Guardian*, May 15.
 - [Global Network Initiative](#): Protecting Freedom of Expression and Privacy in Information & Communications
- CASE:**
- *Vodafone Egypt and the Arab Spring: When Government and Business Collide*, 2015, WDI/Erb Institute case study 1-429-417.
- QUESTIONS:**
- Is broadband access or freedom of information access a human right? What are the responsibilities that a company has towards following the rule of law versus the rights of a country’s citizens, especially in a politically tense nation? What if their own policy statements are at variance with notions of human rights in a particular country? What are the limitations with transparency in respect to security and trade secrets? Should corporations and governments impose limits on transparency? With the power to control communication, how do telecommunication companies function as political actors? How do AT&T’s actions (Angwin above) fit with your answers to these questions?
- POSITION PAPER 4:**
- **How far should companies go to restore faith in capitalism** (see Kendzior above)? Is capitalism and inclusiveness in opposition (see de Rothschild and Barton above)? Mark Carney, Governor of the The Bank of England Carney says that “firms must have a sense of their responsibilities for the broader system.” Do you agree? Taken to its extreme, should companies ever willingly break the law to be right? If a company moves into a region where the legal institutions are repressive or even corrupt, should it knowingly and willingly break the law? What if the human rights the company seeks to uphold are at variance with the definition of human rights of the government of one of their operating units (i.e. women’s

rights, free speech, privacy, same-sex marriage), whose definition of human rights should prevail? What if breaking the law brings about social change and a brighter future for the country's citizenship, especially the weak or the poor? What are the broader implications of your answer?

Session #5	<i>Carbon Neutrality</i>	Monday, November 11
READINGS:	<ul style="list-style-type: none"> Ehrenfeld, J. & A. Hoffman (2013) <i>Flourishing</i>, Chapters 5 and 6. Kaufman, A. (2019) "Daimler plans to make its cars carbon neutral by 2039," <i>Wired</i>, May 14. BSR, "Who's going carbon neutral?" 	
CASE:	<ul style="list-style-type: none"> <i>WeWork: Oil Money and the Challenge of Achieving Carbon Neutrality</i>, 2019, WDI/Erb Institute case study 9-396-089. 	
QUESTIONS:	<ul style="list-style-type: none"> Should companies impose their corporate values on employees? Should a company be held responsible for the actions of its investors or does a duty to shareholders trump such ethical questions? Should companies reject investors that they perceive as misaligned with their values? Is it a corporation's role to take a public stance on a political situation, such as the one in Saudi Arabia? 	
POSITION PAPER 5:	<ul style="list-style-type: none"> Is carbon neutrality a necessity or a pipe dream? Many now argue that we need to go carbon neutral. But greenhouse gas emissions are endemic to what we do. Right now, you and I are exhaling carbon dioxide. Can we stop? If not, can companies really go carbon neutral? Do they need to? And how do you measure it? How can we think about making our impact on the global climate <i>neutral</i>? And, here is the real challenge, can we eventually go carbon negative? How can we think about making our net impact on the global climate <i>negative</i>? 	

Session #6	<i>Business in the Political Environment</i>	Wednesday, November 13
READINGS:	<ul style="list-style-type: none"> Ehrenfeld, J. & A. Hoffman (2013) <i>Flourishing</i>, Chapters 3 and 4. Berry, W. (2011) "Compromise, hell!" <i>Orion Magazine</i>. Blue chips accused of obstructing climate policy in new ranking Mufson, S. (2015) "Shell oil will drop its membership in ALEC, citing differences over climate change," <i>Washington Post</i>, August 7. 	
CASE:	<ul style="list-style-type: none"> <i>Blurring the Lines Between Business and Government: Salesforce and CEO Activism</i>, 2019, WDI/Erb Institute case study 2-027-758. 	
QUESTIONS:	<ul style="list-style-type: none"> Why was this the right issue for Benioff to advocate? Was it his place to do so? Did Salesforce do enough or should it have pushed for more change? Did the company stop too soon? Did it give up? Is the level of change Salesforce achieved appropriate for the Indiana context? Are activist CEOs appropriate leaders for all corporations or more appropriate for some versus others? Are some issues better suited to CEO activism than others? What's the social equivalent of greenwashing? How credible is a CEO's activism if their company is not willing to change its business model? Should businesses have the power to change political decisions? If government ceded power to businesses, how would that affect society? What types of investments and influence in the public commons (media outlets, hospitals, schools) are appropriate for CEOs? 	
POSITION PAPER 3:	<ul style="list-style-type: none"> Should companies be political actors? Are they by definition? Or, should they stick strictly to running their operations, selling their goods and 	

services, hiring employees and providing wages, and paying their taxes? Certainly, the Firestone presents a challenging extreme to this question. But should companies get involved in referenda on gay marriage, abortion, and the election process? Or, do they have no choice?

Session #7 *Redefining What We Eat* **Monday, November 18**

- READINGS**
- Ehrenfeld, J. & A. Hoffman (2013) *Flourishing*, Chapters 7 and 8.
 - Will, J. (2018) "[The last harvest: My stepfather and the demise of the family farm](#)," *The Globe & Mail*, December 7.
 - Specht, J. (2019) "[The price of plenty: How beef changed America](#)," *The Guardian*, May 7.
- CASE:**
- *Argus Farm Stop: Can a Low-Profit LLC be Scaled to Save the Family Farm?*, 2019, WDI/Erb Institute case study 1-543-605.
- QUESTIONS:**
- Who gets to decide what we eat; producers or distributors? Does it matter? What about consumers? As climates change, how resilient are current agriculture supply chains? Are these supply chains environmentally and financially sustainable? What is the connection between land and products? Do margins move in tandem or at odds with this connection? What about prices? What is it that customers really value when it comes to local food? Would you eat these same products from the farmers market if they were frozen and sold at a large retail chain? Would you pay a premium for locally-produced, fresh food? Should the Argus owners continue to scale in the Ann Arbor community? If so, how? What are the growth challenges/opportunities? What are the advantages and disadvantages of the L3C corporate governance structure? How could other businesses replicate the Argus model in their own community? What would the Argus "everyday farmers market" model look like outside of Ann Arbor? Is it possible for Argus Farm Stop to support farmers while turning a profit? If the Argus expansion is limited by its unique context, how could the owners play a role in facilitating a shift in the market and in supporting other ventures that share a similar mission? How would a company go about partnering with a traditional grocery store or specialty market in order to have a section dedicated to local products, operating like a "store within a store?"
- POSITION PAPER 7:**
- **Creative destruction?** Joseph Schumpeter is famous for his term, creative destruction - the dismantling of long-standing practices in order to make way for innovation and improve efficiency and production. But is it to be applied to every circumstance and every situation? Does it matter if people, communities and local economies are destroyed along with those long-standing practices? And is that destruction always the product of market forces or technological advances, or are they also the product of explicit or implicit regulation and market power? How do we strike the right balance?

Session #8 *Metrics and Taken-for-Granted Assumptions* **Wednesday, November 20**

- READINGS:**
- [Report by the Commission on the Measurement of Economic Performance and Social Progress](#)
 - Pozen, R. (2014) [Curbing Short-Termism in Corporate America: Focus on Executive Compensation](#) (Brookings Institution).

- Farrell, P. (2012) "[Myth of perpetual growth is killing America](#)," *Wall Street Journal*, June 12.
 - Confino, J. (2012) "[Unilever's Paul Pollman: Challenging the corporate status quo](#)," *The Guardian*, April 24.
 - Varian, H. (2006) "[Recalculating the costs of global climate change](#)," *New York Times*, December 14.
 - [The MBA Oath](#)
- CASE:**
- *Ending the Woes of Short-Termism: Eric Ries and the Long-Term Stock Exchange*, 2017, WDI/Erb Institute case study 1-430-504.
- QUESTIONS:**
- Why do you think an IPO is so important for a company? Are there any disadvantages of being a public company? Why do you think financial markets are so important for the global economy? What are the reasons for creating capital markets? What is the difference between primary and secondary markets? What is the value proposition of Stock Exchange's business model? What are the reasons for investors to buy stocks, shares and bonds? How did corporate short-termism emerge? What are the benefits for ending short-termism for innovation and sustainability? Who are the stakeholders affected by short-termism and how are they affected? Is Eric Ries the right person to start the LTSE? Why or why not? What are his strengths and weaknesses? What are the key requirements of LTSE and how do they combat short-termism and foster long-term growth? Which value metrics currently employed by firms pose a barrier to systems change? What role do network effects play in financial exchanges? What regulatory challenges does LTSE face as it seeks approval of this new form of financial exchange? Has technology made opening a new financial exchange easier or harder?
- POSITION PAPER 8:**
- **Which metrics and concepts from your other classes are unsustainable?** This is not a malicious question. You are learning a myriad of models and concepts in your classes (particularly in business management, but also other schools). Think carefully about the underlying values that they are based on. For example, Gross Domestic Product is based on an underlying assumption that the more money that is flowing in the economy, the better their state of well-being. Or, a discount rate of 5% says that anything beyond 20 years from now is worthless. How does the idea of the "purpose of the corporation" differ between that espoused by Milton Friedman and that espoused by Peter Drucker and Jack Welch; and how does that idea influence other ideas about the role of managers and the corporation? Ultimately, sustainability should influence the metrics for evaluating the value of a firm. Does GRI, CDP or SAM address that issue? Will the MBA Oath take care of it? What other metrics and concepts do you see that lead us away from a sustainable future; and how would you change them?

Session #9	<i>Protecting the Local Economy</i>	Monday, November 25
READINGS:	<ul style="list-style-type: none"> • Conscious Capitalism • Transition US • Transition Towns 	
CASE:	<ul style="list-style-type: none"> • <i>BerkShares</i>, 2019, WDI/Erb Institute case study 1-537-103. 	

QUESTIONS:

- What are the implications of big-box or online retailers for the local community? Consider both the pros and the cons. How do they benefit people? Does that benefit come with a cost? If you have experienced this, what did you observe? Is it futile to resist the growth of big-box or online retailers? Some communities have mobilized to block their entry, others have acquiesced. If one town blocks a Walmart and a neighboring town accepts it, did the original town shoot themselves in the foot? Is a local currency the right answer for a community? How do local currencies work? What are the different models? How does “import-replacement” and “productive loans” fit into the success of local currencies? Can local currencies work without them? What should Rachel Moriarty do next as she faces four challenges? What steps do you suggest she implement to further the Schumacher Center’s goal of economic self-sufficiency through regional currency and entrepreneurship? Could they try creating a debit or credit card? Could they double down on recruitment efforts and onboard more businesses, potentially by changing the economic terms? Could they create more favorable terms for low-income groups, such as creating partnerships with food assistance or other public programs? And, would improving incentives to participate in the local currency movement change the cultural narrative BerkShares has been associated with? Are there untapped grants or philanthropy that could subsidize the currency to make it more attractive in the market? If you were going to start a local currency, what attributes of the local context would you find critical? In what economic, cultural and environmental circumstances might local currencies work best? Is the Berkshires an ideal context, or are there contextual challenges in the region that limit the success of BerkShares?

POSITION PAPER 9:

- **Is sustainability best addressed at the local, national or international scale?** Former Speaker of the House Tip O’Neil famously said “all politics is local.” Must we fully address our sustainability challenges at the community level? Which issues are local, which are national and which are global? This is a tough challenge. On the one hand, climate change requires a globally coordinated response. On the other hand, real change needs to happen on the ground. But does the global or national economy take agency away from local communities? The organizers of BerkShares seem to think so. Can we create locally resilient communities while also fostering globally coordinated change? How might this question fit with where you choose to direct your life’s work?

No class	<i>Thanksgiving Holiday</i>	Wednesday, November 27
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Session #10	<i>Questioning Consumerism</i>	Monday, December 2
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- READINGS:**
- MacKinnon, JB (2015) “[Patagonia’s anti-growth strategy](#),” *The New Yorker*, May 21.
 - Cohen, R. (2015) “[Incurable American excess](#),” *New York Times*, August 6.
 - Rysddal, K. (2013) “[Unilever CEO: For sustainable business, go against 'mindless consumption'](#),” *Marketplace*, June 11.
 - Magill, B. (2015) “[Breakup of the century: US emissions and economic growth are really, finally separating](#),” *Grist*, April 29

- [Lifestyles of Health and Sustainability](#) (LOHAS)
- CASE:**
- *Patagonia: Encouraging Customers to Buy Used Clothing, (A & B)*, 2012, WDI/Erb Institute case study #1-429-230.
- QUESTIONS:**
- Should Patagonia even be considering [this/these] initiative[s]? Did the company make a mistake when it included “reduce” in the five Rs? Is Patagonia in a unique position not only to pursue such a radical initiative, but to derive value from it as well? Why or why not? Although more ecologically sustainable, will asking customers to reduce the amount of Patagonia products they buy be economically unsustainable in the long run? Or might it end up winning over even more customers by proving that Patagonia looks beyond the bottom line? If you were Chouinard, what course of action would you take, and why? Should Patagonia have partnered with eBay for this initiative, or should it have tried to do this independently? Are both companies risking and gaining equally from this partnership? Will other companies again follow in Patagonia’s footsteps and adopt this latest strategic move? Or is Patagonia moving too far ahead of the curve?
- POSITION PAPER 10:**
- **Can a company survive while asking consumers to reduce consumption?** There is little disagreement that consumption is at the core of many of our environmental problems. Many say we have to separate consumption from environmental problems, that can we expect people to give up what they have in order to achieve a sustainable future. Others worry that the growing desire (and right) of people in developing countries to enjoy the same standard of living as those in developed countries means that we are facing a serious problem unless people consume less. Is it realistic to ask companies to use their marketing power to convince people to buy less? If not, how do we get where we need to go?

Session #11 **Water as a Human Right?** **Wednesday, December 4**

- READINGS:**
- McGraw, G. (2013) “[Nestlé Chairman Peter Brabeck says we don’t have a right to water, Believes we do have a right to water and everyone’s confused,](#)” *Huffington Post*.
 - Brabeck, P. (2010) “[Pay the true price of water,](#)” *The Guardian*, June 23
 - [The Rights to Water and Sanitation](#)
 - [United Nations Human Right to Water and Sanitation](#)
- CASE:**
- *What Is Water Worth? Nestlé Walks a Fine Line*, 2015, WDI/Erb Institute case study 1-429-415.
- QUESTIONS:**
- If you think about Coke’s response to water issues in India, the company now sees itself as a water company. This is its most important ingredient, without which it cannot run its business. This is a good thing, right? But now that is its main source of revenue, does this bring the interests of society in line with the interests of business? Does valuing ecosystem services (see WBCSD and Natural Capital Coalition) capture the full scope of business’ attention to water scarcity? Think about these questions in relation to Nestle. What are the most significant factors that should drive Nestlé’s water strategy? How can Nestlé strategically address water scarcity today and how might it address it in the future? What role could partnerships play in a water strategy? How might shareholders react to

any changes or projects Nestlé announces related to water? Is transparency and disclosure of water consumption enough to drive change? What metrics might be important to measure and manage, from the point of view of Nestlé, shareholders, environmental groups, and society at large?

- POSITION PAPER 11:**
- **Is water a human right? How does this answer change the role of the corporation in bringing water to the user?** Certainly water is different than your average commodity (pork bellies, aluminum, wheat). We can live without these other items; we cannot live without water. And yet, it is a product that we consume, one producer's water is virtually indistinguishable from another's (even though Evian, Desani and others would like you to think otherwise), and it requires capital investment to bring to the user (wells, treatment, delivery infrastructure). So, any organization that invests that capital deserves a return on their investment. How do we balance these competing ideas of right versus commodity?

- DUE (at 6:00pm):**
- Individual Assignment: Reflective Journal Summary

Session #12

Monday, December 9

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- QUESTIONS:**
- Be prepared to discuss your individual Reflective Journal Summary as we collectively create a model for market transformation on sustainability.
- DUE:**
- Group Assignment: Case Study and Teaching Note
- POSITION PAPER 12**
- **Can we achieve sustainability within a capitalist system?** Naomi Klein says that we need to “shred the free-market ideology that has dominated the global economy for more than three decades.” Is this realistic? Are our sustainability challenges (like climate change) the outcome of a consumerist market system run rampant? If so, must the result be a call to replace capitalism with a new system that will correct our present ills with regulations to curb market excesses?

Style Guide for References

Please use endnotes for all references in your papers. The form of entries should fit the following format.

Book entries follow this form: Authors' or Editors' Last Names, Initials. Year. *Title of book*. (Italic, lowercase except for the first letter of the first word and the first word after a long dash or colon). City Where Published, with abbreviation for state or province (North America) or full name of country, only if needed to identify a small city: Name of Publisher. Examples:

Granovetter, M.S. 1965. *Getting a job: A study of contracts and careers*. Chicago: University of Chicago Press.

Kahn, R. L., & Boulding, E. (Eds.). 1964. *Power and conflict in organizations*. Glencoe, IL: Free Press.

R. Harbridge (Ed.) *Employment contracts: New Zealand experiences*. Wellington, New Zealand: Victoria University Press.

National Center for Education Statistics. 1992. *Digest of education statistics*. Washington DC: National Center for Education Statistics.

Periodical entries follow this form: Authors' Last Names, Initials. Year. Title of article or paper (in lowercase letters except for the first letter of the first word and the first word after a long dash or colon). *Name of Periodical*, volume number (issue number, *if needed*—see below): page numbers. Examples:

Shrivastava, P. 1995. The role of corporations in achieving ecological sustainability. *Academy of Management Review*, 20: 936-960.

Nonaka, I. 1991. The knowledge-creating company. *Harvard Business Review*, 69(6): 96-104.

Include an issue number *only* if every issue of the referenced periodical begins with a page numbered 1. (Look at more than one issue to check.)

If an article has no author, the periodical or producing body is referenced:

BusinessWeek. 1998. The best B-schools. October 19: 86-94

Chapters in books (including annuals) follow this form: Authors' Last Names, Initials. Year. Title of chapter (in lowercase letters except for the first letter of the first word and first word after a colon). In Editors' Initials and Last Names (Eds.), *Title of book*: page numbers. City Where Published, State or Country (only if necessary to identify the city): Name of Publisher. Examples:

Levitt, B., & March, J.G. 1988. Organizational learning. In W.R. Scott & J.F. Short (Ed.), *Annual review of sociology*, vol. 14: 319-340. Palo Alto, CA: Annual Reviews.

Dutton, J., Bartunek, J., & Gersick, C. 1996. Growing a personal, professional collaboration. In P. Frost & S. Taylor (Eds.), *Rhythms of academic life*: 239-248. Newbury Park, CA: Sage.

For *unpublished papers, dissertations, and papers presented at meetings*:

Duncan, R. G. 1971. *Multiple decision-making structures in adapting to environmental uncertainty*. Working paper no. 54-71, Northwestern University Graduate School of Management, Evanston, IL.

Smith, M. H. 1980. *A multidimensional approach to individual differences in empathy*. Unpublished doctoral dissertation, University of Texas, Austin.

Wall, J. P. 1983. *Work and nonwork correlates of the career plateau*. Paper presented at the annual meeting of the Academy of Management, Dallas.

For an *electronic document*, include the author's name, if known; the full title of the document; the full title of the work it is part of; the ftp, http, or other address; and the date the document was posted or accessed.