

**MHR 894.62**  
**Micro-Enterprises and Economic Development: Case Study**  
**DRAFT Winter Quarter 2009**

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**Purpose**

Despite 50 years of government sponsored foreign aid, abject poverty continues to be a significant problem around the world. This course focuses on the emergence and effectiveness of various market-based approaches to addressing this problem and culminates in a 10-day trip, where the issues discussed in class will be confronted in reality.

**Structure**

The course will meet ten times and is built around a series of readings that document the limitations of prior efforts to alleviate abject poverty, together with a discussion of alternatives to these prior efforts. These alternatives are all based on the assumption that poverty alleviation efforts must be consistent with the operation of competitive markets and include: Micro-finance and micro-enterprise, infrastructure development, establishing and maintaining property rights, marketing to the abject poor, embedded entrepreneurial activities among the abject poor, and so forth.

In addition to these discussions, sessions will also focus on preparing for our trip and the non-economic consequences of abject poverty.

**Class Requirements and Grading**

Course grades will depend on three factors:

- 30% for leading one of the class discussions during the quarter
- 40% for developing a marketing plan for future international development trips
- 30% for class citizenship

Class Discussion Students will be assigned to take the lead in one of the class discussions during the quarter. These discussions will focus on the readings in the syllabus for that session. In leading a class discussion, students should help the class identify the critical issues mentioned in the readings, articulate the different points of view with regard to these issues, and debate the merits of these different points of view. In this setting, the appropriate role is that of a "discussion leader" not a "presenter." It is less important for the class to come to a common agreement about the issues raised in a reading than it is for all of the relevant issues to be discussed.

An assumption of this teaching format is that all class participants will have read all the readings for a particular session.

Marketing Plan An underlying goal of this course is to develop a relationship with a village or villages, with the goal of engaging in longer term entrepreneurial development in this village. Obviously, to accomplish this, it will be necessary to return to the village several times. To do this, we need ongoing interest among our MBA students in problems associated with international development together with a commitment to go to travel to the country in this case. This is a marketing problem. One of the responsibilities of the class will be to develop a marketing plan to encourage members of the Fisher community to become interested in development, in general, and in the country, in particular. This marketing plan is due approximately one month after we return from our trip and will be implemented during the fall quarter of 2009.

Class Citizenship This class will put unusual demands on students. Like most classes at Fisher, there will be significant intellectual demands. However, because we will be traveling to a developing economy, the emotional demands on students will be very high. We will not be observing poverty from a distance; we will be living in poverty-stricken villages. We will not just be talking about building infrastructure; we will be helping to build that infrastructure. Once we get to the villages, living conditions will be primitive—either on the floor in a school room or in tents. These villages are at 12-13,000 feet. It will be cold, the days short.

In this context, having a positive attitude and being willing to help out, no matter what, are essential. Failure to engage in good citizenship in this class is simply unacceptable. Always remember—as tough as it is for you, the people we are working with live in these conditions continuously, with limited hope of improvement.

**Disability Services:** Any student who feels s/he may need an accommodation based on the impact of a disability should contact us privately to discuss your specific needs. Please contact the Office for Disability Services at 614-292-3307 in room 150 Pomerene Hall to coordinate reasonable accommodations for students with documented disabilities.

**Academic Misconduct:** Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's Code of Student Conduct and this syllabus may constitute "Academic Misconduct." The Ohio State University's Code of Student Conduct (Section 3335-23-04) defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an "excuse" for academic misconduct, so we recommend that you review the Code of Student Conduct and, specifically, the sections dealing with academic misconduct. If we suspect that a student has committed academic misconduct in this course, we are obligated by University

Rules to report my suspicions to the Committee on Academic Misconduct. If COAM determines that you have violated the University's Code of Student Conduct (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University.

**Class Schedule**  
**Thursdays 6:00 pm-7:48 pm**

- January 8            Topic: Class Introduction
- January 15          Topic: **Failure of Traditional Approaches to Economic Development**  
Reading: William Easterly (2006), *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good*. New York: Penguin.
- January 22          Topic: **The Micro-Finance, Micro-Enterprise Alternative**  
Reading: Muhommad Yunus (1999), *Banker to the Poor: Micro-lending and the Battle Against World Poverty*. New York: Penguin.
- January 29          Topic: **Alternative Theories of Entrepreneurship**  
Reading: Sharon Alvarez and Jay Barney (2008), "Discovery and Creation Opportunities," *Strategic Entrepreneurship Journal*.
- February 5          Topic: **Preparing for the Trip**  
Reading: Will be distributed later
- February 12        Topic: **The Bottom of the Pyramid Alternative**  
Reading: C.K. Prahalad (2004), *The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits*. New York: Pearson.
- February 19        Topic: **Property Rights and Development**  
Reading: Hernando De Soto (2000), *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Persus Books.
- February 26        Topic: **The Non-Economic Consequences of Development**  
Reading: Will be distributed later
- March 5            Topic: **Infrastructure and Economic Development**  
Reading: Greg Mortenson and D. Redkin (2002), *Three Cups of Tea: One Man's Mission to Fight Terrorism and Build Nations...One School at a Time*. New York: Viking.
- March 12            Topic: **Final Preparation for Trip**