

*“The challenge of education is to prepare students for their future – not our past” - Anonymous*

## **SUBMISSION FOR PAGE PRIZE**

### **FROM SUBSISTENCE MARKETPLACES TO SUSTAINABLE MARKETPLACES? USING SUBSISTENCE MARKETPLACES AS DISRUPTIVE LABORATORIES TO DEVELOP CURRICULAR INNOVATIONS ON ENVIRONMENTAL SUSTAINABILITY**

#### **Overview**

Described below, is a unique path to teaching about environmental sustainability that begins in the most unsustainable of conditions environmentally, socially, and economically – subsistence marketplaces. Subsistence marketplaces have been long characterized by ecological problems and severe resource constraints. Problems of poverty and the local environment are intertwined as health and hygiene is deeply affected by problems of pollution, and ecologically issues are essentially local and personal. Tradeoffs are often between consuming to survive the short term and conserving for the medium term – for example, using wood fuel for cooking in the near term leads to deforestation in the medium term. In turn, these problems are also intertwined with issues of social sustainability as unsustainable development leads to erosion of local culture and social networks.

Ours is a curricular journey that began in these most unsustainable of conditions and then extended to courses on environmental sustainability in all contexts (Viswanathan, 2012). We focus on sustainability with an emphasis on learning from subsistence marketplaces which represent the most unsustainable of contexts. Learning from these contexts which have faced extreme resource constraints and deteriorating environments can help the design of sustainable solutions to face the challenges of the 21st century. We offer a number of educational experiences to a variety of audiences.

As background, I study low-literate consumers in the US and low-literate, low-income buyers, and sellers, in subsistence marketplaces. Over the years, we have developed valuable synergies between research (<http://www.business.uiuc.edu/subsistence>), teaching (<http://www.business.uiuc.edu/subsistence/teaching/>), and social initiatives ([www.marketplaceliteracy.org](http://www.marketplaceliteracy.org)). Whereas, past research in the social sciences has focused predominantly on literate, resource-rich individuals and societies, this area of research focuses on contexts where a majority of humanity resides and survives. Distinct from macro level economic research on impoverished contexts, or mid-level approaches, such as the base of the pyramid approach in business strategy, my approach is at the micro-level, enabling bottom up understanding of buyer, seller, and marketplace behaviors. The choice of the term that I coined, subsistence marketplaces, reflects the spirit of this work, which is to understand these marketplaces in their own right, and to view them not just as markets to sell to, but as individuals, communities, consumers, entrepreneurs, and markets to learn from. This micro-level perspective aims to enable subsistence marketplaces to move toward being ecologically, economically, and socially sustainable marketplaces. As an example of the micro-level approach and its implications for environmental sustainability, we study the perceptions of people living in poverty in terms of the local environment.

Reflecting the synergies between research and teaching, this research has led to a number of teaching innovations. Central to several of my teaching initiatives is the need to envision a better world in terms of alleviating poverty and encouraging sustainable business practices. I have designed and teach courses in the areas of subsistence and sustainability.

### **Sustainable Product and Market Development for Subsistence Marketplaces<sup>1</sup>**

A year-long inter-disciplinary graduate-level course on subsistence marketplaces with an international immersion experience; Sustainable Product and Market Development for Subsistence Marketplaces, is now in its 6<sup>th</sup> year (Viswanathan, Yassine, and Clarke, 2011). This course was recently rated one of the top entrepreneurship courses by Inc. magazine. New product development lab courses are not new; however, what is new here is the pioneering attempt to design a course that focuses on developing products and services to serve the needs of those living in subsistence marketplaces. Students in business, engineering, industrial design and other areas spend the Fall semester understanding subsistence marketplaces through *immersion* in this context and through *emersion* of business principles. Five weeks of virtual immersion in subsistence contexts in Fall include a poverty simulation, analysis of interviews of subsistence individuals, analysis of life circumstances in subsistence, development of conceptual models of poverty, low-literacy, and consequences, and development of conceptual models of needs, products, and market interactions of subsistence individuals.

The next six weeks are spent in emersion of principles using a rich set of cases, and guest speakers ranging from social workers to technologists and entrepreneurs. In parallel, student groups are formed to balance technical and business skills and match interests with our company sponsors. Student groups generate and evaluate a long list of possible ideas, and narrow them down to a smaller set. The final weeks of the semester are spent on designing market research to be conducted during a field trip.

The class travels for immersion in the context and to conduct market research during part of the winter break. The field trip has been conducted in urban areas including Chennai, Bangalore, Hyderabad, Delhi, Agra, and Jabalpur, as well as rural areas of India. Students observe households in urban and rural subsistence contexts, as well as retail and wholesale outlets. Students interview low-literate, low-income individuals in urban and rural settings regarding product ideas for group projects. Students also visit educational institutions, non-profit organizations, and corporations engaged in the development of innovative programs and technologies for subsistence contexts. The field trip geared to visiting the environment of the urban and rural poor requires considerable planning and rehearsal, and has been a transformative learning experience for the students. Spring semester is spent developing and testing concepts, developing workable prototypes, and developing manufacturing, marketing and business plans. To date, 17 projects with a variety of small startups, social enterprises, and large corporations have been completed.

### **Sustainable Businesses for Subsistence Marketplaces<sup>2</sup>**

Based on the impact of this course as a model for interdisciplinary, integrative learning across campus, we have piloted and now scaled a module for all first semester undergraduate

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<sup>1</sup> Syllabi attached for Spring and Fall.

<sup>2</sup> Outline attached

students (about 600 students each year totaling more than 2000 to date) on developing sustainable businesses for subsistence contexts as a part of a Business 101 course on professional responsibility (<http://www.business.uiuc.edu/subsistence/teaching/business101.html>). This module combines the twin issues of environmental sustainability and poverty alleviation to highlight professional responsibility organized around a central, interdisciplinary business function, i.e., product development. Students participate in a poverty simulation, and analyze interviews and videos to understand the subsistence contexts. Using a number of assignments and class discussions to understand subsistence and sustainability, groups generate product ideas that are environmentally sustainable, develop a sustainable business plan and make presentations.

### **Sustainable Business Enterprises<sup>3</sup>**

We also developed and offer a course for first year MBA students on sustainable business enterprises in all contexts (<http://www.business.uiuc.edu/subsistence/teaching/smetm.html>). At the dawn of the 21<sup>st</sup> century, business and society is confronted with a confluence of factors ranging from environmental degradation, widespread poverty, and the need for renewable sources of energy. This course begins to address these issues and engender an appreciation among our students for the challenges that lie ahead for businesses. Although the primary focus is about sustainable marketing in all contexts, the course begins with and is informed by insights from subsistence marketplaces where individuals find ingenious ways to reuse and conserve in order to survive. As a concrete example of this approach, our class projects have examined the market in advanced economies for products such as solar ovens and lanterns currently being sold in subsistence marketplaces. Through lectures, case discussions, guest speakers, and a course-long project, each week, we examine and critically evaluate contemporary trends in sustainable marketing business practices and discuss such topics as sustainable consumer behavior and product design. Using the realm of sustainable business practices, we address related issues of incorporating social values into business objectives, social responsibility, and the need for businesses to meet triple bottom lines relating to people, planet, and profit. We have also offered an online undergraduate course beginning in 2011 with the course content described above.

### **Global Business Horizons<sup>4</sup>**

This course on Global Business Horizons for the Executive MBA program offered for the first time beginning in 2011 engenders an appreciation for the global challenges as well as opportunities that lie ahead and the important role that businesses can play in addressing these challenges. This course consists of two immersive and interactive modules organized around understanding global challenges and designing business solutions on the topics of poverty and environmental sustainability. The first module entitled Sustainable Businesses for Subsistence Marketplaces focuses on understanding subsistence marketplaces and designing business solutions for the 4 billion living in poverty in the global marketplace. To develop understanding of subsistence marketplaces, we use exercises to enable participants to view the world from the eyes of subsistence consumers and entrepreneurs, facilitate bottom-up understanding generated

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<sup>3</sup> Syllabi attached for MBA and pilot and online undergraduate courses.

<sup>4</sup> Syllabus attached.

by participants, and provide insights from extensive research. To envision solutions for subsistence marketplaces, we use group assignments as well as a project involving the development of a solution and a business plan to serve a need. The second module entitled Sustainable Businesses Enterprises explores current challenges and opportunities facing firms in the area of environmental sustainability. Through interactive exercises and discussions and a project, we examine topics such as unsustainable consumer behavior, sustainable product design, and sustainable supply chains, and develop a sustainable business plan. Tying the two modules together is the arena of emerging markets with poverty alleviation, upward mobility, and burgeoning middle-class segments, and associated issues of consumption and sustainability.

## Summary

As mentioned, central to my teaching initiatives is the need to envision a better world in terms of alleviating poverty and encouraging environmentally sustainable business practices. Therefore, several teaching innovations described above aim to proactively incorporate sustainability and subsistence into coursework. Beyond qualitative impact, our courses and modules will have about 700 students enrolled in them each year. So far, we have delivered learning experiences to more than two thousand students. We also have a major emphasis on dissemination. Our website at <http://www.business.illinois.edu/subsistence> is being developed to share detailed class materials beyond syllabi, including videos, project reports and class content.

My approach to teaching is to use multiple methods to facilitate learning. For example, the course on product and market development adopts a number of teaching methods including interview and video based virtual immersion in subsistence contexts, poverty simulations, and actual immersions through field trips, as well as actual development of product prototypes.

In terms of curriculum strategy, I provide students with an early experience on these topics and a later capstone course. We offer a sustainability certificate for students who participate in specific learning experiences and complete significant projects, as a way of stimulating interest in these topics and recognizing student accomplishments.

My innovations in teaching have been extremely well received by students, partially reflected by their high evaluations. A number of students at all levels in and outside business have also been working with me on projects related to subsistence marketplaces. The impact of the course on subsistence marketplaces is evident at the university as a model of interdisciplinary, integrative learning experiences. Such impact, in turn, led to the design of a module on the topic which is being scaled. As noted, curriculum level outcomes include early and capstone experiences on these topics and a sustainability certificate to provide the impetus for and recognize integrated learning in these areas.

Businesses and social enterprises that sponsor our class projects and receive detailed prototypes and business plans at the end of the course are also impacted by my teaching. Several of these reports are being used as bases to write unique instructional cases that are prospective in examining possible products that do not currently exist. I am currently seeking to institutionalize the teaching of courses on this topic through presentations at universities, through conferences, and through writing about my teaching initiatives and sharing educational materials.

In closing, I emphasize the importance of holistically examining environmental, social and economic sustainability by beginning in the most unsustainable of conditions in all of these dimensions. Through this, we have created a unique approach to viewing environmental sustainability. Our focus on subsistence marketplaces is also helpful in highlighting the global

nature of issues surrounding sustainability. With the imminent increases in population largely among the poor and the failing ecology they already confront, this is an ideal context from which to learn. With an emphasis on a holistic perspective, students develop an appreciation for how global poverty accentuated by ecological problems is central to the global marketplace. Examples such as the role of subsistence producers (e.g., coffee growers and Starbucks) and entrepreneurs and their role in global supply chains reiterate this issue. Thus, our orientation provides a holistic perspective ideally suited for understanding environmental sustainability in advanced economies and their interconnections with ecology and poverty around the world.

### **Explanation of Attachments**

Filename – submkt11-12 – Fall and Spring course syllabi for year-long course – Offered since 2006-12 (Sustainable Product and Market Development for Subsistence Marketplaces and Sustainable Product Design and Business Plan Development)

Filename – sustainablemarketingenterprisessyllabus12 – MBA course on Sustainable Marketing/Business Enterprises – Offered since Spring 2008

Filename - BA395-sustainablemarketingenterprisessyllabuspdf – Undergraduate course on Sustainable Business Enterprises piloted in 2010

Filename – syllabus\_ensu303 - Online undergraduate course on Sustainable Business Enterprises

Filename - Business101StudentsFall09Readfirst – 5 week module on Sustainable Business for Subsistence Marketplaces offered since Fall 2007 and scaled to all (approximately 600) students since Fall 2009

Filename – GlobalBusinesHorizons – Executive MBA course beginning in 2011-12.

### **References**

Viswanathan, Madhubalan, Ali Yassine, and John Clarke (2011), “Sustainable Product and Market Development for Subsistence Marketplaces: Creating Educational Initiatives in Radically Challenging Contexts,” *Journal of Product Innovation Management*, 28, 558–569.

Viswanathan, Madhubalan (2012), “Curricular Innovations on Sustainability and Subsistence Marketplaces: Philosophical, Substantive and Methodological Orientations,” *Journal of Management Education*, Forthcoming.