



NYU

**ROBERT F. WAGNER GRADUATE
SCHOOL OF PUBLIC SERVICE**

PADM-GP 4313

The Intersection of Finance and Social Justice Spring 2023

Instructor Information

- Instructor: Andrea Armeni
- Email: aa6434@nyu.edu
- Office Hours: held by appointment, both in person and remotely. General availability is 4pm to 6pm on Tuesdays and Thursdays. Please contact the instructor directly by email to reserve a time slot.

Course Information

- Class Meeting Times: 6:45pm-8:25pm, Thursdays, starting March 23, 2023
- Global Center for Academic & Spiritual Life (GCASL), 238 Thompson Street, New York, NY 10012

Course Description

This course explores how capital and issues of social justice intersect. It aims to give the student a framework to evaluate the role of finance in society and to provide an overview of different interventions and approaches to aligning capital and non-financial goals along a continuum from “avoiding the bad” to “building the good.”

Specifically, the course interrogates the notion that finance can be both a locus of and a tool for social change. It is geared toward finance and social change practitioners alike: it provides a critical overview of the opportunities for practitioners in finance to contribute to social change, and for social change practitioners to advance their work through engagement with the world of capital.

This course is not about what sustainable finance or impact investing are, per se. Both of those topics are amply explored in the course, however, as they are the expression of efforts to achieve positive social goals through finance. The overarching aspiration for the course is to help the student look at one of the most defining forces of our world from a novel, and more critical, perspective.

Course Prerequisites

- CORE-GP 1021 and CORE-GP 1022
- or -
- URPL-GP 2660
- In addition, PADM-GP 3211 and PADM-GP 2147 are recommended.

Course Structure and Learning Objectives

This course starts from a broad overview of finance as a driver of social justice outcomes. It then explores different models and precedents for the alignment of finance and social justice and the advancement of social change through finance. Throughout the course, students are invited to take a critical approach to the models. It then explores the current approaches and provides a framework for their critique.

Each session is designed so that the student receives an overview of the issue, an understanding of why the issue matters, and the essential elements to explore the issue independently. Each session relies heavily on student discussion, which will be informed by the readings.

At the end of the course, the student should:

1. have developed a nuanced understanding of how finance affects outcomes related to social justice
2. be fluent in the different approaches to finance and social justice and be able to think as a practitioner in evaluating both their potential and their limitations
3. be familiarized with the main debates in this space
4. have an independent framework to evaluate opportunities for social change through finance and evaluate social finance opportunities from a systemic and structural perspective

Required Readings

Each session centers on a presentation and a guided discussion; students are expected to have completed the readings prior to class to participate meaningfully in the discussion.

Independently of the readings assigned for a specific class, students should read the following at any point within the first three weeks of class:

- Singer, Joseph William. *The Edges of the Field: Lessons on the Obligations of Ownership*. Beacon Press. 2000. (Chapter 1).
- Bower, Joseph L., and Paine, Lynn S. "[The Error at the Heart of Corporate Leadership](#)." Harvard Business Review.

- Fantacci, Luca. “Resocialising Finance to Exit the Crisis.” In: Magatti M. (ed.), *The Crisis Conundrum*. Palgrave Macmillan, Cham. 2017.
- Foroohar, Rana. *Makers and Takers: [The Rise of Finance and the Fall of American Business](#)*. Crown Business. 2016. (Chapters 1 and 2)
- Kelly, Marjorie. *[The Divine Right of Capital](#)*. Berrett Koehler. 2001. (Chapters 1-3)
- Clark, Simon, and Louch, Will. *The Key Man*. Harper Business. 2021. (epilogue)
- **[See also the list of topical readings annexed at the end of this syllabus.](#)**

Background Readings

A student’s understanding of the area of inquiry analyzed in the course will benefit from habitually looking at resources that cover relevant topics. Students are highly encouraged to scan them, as they will be made part of the class discussion. The following is a partial list of what students may find relevant in the context of this course and are not likely to be already following; it is not meant to be exhaustive.

- Impact Alpha (www.impactalpha.com)
- Stanford Social Innovation Review (www.ssir.org)
- In The Public Interest (<https://www.inthepublicinterest.org/>)
- Next City (particularly The Bottom Line - <https://nextcity.org/thebottomline>)
- BIG by Matt Stoller (<https://mattstoller.substack.com/>)
- Non Profit Quarterly (esp. Economic Justice - <https://nonprofitquarterly.org/category/economic-justice/>)
- Pioneers Post (<https://www.pioneerspost.com/>)

Please note: the inclusion of a resource is not an endorsement of its contents. It mainly means that it is helpful to engage with it in order to tackle seriously the issues explored in the course.

Other readings as assigned will be available via NYU Brightspace under Resources.

NYU Brightspace

All announcements, resources, and assignments will be delivered through the NYU Brightspace site. I may modify assignments, due dates, and other aspects of the course as we go through the term with advance notice provided as soon as possible through the course website.

Academic Integrity

Academic integrity is a vital component of Wagner and NYU. All students enrolled in this class are required to read and abide by [Wagner’s Academic Code](#). All Wagner students have already read and

signed the [Wagner Academic Oath](#). Plagiarism of any form will not be tolerated and students in this class are expected to report violations to me. A student unsure about what is expected and allowed should ask the instructor prior to any submission.

Henry and Lucy Moses Center for Students with Disabilities at NYU

Academic accommodations are available for students with disabilities. Please visit the [Moses Center for Students with Disabilities \(CSD\) website](#) and click on the Reasonable Accommodations and How to Register tab or call (212) 998-4980 / email CSD at mosescsd@nyu.edu for information. Students who are requesting academic accommodations are strongly advised to reach out to the Moses Center as early as possible in the semester for assistance.

NYU's Calendar Policy on Religious Holidays

[NYU's Calendar Policy on Religious Holidays](#) states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. Please notify me in advance of religious holidays that might coincide with exams to schedule mutually acceptable alternatives.

Class Policies

Attendance and active participation are fundamental to this course. Students are expected to be ready for class in time and be engaged throughout and should expect to be called on at any time to contribute meaningfully to the discussion.

Remote attendance: to the extent possible, students are strongly encouraged to attend class in person. If attending class by Zoom, students are required to have their video camera turned on and participate to the same extent as they would if they were physically present in class.

Late submission policy: students should inquire with the instructor as soon as they believe they may need an extension.

Instructor communications: it is best to contact the instructor by email. If the majority of the students agree, the instructor may communicate via group email, cc'ing all students (and students should be mindful in their replies as to whether they should reply to all or just to the instructor).

Evaluation

Course grade will be determined as follows:

Active Class Participation: 25% of total grade

Credit for participation is awarded based on punctual attendance and active engagement in class discussions. One unexcused absence or late arrival is permitted; missing or being late for two or more classes for the semester will negatively impact the participation portion of the grade, absent extraordinary circumstances, which include religious observances and illness. Absences and late arrivals due to personal obligations will count as unexcused absences.

A student who foresees missing a class should notify the instructor via email as far in advance as possible.

All students benefit from high levels of engagement and participation, and thus, for the benefit of the class at large, all students are expected to complete their readings prior to class, attend class, and contribute to the discussion. A student's ability to understand the class discussions and to meaningfully contribute to them will be seriously impaired by not having done the readings. While students will not be quizzed on the assigned reading, a demonstration of lack of familiarity with the materials assigned and the main concepts in the readings will affect a student's grade. Grades will likewise be affected by a clear demonstration, whether in class or in the assignments, that a student is not familiar with the main concepts in the readings.

Attendance is taken at the beginning of every class and the instructor will be making note of those who routinely participate constructively in the class discussions.

Memo Questions: 40% of total grade

A total of four short memos will be assigned. All memos should bear the student's name and a descriptive title at the top of the document. Memos are to be submitted electronically via NYU classes, titled using the convention [last name] [first name] – PADM-GP 4313 – Memo Number [] – [Date]; for example: "Armeni Andrea – PADM-GP 4313 – Memo Number 2 – 2023-04-08"

Session 3 and Session 5 memos

At the end of Session 2 and Session 4, students will be given a prompt for a memo that is due by 11:59 PM on the evening prior to the following class.

Each memo prompt is an opportunity to lay out the thinking on the issue offered for analysis. There is no minimum or maximum length; a satisfactory memo is likely to be between two and four pages in length.

Course-end memo questions

Two final memos are due one week before the end of the exam period on the following topics. Students must address each question in a separate memo.

- 1) Discuss what you see as the strongest limitation to driving social change via an intervention related to finance.
- 2) Write one question or issue you think should have been addressed, or would have liked to see addressed, in this course, and discuss why.

Final Project: 35% of total grade

The final project will be discussed in detail in Session Three. It will involve an analysis of a chosen issue, building on the conceptual framework presented throughout the course. Students are expected to pick a narrow topic, research and analyze it, and prepare a spoken presentation, which will be delivered during the last session of the course.

Students will be graded on topic choice, underlying research, analysis, and clarity of the presentation. The emphasis of the work, that is, should be on the competent application of the conceptual framework explored during the course to a specific issue – not on arriving at a supposedly correct answer.

Learning Assessment Table

Graded Assignment	Course Objective Covered
Memo Questions	#1 and #2
Course-end memos	#3
Final Project	All

Grading Scale and Rubric

Students will receive grades according to the following scale:

- There is no A+
- A = 4.0 points
- A- = 3.7 points
- B+ = 3.3 points
- B = 3.0 points
- B- = 2.7 points
- C+ = 2.3 points
- C = 2.0 points

C- = 1.7 points

There are no D+/D/DF (fail) = 0.0 points

Student grades will be assigned according to the following criteria:

(A) Excellent: Exceptional work for a graduate student. Work at this level is unusually thorough, well-reasoned, creative, methodologically sophisticated, and well written. Work is of a professional quality. There are no unexcused absences.

(A-) Very good: Very strong work for a graduate student. Work at this level shows signs of creativity, is thorough and well-reasoned, indicates strong understanding of appropriate methodological or analytical approaches, and meets professional standards.

(B+) Good: Sound work for a graduate student; well-reasoned and thorough, methodologically sound. This is the graduate student grade that indicates the student has fully accomplished the basic objectives of the course.

(B) Adequate: Competent work for a graduate student even though some weaknesses are evident. Demonstrates competency in the key course objectives but shows some indication that understanding of some important issues is less than complete. Methodological or analytical approaches used are adequate, but the student has not been thorough or has shown other weaknesses or limitations.

(B-) Borderline: Weak work for a graduate student; meets the minimal expectations for a graduate student in the course. Understanding of salient issues is somewhat incomplete. Methodological or analytical work performed in the course is minimally adequate. Overall performance, if consistent in graduate courses, would not suffice to sustain graduate status in "good standing."

(C/-/+) Deficient: Inadequate work for a graduate student; does not meet the minimal expectations for a graduate student in the course. Work is inadequately developed or flawed by numerous errors and misunderstanding of important issues. Methodological or analytical work performed is weak and fails to demonstrate knowledge or technical competence expected of graduate students.

(F) Fail: Work fails to meet even minimal expectations for course credit for a graduate student. Performance has been consistently weak in methodology and understanding, with serious limits in many areas. Weaknesses or limits are pervasive.

Overview of the Course

Session	Topic	Key Points	Deliverable
Session 1 March 23	Introduction to course: What is finance, what is social justice, and how do they intersect?	Finance as a system; examples of social justice spheres and how finance affects them; financialization and activism in finance	n/a
Session 2 March 30	Approaches, trends, and prominent themes, from ESG integration to impact-first investing	Finance looking beyond returns; introducing the framework of influencing capital versus aggregating and deploying capital; driving change versus capitalizing on change	n/a – be prepared to discuss the assigned reading
Session 3 April 6	Using Power: Capital stewardship and capital strategies	How stakeholders have sought to use the power of others' capital to drive social change: examples and issues; the current ESG debate	First memo due at 11:59 PM the evening prior to the Session
Session 4 April 13	Direct impact investing as social change via finance A social justice critique of impact investing	How impact investing fit within social change practice; a critique of impact investing as a driver of change	n/a – be prepared to discuss the assigned reading
Session 5 April 20	Reclaiming Power: Systemic approaches, shareholder primacy, stakeholder capitalism, and community-governed capital	Emerging alternatives to the shareholder-centric paradigm, from the public equities markets to hyperlocal investment funds	Second memo due at 11:59 PM the evening prior to the Session
Session 6 April 27	Mapping potential interventions	A critical perspective on the variety of tools, applied to a concrete issue; investigating the actors involved and the characteristics of investment strategies	n/a – be prepared to discuss the assigned reading
Session 7 May 4	The Hot Debates	Finance as a viable arena for social change; limitations of the approach; false solutions; pragmatic takes	Lightning round student presentations

Topical Readings Assigned

These readings can be found in the content section of our class site.

Background on Financialization and Shareholder Primacy

- Friedman, Milton. [“The Social Responsibility of Business Is to Increase Its Profits.”](#) The New York Times, 1970.
- Konczal, Michael. [“Frenzied Financialization.”](#) Washington Monthly. November/December 2014.

Critiques of Impact Investing

- Oxfam and Sumerian Partners. "[Impact Investing: Who Are We Serving?](#)" Oxfam, April 2017.
- Ben Ami, Aner. "[Is Impact Investing Winning the Battle but Losing the War?](#)" Transform Finance, January 2017.
- Brest, Paul. "[Up for Debate: When Can Impact Investing Create Real Impact?](#)" Stanford Social Innovation Review (SSIR) 2013.
- Fraser, Steve. "[Playing God: The Rebirth of Family Capitalism or How the Koch Brothers, Sheldon Adelson, Sam Walton, Bill Gates, and Other Billionaires Are Undermining America.](#)" TomDispatch, September 2014.
- Ortiz Montemayor, Laura. "[The trouble with the 2030 global goals.](#)" ImpactAlpha, June 2017.

Capital Strategies, Shareholder Engagement

- Behar, Andrew. "[Introduction: You Have More Power Than You Think,](#)" *The Shareholder Action Guide*. Berrett-Koehler, 2016.
- "[Investor Statement on the Dakota Access Pipeline.](#)" February 16, 2017.
- California Public Employees' Retirement System (CalPERS). "[Total Fund Investment Policy.](#)" 2019. Selections: Appendix 3 and beginning of Appendix 7.
- Heron Foundation, "[Investment Policy Statement.](#)" December 5, 2016.
- Center for Economic Democracy, "[Social Movement Investing – Executive Summary.](#)" February 2022.
- Transform Finance, "[Capital Strategies: An overview for activists and movement organizations.](#)" March 2022.

Wealth Inequality

- Neichin, Greg, and Isenberg, Diane. "[Sorry, 'Feel Good' Investors: Deep Impact Requires Concessions.](#)" Next Billion, January 2017.
- Foxworth, Rodney. "[Wealth Inequality and The Fallacies of Impact Investing.](#)" Medium, BALLE Views, February 2018.
- "[Economic Justice Platform.](#)" The Movement for Black Lives.
- Wood, David. "[Why And How Might Investors Respond to Economic Inequality?](#)" PRI Discussion Paper, 2016.

Community Governed Capital

- Lyon, Curt. "[Boston Ujima Project Is Rebalancing Risk, Returns and Power in Local Impact Investing.](#)" ImpactAlpha. January 23, 2019.

- Grace Lyn Higdon. "[Linking Participation and Economic Advancement: Buen Vivir Fund Case Study.](#)" Institute of Development Studies, 2019
- Jaylan Abd Elrahman and Jay Feldman "[A Path to Authentic Community Engagement.](#)" Living Cities, 2018.
- Armeni, Andrea and Curt Lyon. "[Grassroots Community Engaged Investment.](#)" April 2021.

Multi-Stakeholder Approaches

- Joannides, Sarah. "[Steward Ownership, Illustrated.](#)" Alternative Ownership Advisors, 2021.
- Dutt, Pushan. "[The Rise, Fall, and Rise Again of Businesses Serving More than Just their Shareholders.](#)" The Conversation, October 10, 2019.
- Ben-Ami, Aner. "[Organically Grown Co: This is what stakeholder capitalism looks like.](#)" ImpactAlpha, 2019.
- "[Steward Ownership.](#)" Purpose Foundation, 2022.
- Levine, Matt. "[Stakeholderism.](#)" Bloomberg Opinion, 2020.