

SUSILO INSTITUTE

FOR ETHICS IN THE GLOBAL ECONOMY **NEWSLETTER**

“Businesses are the greatest power to be an agent of change.”

Rose Marcario, former CEO Patagonia, June 2020

We are excited to share this inaugural newsletter from the Susilo Institute for Ethics in the Global Economy housed here at Boston University Questrom School of Business. The Susilo Institute, launched through Sekar Group founder and chairman Harry Susilo's generous and visionary endowment gift, aims to be a recognized thought leader and act as a platform for ethical business actions and responsible leadership with a global perspective.

Businesses around the world are experiencing an unprecedented time in modern history. On a daily and sometimes moment-to-moment basis, executives are rising to confront a broad range of new challenges. The pandemic has acted as an accelerator, laying bare the intricate connections among all stakeholders with the realization that prioritizing social and economic equity, environmental sustainability, and how to use digital technology for good is critical for a stable and prosperous society.

In this newsletter we will share our current research focus, point you to our publications list, and give you an update on our partnerships and recent events. We hope you find this information valuable.

We look forward to continuing this connection in the months ahead and send our good wishes for health and well-being for all.

Nalin Kulatilaka & Nina Mazar, Co-Directors
Susilo Institute for Ethics in the Global Economy

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Research

As we examine global ethical challenges from the perspectives of investors, organizations, and individuals, our cutting-edge research projects revolve around two major themes: **How to Bring About Behavior Change for Good and How to Measure Change.**

How to bring About Behavior Change for Good: Every organization – be it for-profit, nonprofit or government – brings about changes in behavior. We apply insights from behavioral science (business, economics, psychology, computational social science, design, neuroeconomics, etc.) to overcome systematic bias in individuals' and organizations' decisions and actions to improve behaviors and positive impact. The primary pillars include:

- **Social and Economic Equity** (e.g., How can we craft interventions for high stakes daily situations to help individuals attend to their latent preference for equity and be less likely to engage in racist practices? How can financial organizations including FinTechs support individuals to better manage their spending, savings, and debt to improve financial wellbeing for all? How can organizations and brands take a stand?)
- **Ethical Business Action** (e.g., How can we foster trust in and adoption of Artificial Intelligence for good? How can we help better navigate disinformation? How can we reduce deception and fraud, particularly in digital environments? How can we better communicate ethical practices to inspire positive stakeholder actions?)

How to Measure Change -- Impact Investing: There is a growing realization that investments can do more than provide financial returns by influencing businesses to do good (or less harm) for society at large. Our research is addressing several key challenges that must be overcome in order **to direct adequate financial resources**. Our projects include designing financial contracts to maximize impact, improving measurement and monitoring metrics, and understanding investor preferences towards the many attributes of social and environmental impact.

For related Questrom faculty publications ranging from Consumer Privacy Choice in Online Advertising (Garrett Johnson et al.) to Resistance to Medical AI (Chiara Longoni and Carey Morewedge et al.) to Improving Tax Compliance and Financial Wellbeing (Nina Mazar) to Effectiveness of Green Bonds (Caroline Flammer) and Value of Green Energy (Jerome Detemple) see [list of publications](#).

Browse our [monthly research blog posts](#), or [email us to explore collaboration opportunities](#).

New Partnerships

Cyber Alliance: We are proud to officially join BU's Cyber Security, Law, and Society Alliance with the start of the new academic year 2020/21. The Cyber Alliance is a collaboration with BU's Hariri Institute for Computing and the School of Law. As part of this collaboration, cross-disciplinary talks and presentations are alternatively hosted by each of us, depending on the subject matter. This Cyber Alliance Speaker Series is an opportunity for all members of the BU community to meet scholars and experts at the intersections of law, technology, business, and policy, and ideally sets up our institute to jointly develop interdisciplinary visionary research programs on cutting edge topics relevant to the business community.

Impact Measurement & Allocation Program (IMAP): This joint research endeavor with BU's Institute for Sustainable Energy (ISE) aims to develop and disseminate measurement

methods and metrics that better reflect the social and environmental impact of businesses. This is a crucial missing ingredient to bring about more responsible business behavior that would mitigate risks and harness long-term value for all stakeholders – shareholders, employees, and society at large. Based on our discussions with a wide range of companies and investment professionals, we have chosen two areas to direct our initial attention: Labor practices and Scope 3 GHG emissions (i.e., emissions by upstream suppliers and downstream distributors).

Event Highlights

Our **annual Susilo Symposium** alternates between Boston and an international location. This flagship event draws academics and practitioners from throughout the world who seek to explore and exchange ideas surrounding the role of ethics in a changing global economy. This year's conference has been postponed due to the pandemic. We are planning to hold the next one in June 2021 in Asia. Details to follow. Our 2019 symposium focused on **"Ethics at the Frontier of Technology"** covering topics from behavioral economics for social good, to moral dilemmas in AI, to CSR, to social impact investing— all with an eye on the opportunities and challenges presented by digitization (such as privacy and financial inclusion and wellbeing). The keynotes were complemented by a moderated panel with industry experts and policy experts (ranging from BioPharma to FinTech to Digital Marketing to the Sharing Economy and changed employment and labor conditions). Organizations included MIT Media Lab, World Bank, Omidyar Network, Eastern Bank, Kununu, US Department of Labor, Obama Administration.



- Susilo co-director Nina Mazar joined the **future of health conversation** with **IDEO, the Robert Wood Johnson Foundation, and Building H** exploring the role of business in building a healthier future (June, 2020).
- Dean's speaker series: **Michael McCreless**, Head of Investor Collaboration at the Impact Management Project, shared his insights about sustainable and impact investing in his talk entitled "Investing our Values, Changing the World, or Both?" The talk was moderated by Susilo co-director Nalin Kulatilaka (Feb, 2020).
- In collaboration with **The Hubert H. Humphrey Fellowship Program** at Boston University, we organized a conference on **"Reshaping the World 2020: Financial Inclusion & Social Impact Conference"** (Feb, 2020).

MBA Education

- The **Social Impact Field Seminar** led by Prof. Caroline Flammer in spring 2020 provided an action-based learning experience for students interested in understanding how organizations develop innovative products and services that help mitigate grand challenges. This year's seminar took the students to **Brazil**. Read their blog posts [here](#).
- The **Behavioral Change Practicum** led by Susilo co-director Nina Mazar in spring 2020 taught students how to apply insights from behavioral economics to effectively produce behavior change. Two of the projects were done in collaboration with **Save the Children in Bangladesh** (on early childhood care and development) and in **Indonesia** (on family disaster preparedness). Read their blog posts [here](#).
- This year's spring 2020 course **Ethical Leadership in the Global Economy** (taught by Profs. Evan Apfelbaum and Nina Mazar) hosted guest speaker Prof. Alex 'Sandy' Pentland from the MIT Media Lab. Sandy talked about data collectives, privacy and security.

Let's Lead With Integrity

Visit our [website](#) and follow our work at Questrom, an ecosystem of researchers, students, partner organizations, governments and alumni, founded in and committed to **social impact and innovation**. [Contact us to explore opportunities for collaboration or sponsorship](#).



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