

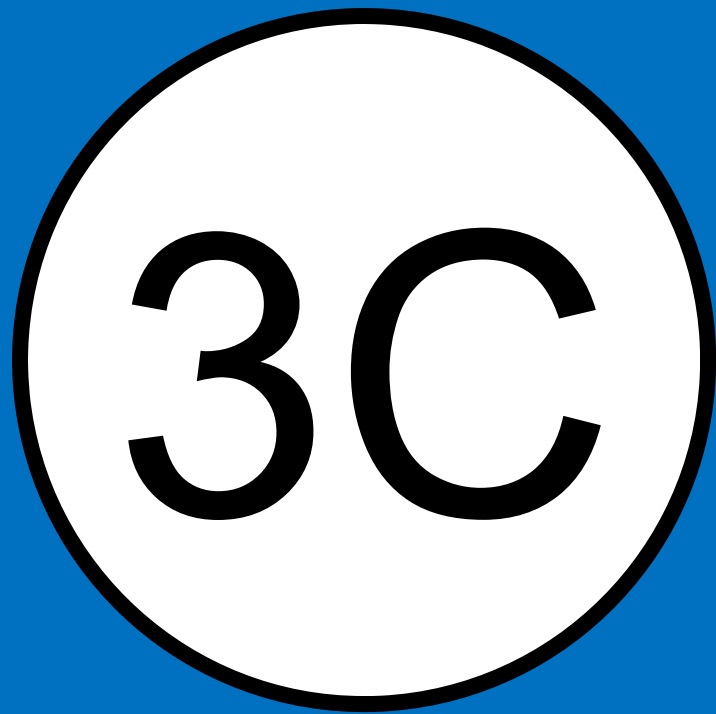
Innovation and Social Entrepreneurship

Poverty

Jon Kolko



ac4d



Poverty



Entrepreneurship: Productive, Unproductive, and Destructive

William Baumol



“At times the entrepreneur may even lead a parasitical existence that is actually damaging to the economy... the central hypothesis here is that it is the set of rules and not the supply of entrepreneurs *or the nature of their objectives* that undergoes significant change from one period to another and helps to dictate the ultimate effect on the economy via the *allocation* of entrepreneurial resources.”

What is the argument?

Entrepreneurship: Productive, Unproductive, and Destructive

William Baumol



“The allocation of entrepreneurship between productive and unproductive activities.. can have a profound effect on the innovativeness of the economy and the degree of dissemination of its technological discoveries... Today, unproductive entrepreneurship takes many forms:”

- Rent seeking, via activities such as litigation and takeovers
- Arbitrageurs
- Legal suit and countersuit
- Taxes

How does this extend the argument?

Entrepreneurship: Productive, Unproductive, and Destructive

William Baumol



“While in the United States legal institutions such as trebled damages provide a rich incentive for one firm to sue another on the claim that the latter violated the antitrust laws, in Japan the arrangements are very different. In that country any firm undertaking to sue another on antitrust grounds must first apply for permission from the Japan Fair Trade Commission. But such permission is rarely given, and, once denied, there is no legal avenue for appeal.”

How is the point
relevant to your work?

Economic Decision Making in Poverty Depletes Cognitive Control

Dean Spears



“...In these three cases, poverty appears to have made economic decision-making more consuming of cognitive control for poorer people than for richer people. Poverty causes difficult decisions, which deplete behavioral control.”

Wait, what? Explain.

Economic Decision Making in Poverty Depletes Cognitive Control

Dean Spears



“The experiment had three stages. First, participants played a “store game” that required some of them to make an economic decision. Second, participants’ performance was measured on two tasks. Third, participants were asked a set of economic and demographic survey questions.”

Describe how the experiments worked.

Economic Decision Making in Poverty Depletes Cognitive Control

Dean Spears



“Economic decision-making had negative effects on performance or behavior when participants were poorer. This may be because for poorer participants, decisions required more difficult trade-offs, and were more depleting of cognitive resources.”

Explain this, and offer your own take on the hypothesis/explanation.

Economic Decision Making in Poverty Depletes Cognitive Control

Dean Spears



“Random assignment of experimental ‘poverty’ in the lab experiment and regression-controlled and subsample analysis in the field experiment and survey data underscore that, in these data, poverty causes depleted performance, rather than the other way around.”

Yikes. What do you think of that?

Economic Decision Making in Poverty Depletes Cognitive Control

Dean Spears



“Bad’ decision-making by poor people may undermine support for anti-poverty programs and policies for two reasons: deservingness and effectiveness. Bad decisions may make poor people seem less worthy of aid, and may indeed complicate or crowd out the benefits of attempts to help. Understanding how poverty influences decision-making and behavior is important for both of these reasons. It is evidence against the folk theory of the ‘undeserving poor,’ and can be used to improve programs and policies responding to poverty.”

If this experiment is valid and the implications are true, how would this change policy? How would it change your design ideas?

Designs on Dignity

Chris LeDantec & W. Keith Edwards



“In some urban areas the lack of affordable housing can preclude even the working poor from maintaining a residence; individuals have jobs and are ‘productive’ members of society but are unable to secure housing.”

Describe the relationship between housing, employment, transportation, and technology.

Designs on Dignity

Chris LeDantec & W. Keith Edwards



“...lower levels of education and literacy restrict access to information, a lack of economic independence restricts access to computers and Internet resources, and limited access to training hinders uptake of digital technology when it is made available. These factors converge, leading to a situation of economic poverty along with what has been called information poverty—a dearth of access to useful information resources.”

Is this true for your users? Describe.

Designs on Dignity

Chris LeDantec & W. Keith Edwards



“The first theme was the importance of staying connected to family members and friends during spells of homelessness... Displacement, becoming newly homeless, and the affect of losing contact with [a participant’s] immediate family all converged at once.”

Relate to your research
and design ideas.

Designs on Dignity

Chris LeDantec & W. Keith Edwards



“All of the participants had voicemail accounts through local organizations. These accounts were meant to provide a stable number of contact and aid in job searches and managing appointments or other personal business. The difficulty for a number of participants was in accessing their voicemail, leading to a decidedly asynchronous style of communication when using the telephone.”

How would this asynchronous style of communication impact or change your design ideas?

Designs on Dignity

Chris LeDantec & W. Keith Edwards



“Homeless persons interact with a number of different social groups and identity management was a key aspect of their lives. For participants in our study, different forms of identity management came out through their use of technology and social institutions. Some forms of identity management were used when facing close family or friends while others were employed as defense against the social stigma of being homeless.”

How does this identity management manifest in your designs?

Designs on Dignity

Chris LeDantec & W. Keith Edwards



“The social network was the primary mechanism participants in this study used to navigate the world around them. As noted above, maintaining a social connection with a larger world is critical for individuals dealing with homelessness. These connections are immediately sought out on the street, as much for survival as to get plugged into support infrastructure.”

How can you build these social connections in your designs?

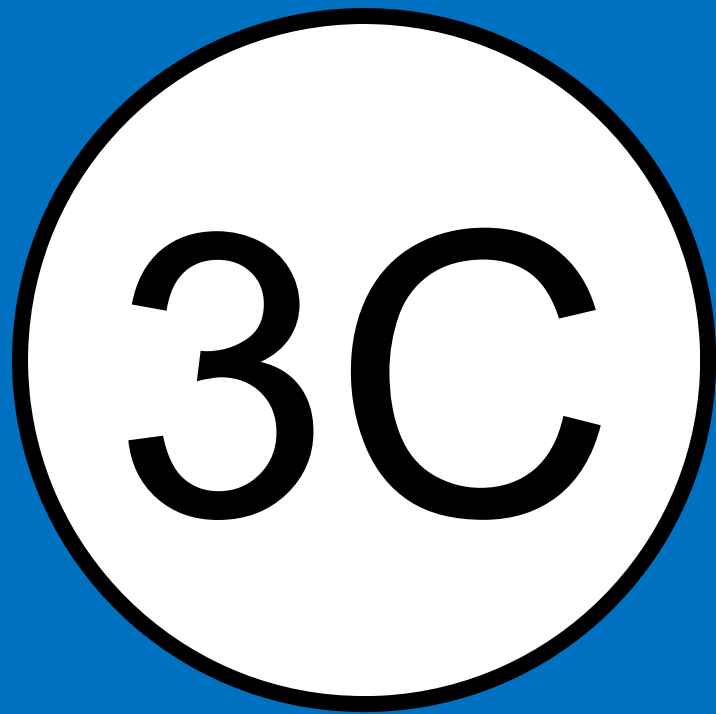
Designs on Dignity

Chris LeDantec & W. Keith Edwards



“The cumulative effect of these two systems is an inability to plan ahead with budgeting for communication and public transportation. In the case of cell phone service it affects a homeless person’s ability to stay connected to a vital social network and in the case of public transportation it complicates travel planning and creates situations of public embarrassment when attempting to board public transport with a card that has been used up.”

Relate to your research
and design ideas.



Poverty



What's the current, broad relationship between technology and poverty? What's an idealized future state?

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