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ORIGINAL PAPER

“IFS” AND “BUTS” IN POVERTY AND DEVELOPMENTAL ECONOMICS. PERSPECTIVES OF ENTREPRENEURIAL UNIVERSITY MODEL IN COUNTERVAILING EFFECTS

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Abstract. Where poverty has become a recent times illusion in recovery in various facets of economic propulsion there are various myriads of poverty which has imbibed the injustice and diversity in its ambit. There lies a varied chemistry regarding economic geography on how inclusive social enterprises channel economic growth. What are the economic engines of innovation in case of social entrepreneurship? Why are few people obsessed with poverty? How can the underlying behavioral psychology of economics create a paradigm shift in development? This paper is unique in the sense that it caters the research gap in social inclusion and mental accounting of poor people with applications of new model of entrepreneurial university and the bottom of the pyramid. Whereas these two models are unique in perspective which has created effectual entrepreneurship incubation globally, such models are rebuilt with interlinking phases to create a hybrid model which can better understand dynamics of poverty and how the models can be applied globally with case studies in emerging economies for perfect functioning. The paper also addresses the recent development in behavioral economics with nudges and application of modern theories pertaining to psychology of economics to understand poverty dimension and create a policy for recovery and inclusion in mainstream economic growth.

Keywords: behavioral economics, bottom of the pyramid, entrepreneurial university, India, national economic policy, poverty, triple helix model.

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ОРИГИНАЛЬНАЯ СТАТЬЯ

«ЕСЛИ» И «НО» БЕДНОСТИ КАК ЯВЛЕНИЯ И ЭКОНОМИКА РАЗВИТИЯ. ПЕРСПЕКТИВЫ МОДЕЛИ ПРЕДПРИНИМАТЕЛЬСКОГО УНИВЕРСИТЕТА В ПРЕОДОЛЕНИИ НЕГАТИВНЫХ ПОСЛЕДСТВИЙ

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Аннотация. Несмотря на распространенную иллюзию возможности выхода в ближайшее время из состояния бедности под влиянием многогранных экономических стимулов, не следует забывать о том, что существует бесчисленное множество форм бедности, насквозь пропитанных несправедливостью, разнообразно проявляющейся в каждом из конкретных ее аспектов. То, каким образом инклюзивное социальное предпринимательство направляет экономический рост, определяется причудливым сочетанием экономико-географических факторов. Каковы экономические двигатели инноваций в случае социального предпринимательства? Почему так мало людей озабочены проблемой бедности? Каким образом лежащая в основе экономики поведенческая психология может коренным образом изменить парадигму развития? Эта статья уникальна в том смысле, что она заполняет пробел в исследованиях в области социальной интеграции и ментального учета, свойственного людям из бедной среды, с применением новых моделей: модели предпринимательского университета и модели пирамиды. И хотя каждой из этих моделей свойственна уникальность видения, позволившего создать систему эффективной бизнес-инкубации во всем мире, в настоящее время происходит их перестройка, характеризующаяся внедрением между ними связующих этапов для создания гибридной модели, которая поможет лучше понять динамику бедности, а также того, как эти модели могут применяться в мировом масштабе, при одновременном ведении тематических исследований в странах с развивающейся экономикой, призванных обеспечить безупречное функционирование модели. В статье рассматриваются также последние достижения поведенческой экономики, в числе которых – теория подталкивания к

действию и психология экономики, способствующие лучшему пониманию бедности как явления и проведению политики, направленной на выход из этого состояния и включение в основной поток экономического роста.

Ключевые слова: поведенческая экономика, дно пирамиды, предпринимательский университет, Индия, национальная экономическая политика, бедность, модель тройной спирали.

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Indian Diaspora is very much complicated with even in comparison to other poor countries like the Sub-Saharan countries where international organizations are working in economic clusters to provide logistical support for ailing masses. Indian diversity has distinct flavor of emotional quotients in poverty like Shame, pride and depressive disorders which gives rise to economic backwardness and educational impairments [1].

In spite of India's journey towards poverty reduction the rate of growth of affluence is grossly unequal in major rural populations where despite governmental support basic necessities like electricity, gas and clothing still remains a challenge. Measures by international organizations also faultier sometimes because of basic foundational understanding on human mobility tendency, psychological cognition, cognitive thinking patterns and behavioral finance implication on poverty decision platforms [2].

Mapping the foundations of pro-poor policies towards understanding generations in poverty is important as is to understand the few in comparison who have come out of poverty through push and pull effects in entrepreneurship. There has been a vast change in how economics and its subsidiary studies function globally with past decades of turmoil, bursts and booms showing economists predicting and retrospections the way global dynamics of growth and development is carried out.

Poverty has been a great sin of human existence with human development being at the core of existential economic goals [3]. Poverty also brings forth various illnesses like women conflict, inequality, injustice, hunger, disease and unemployment. Even the most advanced countries like USA face the dangers of inequality with 15% of the population below the accepted poverty line. Though this line is completely hypothetical, its judgment is based on survival index and economic geographical criteria which are far more complicated in structure and practices [4].

The United Nations Development Programme (UNDP) propounded Human Development Index (HDI) shows greater inequalities in countries in advanced countries than in emerging or underdeveloped countries. Researches globally have shown the poverty in various formats in diversified economic geographies but have been backstage in the development of interlinking factors to poverty. Climate

change and health also produce substantial proforma to growth of poverty. Why few people choose to be poor? What keeps them confined for generations in the ambit of poverty? Why we cannot develop motivational factors for including them in mainstream economic parleys? These are few questions which need to be studied at ease to understand poverty, hunger and the rise of inequality within a successful capitalist world order. It is noteworthy to point out that being poor is affected by behavioral changes which in turn affects the buying behavior. What will happen if we cannot buy some particular product? [5]. To understand the nudge behind such fluctuations in economic decision making is at the heart of global poverty study [6]. The psychological implications of behavioral finance if applied to the Diaspora of poor people and their existence can of course challenge contemporary economic policy management.

The algorithm of human poverty and misery can be traced from historical prefaces [7].

In fewer countries like India historical thoughts can trace the development of poverty and its multifaceted discontents under the ambit of exclusionary policy and post colonial influences. Here poverty has branched in complicated ways with broken promises of a stable livelihood [8]. Few researchers has disputed Friedman's logic of a flat promulgation of global order and the olive tree paradox with respect to poverty. It is in that line that research agenda can be traced in some peculiar heterogeneity oriented country like India where the past historical decades of colonial rule showed a shift towards inequality in taxation, wrong policy adjustments by the colonial rulers thereby hindering industrialization and growth policy is somewhat different contextual platform of agrarian intensive country like India. There was thus the rise of the subaltern in community whose voices got hurdled by authoritarian policies and restrictive deconstructionism in national agenda. This particular hybridization of subaltern in context of national growth has taken new shapes in global exposure and contextual rise of poor people and subsequent under performance indicators. G.G. Spivak [4] portrays this gross dichotomy in economic expression in Indian subcontinent wherein there is absolute poverty in few regions of tribal dominance where educational expansion is also hindered by age old poverty incubation and lack of credits. To understand the poor irrespective of other

economic indicators unbiased it is important to understand regional history of economic expansions in a country. This will allow further research benefits in understanding trends and focus related to psychology of poverty. India being a land of gold in earlier years was dragged into poverty by historical mistakes and loots and plunders at national level in multiple years wherein rulers dragged out not only natural resources but also humiliated the foundations of human existence. Though India was earlier too into agriculture and diversity but with times of globalization it failed to keep pace with global order and technological improvements with major drainage of national resources and colonial injustice. It took time for Indian institution builders to realize growth amidst a falling majority going under abrupt poverty and ailing health with morbidity rates shooting up [9].

Though the research starts with Ifs and Buts but it is not mere calculations but understanding poverty from soul that is poor people's daily conjunctures and choices. Devoiding parameters of externalities there are too internal contradictions in poverty wherein family disputes and corruption plays pivotal role in expansion. Further exaggeration is seen when corruption includes drug abuse and alcoholism which has somewhat relation to women being subjugated to disputes. Polygamy is also an ingredient of broken relationships and indicator to population growth [10] which are so destructive to Indian population rising affecting national outputs.

Though trickledown theory has been instrumental in understanding poverty at its core but its relevance to Indian subcontinent is highly disputable because of differential treatments and inequality in policy in underdeveloped countries with wide scale corruption and political dexterity [11].

W.J. Bryan (1896) has severely criticized the horse and sparrow theory which originated mostly as a joke wherein tax breaks would have gone to the bottom of the pyramid benefits [12].

P.M. Romer and W.J. Baumol has further noted that extra innovation due to trickle down policies would benefit the masses down which is not always true as it depends on severity of poverty in rural dimensions with grossly uneducated population failing to understand growth and innovation [13]. Such parley also dilutes Schumpeterian theory of innovation and Adam Smith invisible hand theory where he was greatly criticized for misunderstanding psychological behaviors of homo economicus.

L. Leydesdorff has stated the need for an extra helix sometimes may be political or internationalization which can override the existing Triple helix of innovation structure. Here $N + 1 + 2$ may arise due to contradictions. Such extra helix could have included poverty and human development but the need for social innovation would have been neglected as such. H. Etzkowitz has stated the importance of entrepreneurial university model in

different parley with economic spillovers and spinoffs relatively [14].

Further studies related to BoP-model suggests that there is great inequality in pyramid structure where there is enough wealth but less trickle down whereas the bottom is huge in size but caters to lower consumption. There is great need to include the bottom of the pyramid into mainstream economics which is a classic example of bottom up structure rather than top down phenomenon [15].

The Lemonade principle of S. Saraswathy further instigates entrepreneurship to rise as part of social inclusion and social innovation paradox which has shown considerable success in creating economic benefits for major population living under poverty so that it is important to understand that poor can also contribute to general economic profit maximization [16].

This paper uses multidisciplinary studies into understanding rationale of poverty and injustice and how entrepreneurial foundations can create resilience in poverty eradication globally.

Understanding the various nuances of literature available in entrepreneurial university model a hybrid model was created wherein social innovation apart from overlapped by helix has shown distinct variability and correlation in approach to better nexus formation and developmental communication generation.

Rural villages of Birbhum [11] was selected intentionally because of diversity in tribal population. Tribal livelihood is distinct as it carries with it flavours of absolute poverty and dearth of educational measures. Further rational building for regional choice:

- 1) lack of investments;
- 2) absolute poverty;
- 3) lack of education;
- 4) gross inequality.

These above indicators are important as respect to middle income population to understand rational choices and cognitive dissonance. The population was studied by playing games and presenting cards with options on how they rate survival indexes on daily basis. Such choices were given:

- 1) investments;
- 2) work;
- 3) family;
- 4) leisure.

The rationality showed a drop with increasing investment necessity as per the needs of the family. Due to credit collapse there was no emotional engagements in population for inclusive education and family leisure which tended towards null. Psychological disparities were seen wherein family disputes and mental contradictions showed cognitive biases in economic decision making leading to further expansion in poverty.

$A > B > C$ rightfully showed $A > B$ but this individual choices frequently got flattened with near

abnormal tendencies with no classification in A, B, C dimensions. It is to be noted that a dilemma appears in judging the reality of a perfect economic man with selfish traits. Such contradictions appear grossly in populations with great hunger where depression and tendency to suicidal acts are random. This research has taken such abnormalities at unstructured way diluting extra indicators in poverty related to employment. Underemployment leads to gross poverty and is an interlinking factor is portrayed through further Zaltman metaphor elicitation technique (ZMET analysis).

Next approach was to include social innovation into triple helix model of innovation coming out of the closed loop of poverty with restrictive credit facility and awareness to innovation. Best practices of women entrepreneurship have been studied with cases from rural villages in India to understand the push factor in incubation. Though women entrepreneurship is integral to feminist economics; it brings forth effectual logic in creating start ups at grass-roots levels with microfinance structure. The model culminates from traditional entrepreneurial model of helix to a more inclusive growth structure catering towards bottom of the pyramid which can also contribute to national Gross Domestic Product (GDP).

Further background study was generated to understand GDP contribution by slum dwellers in India wherein cottage as well as small scale entrepreneurial recycling from generations have created unparalleled growth models despite Malthus propagation of population dexterity and unhygienic circumstances. Studies conducted on field running has shown diversity and various departmentalization in poverty structure which is far deeper in Indian subcontinent ranging from relative to absolute poverty.

The Triple Helix Model (*Fig. 1*) shows a perfect balance in creating successful nexus of University – Academia – Government overlapping social inclusion model wherein the bottom of the pyramid gets nurtured by innovation not so much in conscious stage. This push towards innovation ecosystem creates an effect for all round growth in creating newer products for financial independence starting the cyclical process of employment, back to normality and generating rational behavior towards economics. This model further neglects the complexity of $N + 1 + 2$ helix formation which is not always well defined in regional poverty line. The surprise element is the integration of social thoughts and justice with the usual established models of innovation. Special distinguishing characters are embedded in the model to make inclusive development a global agenda which was earlier missing in the research framework. The functionalities can be visualized at par with each individual choices in a wide spectrum of rational economic choices which can be further modulated.

It is not mere economic models and theoretical functionalities but in-depth knowledge at the ground

level with laboratory experiments needed to know and feel when people are hungry and devoid of basic needs. It is important in research to be not only theorizing hypothesis with falsification idea but also being impactful on ground.

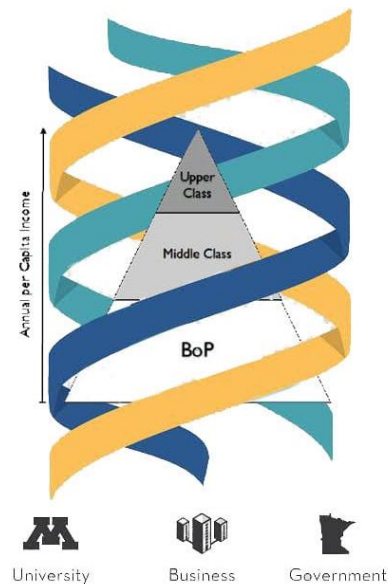


Fig. 1. The Triple Helix Model of Innovation / Рис. 1. Модель тройной спирали инноваций

Source: author generated Model / Источник: модель, созданная автором

This particular research has seen laboratory experiments with behavioral nudges in economic decision making, mental calculations in buying behavior of cross sectional populations globally with regional rationality like India. It is important to understand that education; health impairments have hindered national prospects too. The foundations of Universal basic income which was researched extensively by Pr. Bardhan [8, 17] was a concept far earlier in Thomas More (1515) with special cases applied to Indian Diaspora. Such a model though is conducive to growth in Western countries is not so relevant by measures in relatively conflicting political ambiances like India wherein deconstructive economic parleys hinder grass root involvement in policy generation nationally [18]. Though the theory states the universal nature of welfare in Indian context which shows Indian Human Development survey analysis portraying inequality even in redistribution of wealth and relief measures there lies further importance of understanding the nexus creation where corporate can play a vital role amidst governmental intervention in policies in India.

This research paper has been instrumental in creating a hybrid model with differential interlinking functionality in entrepreneurial helix formation with the bottom of the pyramid model wherein inclusion of social welfare has been an ingredient to new innovation best practices. This rationale arose due to filed experiments in rural villages in India during crisis like COVID-19 wherein governmental agenda

for vaccination was studied at ease to understand, analyze and put forth this new model wherein the industry-university-government nexus plays a high jacking functionary over the BoP agenda creating resilience and sustainability for future directions in poverty alleviation.

This particular model can also be helpful in advanced countries irrespective of regional disparities wherein subsequent progress post the World War years saw only technology incubation in Silicon Valley model of innovation and American Educational policy shifting towards national productivity aims and objectives. Such objectives are not necessarily an ingredient which can help eradicate poverty but only serve the rich. Subsequent to major economic crashes globally ranging from East Asian crisis to the dot com bubble saw a major shift in policy with careful vigilance in expansionary agenda and liberalism in national economic policies which saw greater rise in entrepreneurial education, skill development and targeted knowledge management globally. The United Kingdom saw a rise of greater collaborative research amidst fall in budget allocation in education. This made it compulsion for academic policy makers in United Kingdom to change perspectives and include entrepreneurial foundations in curriculum and university missions. Such changes created out of compulsion has been also seen in years of colonial rule in India where Britain shifted its university agenda but India faltered with the same keeping colonial flavor into its education policy with the rise of elites in education devoid of nationalism which was the true testimony of colonial repercussions. Subsequently India took a long time in including social inclusions into educational policies which should have been the right step forward in a poverty-stricken country with socialistic flavor. These wrong policies firstly by the colonial rulers then the shift in governmental agenda coming out of national debts created an extra burden on national poverty which saw a rapid rise [10]. Few economic thinkers like Mahatma Gandhi though relied mostly on village economy and social innovation; this created a platform for future thinking on bottom of the pyramid theory to capitalize [19].

The past and present is bleak though the global community has addressed hunger with courage and wisdom. But there are lots to do while applying these innovative models in parley of poverty and women upliftment. Women have suffered the brunt of poverty and injustice for decades especially in emerging and underdeveloped countries like India. Education and awareness programmes with practice the preach policy deficit has hindered various phases of growth. Psychology plays an integral part in a multidisciplinary action phase which can help solve the cases of poverty and injustice within a larger gambit of inequality phase by phase. Experimental economics is also a solution as part of the national economic agenda and should be

highlighted by future academicians who are interested in entrepreneurial university modeling with bottom of the pyramid concept of growth. Mere innovation cannot create long term sustainability platforms globally for long but a resilient and stronger future needs economic mapping and psychological trait diagnosis to understand the heuristics of economic decision making and mental accounting so that global bodies like WHO, UN, World Bank can promulgate new policies based on the intersection of behavioral economic foundation of poverty eradication. The road lies ahead for machine imprinted behavioral tracing and how human actions are formulated in scarcity? [20]

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