

## The Relationship Between Poverty, Creativity and Innovation: A Poverty Model of Creativity and Innovation

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### ABSTRACT

Poverty remains a critical global issue. It plays a crucial role in Creativity and Innovation as well as in the process of transforming a creative idea into Innovation. Most of the existing literature on poverty and creativity and innovation have focused on how creativity and Innovation (and subsequently, entrepreneurship) can be instrumental in poverty alleviation. Studies have not precisely dwelled into the multidimensional nature of poverty and its role at the beginning - the creativity stage, during the transformation of creativity to innovation, as well as at the innovation stage. This is a gap this article seeks to address. Rather than considering poverty as a barrier to Creativity and Innovation, this article postulates that it can and actually does serve as a motivation to be creative and innovative. The article further elucidates that the relationship between poverty and creativity and innovation is not uni-dimensional; but multidimensional. Just as poverty plays a crucial role in an individual's creativity and innovation, so also does both creativity and innovation lead to poverty alleviation as may be in Bangladesh, Zimbabwe and Kenya. The article developed a Poverty model of creativity and innovation to depict the poverty, creativity and innovation relationship.

**Keywords:** Poverty, creativity, innovation, entrepreneurship, poverty alleviation & poverty model

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### 1. INTRODUCTION

Poverty is a multi-dimensional phenomenon that affects many aspects of human conditions ranging from the economic, social, physical, moral to the psychological. It is defined as the state of being poor or lacking means of subsistence. The notion of basic subsistence is determined by the availability of food, shelter, clothing and access to infrastructural services such as education and basic health care. With the issue of creativity being predominant within the global society (Thrift, 2002), the necessity for creativity and innovation is now seemingly elevated above many other aspects of traditional management discourse. Creativity is seen as essential for our survival, economically and socially. (Jeanes, 2006). This implies that poverty plays a significant role in creativity and innovation. Since creativity is the generation of new ideas, and innovation is the process of putting those idea to use/to satisfy a need, then it is no miracle that individuals, and most like poor individuals will be creative and innovative to escape their poverty status. The article focuses on the relationship between poverty in creativity and innovation as most of the existing literature on poverty and creativity and innovation have focused on how creativity and Innovation (and subsequently, entrepreneurship) can be instrumental in poverty alleviation.

Studies have not precisely dwelled into the cyclic nature of poverty and its role at the beginning - the creativity stage, during the transformation of creativity to innovation, as well as at the innovation stage. This is a gap this article seeks to address. Rather than considering poverty as a barrier to Creativity and Innovation, this article postulates that it can and actually does serve as a motivation to be creative and innovative. A poverty model of creativity and innovation is developed to elucidate on the above-mentioned relationship.

### 1.1 Poverty

Poverty is contextualized using the World Bank's definition of people who survive on less than \$1.25 per day. Joseph Wresinski explained poverty as lack of one or more factors that will enable an individual and/or families to carry out basic responsibilities and enjoy fundamental human rights (Murisa & Chikweche, 2013). Mistirelli & Hefferman (2008) defined poverty as "a multifaceted and multidimensional phenomenon that encompasses economic, social and psychological dimensions". In their analysis of 578 documents on 159 definitions of poverty by several scholars between 1970 and 2005, poverty is basically the lack of food, shelter and other necessities of life.

In the global context, poverty is mostly experienced by the Sub Saharan African, some countries in South and East Asia and in non-resource rich countries in Latin America (Jekins, 2005). Poverty is considered both in absolute and relative terms. When and individual is living the poverty line, with a low income and unemployed/underemployed, it is referred to as *Absolute Poverty*. However, when poverty is defined in relation to others, location and/ or time, then it is said to be *Relative Poverty*. For instance, an individual may not be living below the poverty line and earning \$3 per day, when compared to his contemporaries who earn \$5 per day, then he may feel psychologically poor (Ariely, 2009).

### 1.2 Creativity and Innovation

According to Sternberg & Lubart (1999), creativity is "the ability to produce work that is both novel (i.e., original, unexpected) and appropriate (i.e., useful, adaptive concerning task constraints)". Although there exist several widely accepted definitions of this complex phenomenon of creativity, the concept of creativity in cognitive psychology is a human quality which depends on personal capabilities, expertise and motivation (Amabile, 1997). Personality traits commonly accepted as supporting creativity include self-confidence, risk-taking, non-conformity, independence and a critical attitude towards norms (Amabile, 1983a; Eysenck, 1993; Feist, 1998; Kasof, 1995; MacKinnon, 1965).

Innovation however is defined as "a process of developing and implementing a new idea" (Van Deven & Angle, 1989). According to Amabile (1988) Innovation is defined as *the introduction and application, within a group, organization, or wider society, of processes, products, or procedures new to the relevant unit of adoption and intended to benefit those implementing them*. Innovation was classified in two categories (Ghoshal and Bartlett (1987) - innovation as the final product; that is the idea, practice, or material artifact that has been invented or that is regarded as - and also as a process, which proceeds from the conceptualization of a new idea to a solution of the problem and then to the actual utilization of a new item of economic or social value.

Although creativity and innovation are two separate and unique concepts, they are dependent on each other. Creativity without innovation is of significantly diminished value. And vice versa because without creative ideas to feed the innovation pipeline so they may be promoted and developed, innovation cannot occur (McLean, 2005). There is an interaction between them given that they are inextricably linked because creativity is critical during the innovation process since if no ideas are generated, there is nothing to implement.

## 2. POVERTY AND CREATIVITY

The motive theory postulates that individuals are different in their needs and values and innate human needs drive them to engage in activities that will satisfy those needs (Alderfer, 1969). This implies that the desire to satisfy unsatisfied needs leads to a behavior in the direction that these needs would be met. Therefore, there is a high probability that poverty would drive individuals to creativity.

Most individuals believe they need to be comfortable (financially especially) before they can be creative and innovative. They assume you need capital to be an entrepreneur; but this is not the starting point. The starting point is a creative idea. In actual fact however, extreme situations can be a source and motivation for creativity because in poverty, people pursue opportunity without financial resources (Mistirelli & Hefferman, 2008). One could actually argue that it is both livelihood/financial deprivation (absolute poverty) and psychological (relative) poverty that motivate and in some instances, determine creativity. Both economic and psychological poverty serve as motivation to change an individual's current position to a desired position (Wu et al, 2007). This point is buttressed by the Art Times (July/August 2008) which stated that "being poor makes you an artist. Every part of your day becomes a creative art."

Chen et al (2014) conducted a study in Bangladesh to investigate if people facing different types of poverty (the poor, the unsatisfied and the complacent) have different level of probability of starting a business. With a sample of 350 students in Bangladesh, they found that the poor were most likely to start a business after graduation, followed by the unsatisfied and then the complacent. This shows that many a times when individuals are comfortable or satisfied with their current situation or position as the case may be, they are not motivated to be creative and think outside the box. They just 'go with the flow'.

Without prejudice to the importance of capital in entrepreneurship, sometimes having access to financial resources could be at a disadvantage to creative individuals as they may be/ become complacent with the present status quo and may not be prepared to take risks to be innovative or utilize the finances wisely (Bhide, 1994). But when you are poor, and a corporate job or reliable means of livelihood is not in sight, then you begin to brainstorm ideas and strategies to improve your standard of living and willing to take risk.

The concept of *Jugaad*, which is widespread practice in rural India of customizing vehicles using only available resources and know-how" (Birtchnell, 2011), reflects the notion of how poverty brings about creativity. It has been widely recognized and accepted in the creativity and innovativeness of Indian product design. It is a product of widespread poverty. It is a part of the 'infrastructural deficit' of India (Sharma, 2009), a robust and cost-effective solution to rough roads and poverty which reflects the resilience and creativity blossoming in the Indian culture (Birtchnell, 2011).

In line with the above, Shane (2009) found that there is higher tendencies of creative activities in developing countries than in the developed world. It is therefore no wonder that researchers and policy makers (eg Sachs 2005, Shane 2009) have advocated for young adults especially the age group of 18-25 to get creative and start their own business. This supports the assertion of Verspagen (2005) that "entrepreneurship is the driving force of economic development and provides hope for poverty alleviation".

Although it is widely believed that there exist a poverty trap whereby poor people remain poor mainly because those in developing countries do not get creative and start their own business due to limited access to financial resources. This makes most Governments to target their policies and poverty alleviation plans on providing financial support for business owners (Buera, 2006).

### 3. POVERTY IN CREATIVITY AND INNOVATION

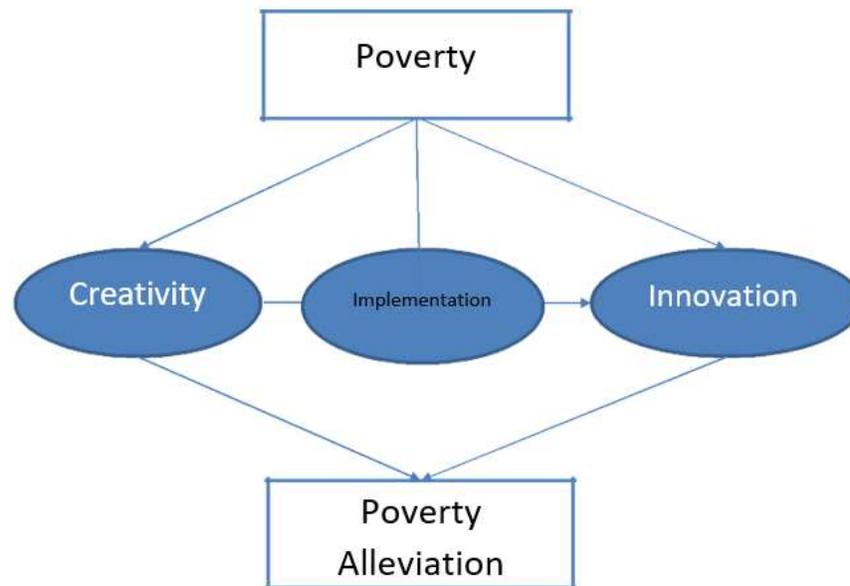
Link (2013) explained that all innovative ideas start as creative ideas, but not all creative ideas will become innovative ideas. While some people act on their ideas, others do not. Poverty, is therefore a factor that motivates individuals to back their creative ideas with action and transform it to Innovation. It will be a source of motivation to invest time and energy in hope for a future return (Hammond, 2013). According to Wu et al (2007), starting a business is the best activity to engage in in order to change poverty situation. Those who act on their creativity will be meaningfully engaged, thus leading to a reduction in poverty (Okoye and Eze, 2010).

#### 3.1 Poverty and Innovation

Poverty and Innovation are in two dimensions – poverty can lead to innovation and innovation can lead one out of poverty. *Distress Innovation, Frugal Innovation, Constraint-based Innovations, Grassroots Innovation* are all forms of innovations where poverty play crucial roles. According to Tewari (2007), *Distress innovations* occur in response to pressing problem. This implies that distress innovation occur when the would-be innovator is pushed by some challenges or extreme situations such as poverty. *Frugal Innovation* deals with products that do not have sophisticated technological features but meets customers' needs at a low cost (Zechky et al, 2011). In addition, *Constraint-based Innovation* is about new products or services that are developed in constrictive situations (Sharma and Gopalkrishnan, 2012). Furthermore, *Grassroots Innovations* are basically created by local people with the available resources; here, the poor is regarded as inventors (Gupta, 2008).

Economic Development and Social Entrepreneurship mostly consider poverty as a resource allocation problem in which lack of capital prevents the poor from increasing their income. This is however the Allocative view of entrepreneurship conceptualization. The creativity based view places a significant emphasis on Innovation; that is, superior ideas are needed if poverty is to be reduced (Bradley et al 2012). In a survey of 201 small business owners involved in micro-credit programme in Nairobi, Kenya, it was discovered that the financial, social and human capital performance relationship are facilitated partly by Innovation (Bradley et al 2012).

On the other hand, it has become common practice for individuals, agencies and organizations to apply innovation to combat various poverty challenges. One way is being innovative in the manner of operating Microfinance by making it inclusive and using micro-credit to provide savings and loan facilities for people are excluded from community financial services as a strategy for reducing poverty (Banerjee et al 2009, Lascelles and Mendelson 2011, Roodman, 2012). Micro-credit, which is the provision of small loans to poor people to assist them to develop small scale business (micro-enterprise) (UN 2006, World Bank 2002), has been used to address poverty and exclusion in African countries such as Zimbabwe (Murisa & Chikweche, 2013). Development oriented microfinance initiatives have direct impact on poverty alleviation for instance in Bangladesh, extreme poverty fell from 33% to 10% among Grameen participants (Jackson & Islam 2005, Khander 2005).



**Fig. 1: A Poverty Model of Creativity and Innovation**

The Poverty Model of Creativity and Innovation is a pictorial representation the relationship between poverty in Creativity and Innovation and the multi-dimensional relationship that exist between the three concepts. In the model, Poverty is seen to lead to creativity, impact on the implementation process as well as cause innovation to occur. Moreso, creativity and innovation in turn are mechanisms to combat poverty as they lead to poverty alleviation.

#### 4. CONCLUSION

Poverty even though most prevalent in Sub Saharan African, is a global issue and it is crucial to recognize its nature and relationship in Creativity and Innovation. No one is born as an entrepreneur, neither is creativity and innovation the job of the highly educated or the rich, it is about the desire and the motivation. To therefore adequately manage and get out poverty, there is the need for the individual to be desperate and avoid distractions (Okoye & Eze, 2010). On the international scene, instead of addressing poverty as a 'global charity', it should serve to build capacity and promote development. It is paramount that individuals are the originators and managers of their own livelihood projects. (Torri 2009).

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