

Three Essential Design Factors in Successful Social Business Development

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There are three important factors that are commonly crucial to successful community social and economic development and often overlooked or ignored by those designing social business interventions.

- The foundational benefits of crime and illegal activity in social business
- Change in sexual relationships and collapse of some established family relationships
- Failures of participation and collaboration design methods

When addressed at all, the issues relating to the above are typically addressed by designers and planners using middle class perspectives and classic designerly approaches in ways that result in failed social business interventions. This middle-class way of looking results in an unhelpful blindness to significant details of behaviours of people and systems that in turn leads to the design of what the designers feel ought to work rather than what will work.

Experience in working with socio-economically deprived communities indicates:

- **Crime and illegal activities are essential and a core part of economic development in socio-economically deprived communities.** There are many reasons. The simplest and most obvious can be explained via Coasian transaction cost analysis. The potential for profit and benefit crucially depends on transaction costs, considered as all and everything needed to support the business achieving its value generation. Alongside the costs of individual transactions, this includes such things as the cost of the time spent in the necessary learning, the physical infrastructure of the business, the costs of borrowing money, the costs in changed relationships with others, costs of informal and formal research etc. The many of these costs reduce with scale. They depend on conventions, cultures and laws and justice systems that often favour those who are already well established. The need to reduce transaction costs also occurs at that starting point of any development when resources are needed most and are also most difficult to get. Typically, this tension is resolved by varying amounts of criminal and illegal activity. At a larger scale, within a bigger politically-defined framework that diverts wealth away from poorer sectors, the sum of criminal and illegal activity across a social group often provides an essential source of revenue to support that society as a whole. At a smaller scale this can be seen in any socio-economically deprived community. It can also be seen at a larger scale, for example, at a country level where for example revenue from (say) drug trafficking can make a significant and essential contribution to GDP (think e.g. Mexico and Afghanistan). Obviously there are concomitant changes in social interactions that can be unhelpful, unpleasant or deadly when some parts of a society acts outside of legitimated bounds of behaviours. Both are essential aspects need to be included in the baseline of methods for improving the design of social business interventions.
- **Changes in the dynamics of sexual and personal relationships are important considerations in the design of successful social business interventions.** During the course of any significant socio-economic intervention, the society changes: creating change is the main purpose for the intervention. Successful socio-economic interventions in disadvantaged communities change the pattern of wealth and status. At the individual level, relative levels of wealth, status, authority and expertise change. At the cutting edge, for those most deeply involved in any significant socio-economic transformation, this often results in dramatic changes to their personal circumstances and relationships. It is common to see individuals adopt new and often unconventional sexual and

personal relations in ways that support their adoption or promotion of successful micro-scale economic development in socio-economically deprived areas. In some societies these unconventional relationship arrangements may be regarded as immoral or illegal by those who are not socio-economically disadvantaged. Often, change in established personal relationships or the adoption of unconventional relationship arrangements are what crucially underpin individuals' ability to undertake, adopt, support and promote social business initiatives. The dynamics of personal relationship arrangements are both a primary driver of socio-economic change, at personal, local and society levels. Perhaps more importantly for designers in this terrain, changes in the dynamics of sexual partnerships and behaviours are one of the indicators that interventions are having more than a superficial effect. By implication, for designers and design researchers it is important to see changes in the dynamics sexual and personal relationship behaviour as an important factor in design methods for socio-economic development initiatives.

- **Failures of participatory and collaboration design methods in designing social business interventions.** Most social business interventions involve human and technical systems that are complex and have multiple feedback loops. These loops result in the behaviour of the outcome changing dynamically over time as the different feedback effects shape the outcomes in a positive and negative ways across multiple factors. Designers and users cannot understand or predict the behaviour of situations of complex systems whose outcomes is shaped dynamically over time by multiple feedback loops. Typically, system dynamic modeling software is necessary to show designers and users the likely dynamics of the outcomes of different designed interventions. Where social business interventions are applied to complex socio-technical situations whose behaviours are shaped by multiple feedback loops, participatory and collaborative design approaches will produce outcomes different from those designed or chosen. This usually means the design intervention fails. The primary cause is the use of participatory and collaborative design methods in situations in which they are not appropriate. Participatory and collaborative design methods commonly result in designers producing static visual representations of social business situations. These visual representations are irrelevant and false in representing complex situations whose behaviour is dynamic and shaped by multiple feedback loops. The use of static visual 'design' representations typically result in faulty designs for interventions. The effects of initiatives and interventions in these complex situations can only be understood via dynamic modeling. Collaborative and participative design approaches seem to work best when used primarily for data-gathering and dissemination of findings rather than design decision making.

The above lead to seven provocative challenges for using design methods in social business:

1. How to best include the positive benefits of crime and illegal behaviours in social business intervention design?
2. How to best create social business intervention designs that accept and build on the reality that deep changes to socially and sexually intimate relationships are an important factor in and outcome of social business design interventions?
3. Can the existence of such socially and sexually intimate relationship changes be used as an early stage indicator of the effectiveness or otherwise of social business interventions?
4. If such relationship changes are less than morally or legally acceptable in a particular geo-political context, does this mean it is an unsuitable target for social business development?
5. How to avoid using the conventional design methods of collaboration, participation and fixed visual representations of situations for social business situations with 2 or more feedback loops?
6. What kind of new social business theories are needed to differentiate between situations with 2 or more feedback loops and those with one or no feedback loops?

7. What new social business design methods are needed that have system dynamic modeling central to their use of collaborative design in situations whose behaviour is dominated by multiple feedback loops.