

The Sociology of Poverty

That there is a sociology of poverty is a considerable part of the problem of poverty research. That is, there is *also* an economics of poverty, a psychology of poverty, an anthropology of poverty, and a politics of poverty-- and all of these involve concrete histories. When these are torn asunder, we get research which too often not only does not illuminate poverty but serves to mystify it. Making matters worse, while there is some consensus in economics regarding both theory and method, this is not true of sociology: While "hard science" methods dominate, other researchers are divided between those who do "soft" qualitative work, political economy and/or historical sociology. And as regards theory there remains a deep tension between "micro" and "macro" approaches: Should the focus be individuals or "social structure"? Complicating matters further, poverty research, as all other social scientific research is embedded in a historical context and cannot escape ideological influence, beginning with the formulation of the problem to be researched. Finally, knowledge generated by poverty research will be funded by agencies, public and private, and drawn upon to make policy, In turn, these will influence the direction of future research. There is a further consequence, critical for the politics of poverty. While such research may sometimes move public opinion, it may also work to reinforce some of its least commendable features. Indeed, as Michael B. Katz, Robert H. Haveman, Sanford Schram and Alice O'Connor have argued, there are very good grounds for thinking that no social science research is more heavily ideological than poverty research.

We can see this instantly if we notice that researchers very often confuse two very different questions: (1) What are the causes of poverty and (2) What explains who is poor. To answer the first question we need to notice that there are different "kinds" of poverty. Consider at least these: The poverty found in advanced industrial societies, the poverty found in undeveloped nations with long histories of colonization/imperialism, the poverty found in nations recently undergoing "privatization," for example, the former Soviet Union. To be sure, there will some mechanisms and processes implicated across these three, e.g., capitalism, but one needs to know a good deal more than "economics" to explain poverty in, e.g., the Great Lakes region of Africa or in rural China.

On the other hand, as regards poverty in advanced capitalist societies, it is remarkably easy to identify the cause of poverty: (1) There is no mechanism in capitalism which assures that everyone who wants a job can get one and (2) there is no mechanism which assures that all the jobs available will pay a non-poverty wage, however poverty is defined. Of course, understanding why this is so takes us straight into the dynamics of capitalism and the wider question of inequalities of wealth and income. But a huge amount of research aimed at "explaining" poverty simply ignores these two uncontestable elementary facts. Thus, sociologists ask *who* are unemployed or *who* are among "the working poor." And they argue whether educational attainment, gender or race discrimination is the critical fact or whether we need to examine the psychology or skills of the poor. But even if gender and "race" did not count in labor markets (which they do) and even if everyone had the pertinent skills and motivation (which they do not), if the number of jobs is less than the number seeking jobs, there will still be people who are unemployed; and if existing jobs are poorly paid, it there will still be those who are employed but poor. Thus, for example, arguments that education is the answer to poverty in

the US is not an answer—even if, to be sure, extending educational opportunity would be a very good thing and even if its mal-distribution does figure in understanding *who* is poor.

The idea of full employment, a substantial minimum wage, and redistributive mechanisms, for example, a negative income tax, were, at one time obvious poverty policy possibilities. Indeed, this was part of the message of Michael Harrington's *The Other America* (1962) which "discovered" poverty and is often credited with provoking the "War on Poverty." The "Keynesian consensus" had supposed, optimistically, that full employment was a sufficient answer to poverty and could be managed without structural changes in the economy. But when it gave way for the "supply side" economics of Ronald Reagan, there were plenty of economic arguments *against* full employment—even as a ideal goal.

It remains also an elementary truth of economics that what is in the interests of wage earners is not in the interests of those who employ them—and conversely. The argument against full employment, then, is straightforward: Using Alan Greenspan's metaphor, as the "pool of available workers" (Marx's "reserve army") begins to run dry, there is a risk of "wage inflation" as workers seek to increase their share of profits. With inflation, creditors lose the value of their loans and investors lose confidence. Low growth results and nobody benefits. Accordingly, current theory holds that there is a "natural rate of employment" (NRE), the rate which is consistent with "price stability." This rate is fixed at between 5 and 6 percent. Moreover, it is held that the economy cannot grow at more than 2.5 per cent without pushing the unemployment rate below the NRE. The international version of this is the neo-liberal "Washington Consensus." It similarly repudiates the Keynesian call for government promoted full employment, and insists on fiscal austerity-- to secure economies against inflation, along with privatization, and trade and financial liberalization-- to secure "free market" rule of the economy.

But history refutes these ideas. As a comparison of the economies of the industrial world show, with appropriate government policies, economies can grow and corporations can be profitable, even if workers have a greater share of profits and even if there is an existing social safety net. The "free market" of fundamentalists does not exist. The question is not whether government has a role to play in matters of economic growth, income inequality, or poverty: the question is: What role? What policies? Similarly, while total world income has been increasing by an average of 2.5% annually and the gap between the rich and poor multiplied, application of IMF-led austerity policies has enormously increased Third World poverty. Nor is the explanation of this, not to be developed here, a mystery.

But if we do understand the causes of poverty, the solutions will be politically difficult, exacerbated considerably by "globalization." With capital and labor both mobile, full employment and a living wage cannot, today, be thought of as a national problem (as under the Keynesian consensus), but as one which requires regional and, likely, strong international institutions. Unlike the IMF, these would need to serve, not the interests of the American financial community, but the interests of workers everywhere. Indeed, there is some irony in the fact that Jeffrey Sachs, who engineered "shock therapy" for economies in transition to capitalism, now argues that less than 0.7% of the GNP a year that rich countries have repeatedly promised, but not delivered, could be used to end *global* poverty. And the money is there. For example, it can be shown that if the top 5% in the US income distribution were to "suffer" a tax increase of

7% bringing their average of \$145,970 to \$135,834, the redistributed sum would take all the officially poor in the US out of poverty! Of course, even if this were politically possible, there are arguments against the idea, prominently the idea that "welfare dependency" is a disservice to the poor. We subsequently consider this argument.

But since mainstream social science agrees with the Christian Bible that the poor will always be with us, there is a place for the questions, who is poor and why? Until the 1960s little attention was paid to poverty. The "War on Poverty" mobilized social science research. Hard science methods dominated. With an income-defined poverty line, researchers could consider other "demographic variables," and seek to establish correlations between those who were poor and, for example, their race, gender, age, educational level, and rural or urban place of residence. This research could be characterized (following C. Wright Mills) as "abstracted empiricism." It was ahistorical, quantitative; it required large data sets, and it aimed at identifying significant "factors" (via the use of regression techniques) which, presumably "explained" poverty. Since much of it was federally sponsored, it easily fit Mills's category of "illiberal practically," research aimed at producing predictive models, and "social experiments" which then could be evaluated as to their success. It was no accident that at the behest of Secretary of Defense McNamara, the new Office of Economic Opportunity was staffed by Defense Department and Rand Corporation policy analysts who were committed to the PPBS (planning-programming-budgeting system) style of research. Not only did this style of research put into the background structural issues which might have called for radical changes, but it precluded answers to the causal questions which did get posed. Thus, "the explained variance" of race on income disallowed seeing how racism was part of the fabric of practices in generating low income neighborhoods and thus the conditions of neighborhood schools, how choices get structured by employment opportunities and by drugs, and how all this figures in the framing of expectations by peer groups.

As luck would have it, just as the "War on Poverty" was getting started, so too was the war in Vietnam and the eruption of American cities. A consequence was that, contrary to President Reagan, the "War on Poverty" was not lost: it was never fought. Daniel Patrick Moynihan's 1965 study, "The Negro Family" offered an argument that "the Negro family in the Urban ghetto was crumbling." This fed directly into another emerging set of ideas: "a culture of poverty" explained poverty. On the generous liberal reading of this idea, the culture of the poor was a reasonable adaptation to circumstances, even if it was self-defeating. Yet, presumably the culture could be changed by changing the conditions. One response, Community Action, was radical enough. Indeed, some people, at least, *did* escape their situations. Accordingly, the culturally available and politically opportune way of explaining poverty was convincing: the poor were poor because they made bad decisions and lacked the motivation which would get them good jobs (assuming, as always that there are good jobs to be had!) Accordingly, the proposed solution was to *reshape the poor*, perhaps with programs that provide "values" education, along with the right mix of incentives and penalties which would promote "marital stability." Thus, the 1988 JOBS program did not create jobs but, aimed at mothers on welfare, it did seek to reinforce both an ethic of work and the "traditional" family. On this view, the worst thing that one could do would be to provide "welfare" which would only encourage "welfare dependency." To be sure, there was qualitative research, including some important feminist research, which suggested strongly that there was *no* culture of poverty in any useful sense, that

indeed, while it served ideological purposes to identify an "underclass" as not at all like "us," the distinction between the deserving and the undeserving poor had very limited application.

Social science did not create Clinton's aptly titled "Personal Responsibility and Work Reconciliation Act of 1996," but it surely did make its contribution. Indeed, two hundred studies of dependency may be found in an annotated bibliography generated by the Heller School at Brandeis University. In this context, it is worth noting that "the end of welfare as we know it" was strongly supported by a reinvigorated Rational Choice Theory: One ended dependency by making welfare less attractive than employment. But of course, in the absence of opportunities for gainful employment, one can make welfare unattractive *only* by radically reducing the benefits—a surefire way to end dependency. Accordingly, efforts at employment in the "informal economy" was the *only* response.

The idea that income re-distribution in any form would discourage work had not gone untested. In the days when this was still on the political agenda, a series of government funded "social experiments" were conducted. While "social experiments" at their very best hardly meet the standards of laboratory experiments, these experiments strongly suggested that there was nearly no reduction in work effort by those who received the additional income. But if most people would rather work than take handouts, the problem remains: where are the jobs that pay a living wage?

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