

Urban Poverty and Affluence

Lecture 2

Theories of Impoverishment

Theories of Impoverishment

- Theories of impoverishment -- models that explain why people are poor -- are a significant cornerstone for this course.
- Goldsmith and Blakely identify three theories/ways of understanding poverty.
 - Poverty as Pathology
 - Poverty as Accident
 - Poverty as Structure
- Keep in mind that these theories sometimes overlap, though they are also antagonistic to each other.

Poverty as Pathology

- The most common explanation for poverty is that poor people are poor because they behave in a pathological manner.
 - The poor suffer from character deficits, psychological weaknesses and motivational inadequacies.
 - They lack the character traits such as the ability to delay gratification, save money, control their sexuality and avoid criminal activity. Without these traits, they cannot succeed.

Poverty as Pathology

- Some theorists who support this view believe that poor people live in a “culture of poverty.”
 - Originally formulated by anthropologist Oscar Lewis, the culture of poverty viewpoint argues that the poor are trapped in an inter-generational quagmire of insecurity, irrationality, marginality and low-level aspiration.
 - According to Lewis, the culture of poverty is characterized by weak community organization, dysfunctional families, political apathy, an incapacity to participate in official labor markets and a lack of participation in mainstream institutions such as banks, civic groups, police, and churches.

Poverty as Pathology

- Solution: Ending poverty will require inspiring self-sufficiency, self-motivation, and self-esteem among the poor.
 - Some argue for social work/therapy solution for the poor.
 - Others argue for restricted access to welfare benefits and other programs that might make poor people “dependent.”

Critique of Poverty as Pathology

- Some have argued that this view of the poor is based on unfair stereotypes.
 - Poor people are not any more lazy, pathological, self-destructive, immoral, passive or psychologically deficient as any other group.
 - Rather, their behaviors make perfect sense; they are “rational” responses to oppressive conditions.
 - For example, working in the informal economy, even the drug trade, makes sense if racial discrimination limits access to official labor markets.
 - Accessing welfare makes sense if you lose your job because your child gets sick and your boss won't give you time off.

Critique of Poverty as Pathology

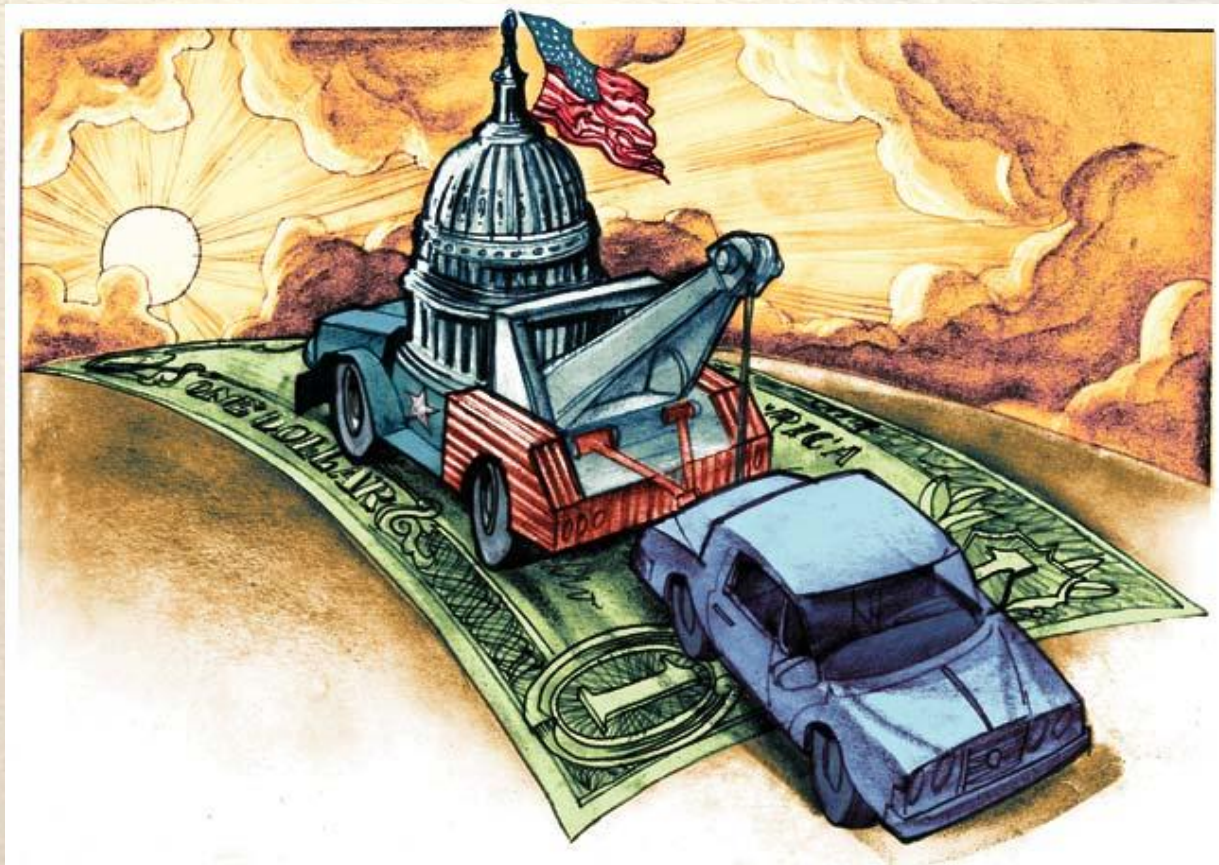
- If the poor do not exhibit characteristics of the culture of poverty any more often than their more affluent counterparts, why is there considerably less compassion for them and considerably more blame directed at them than there is for and at their more affluent counterparts?

Poverty as Accident

- Poverty is an outgrowth of temporary weakness in the economy, not an outgrowth of the pathological behavior of some individuals.
 - When the economy slows down, corporations lay off employees and close down factories and retail shops. Weak demand for labor makes some people vulnerable to impoverishment. People become poor because they are in the wrong place at the wrong time.

Poverty as Accident

- Solution: Short-term relief. Temporary public generosity in the form of unemployment insurance, job training, and public services should be provided during times when the economy is not strong enough to provide well-paid jobs for everyone.



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Critique of Poverty as Accident

- Some people have criticized this view by saying that short-term relief may not be enough. Public programs designed to help the poor make it through tough times and to help them to find stable employment have not eliminated poverty even if they have reduced it somewhat.
- Others argue that political support for publicly funded support for the poor is difficult to maintain.
- And proponents of the poverty as pathology argument criticize short-term relief for creating “dependency” among the poor.

Poverty as Structure

- Proponents of this view believe that poverty is built into the political and economic structure of U.S. capitalist society.
 - Uneven and undependable labor demand is, they argue, a fundamental aspect of a capitalist economy.
 - In other words, in order for the rich to stay rich, there must be poor people who stay poor.

Poverty as Structure

- In recent years, companies seeking cheaper labor sources have relocated to other areas inside the U.S., to the suburbs, and abroad. This has weakening the industrial structure of U.S. cities. Although governmental programs once worked to protect workers from the most egregious forms of capitalist exploitation, the rise of business class political power in recent decades has forced the government to withdraw support for poor and working people.
- Without adequate help from the government, working people have no choice but to take the low-wage jobs.
- These jobs often keep people just below, or right at the poverty line.

Poverty as Structure

- According to this view, the solution to impoverishment is for the government to empower working people politically and economically.
 - It should collaborate with working people to redesigned economic policies so that workers and the unemployed benefit, not just the rich.
 - The government should even go so far as to create jobs for the unemployed. It should also impose policies that encourage – or require – businesses to pay employees a living wage.

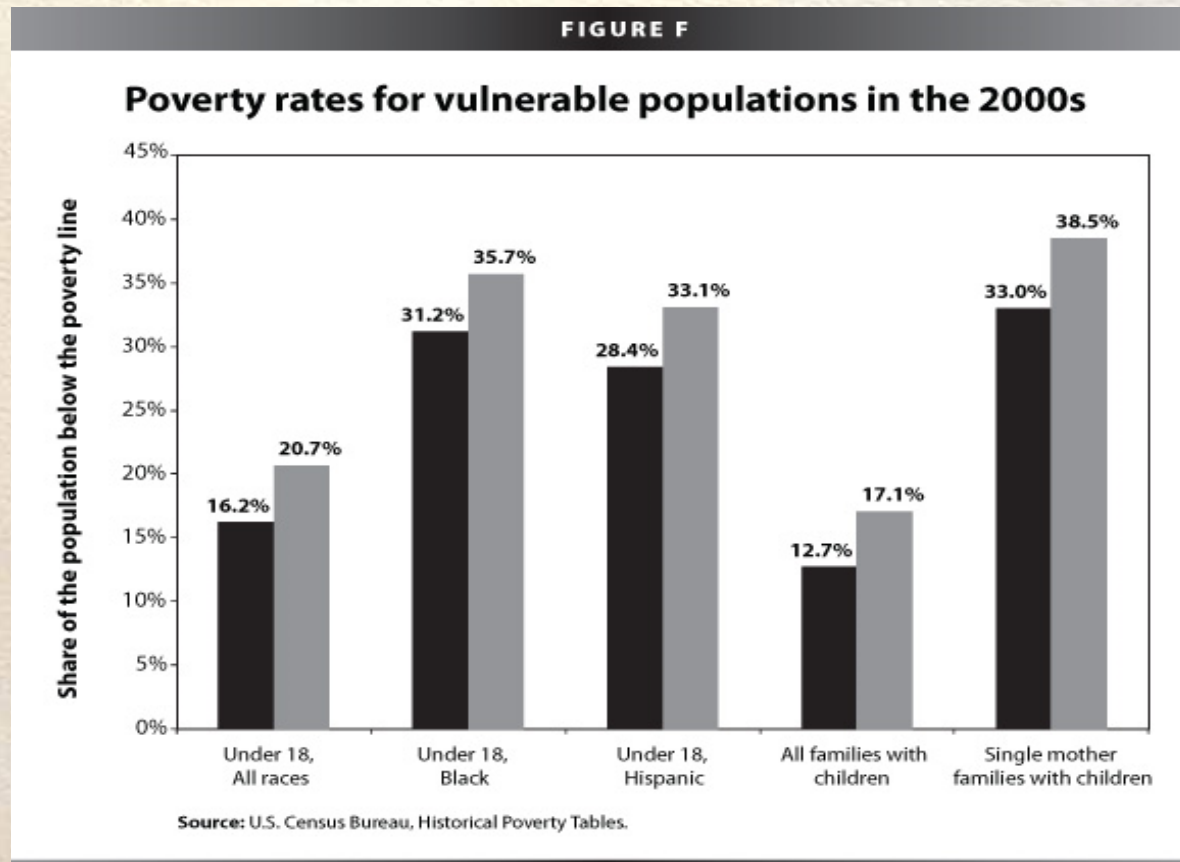
Critique of Poverty as Structure

- Against this view, some theorists have argued that the government should not intervene or attempt to regulate corporate profit making schemes, regardless of their effects on the poor. The economy will grow, opponents of this view argue, if corporations have uninhibited and unregulated economic power, and the poor will benefit eventually, it is hoped (a rising tide lifts all boats!).

The Politics of the Three Theories of Poverty

	LEFT LIBERAL	RIGHT CONSERVATIVE
Poverty as Pathology	XX	XXXXX
Poverty as Accident	XXX	X
Poverty as Structure	XXXXX	

What does race(ism) have to do with it?



Race & Income Inequality

- Median per capital income in 2005 was \$16,629 for Blacks and \$28,946 for Whites.
- Since 1968, the income gap between Blacks and Whites has narrowed by just three cents on the dollar.

Individual vs. Structural Racism

- Most people think of racism as “prejudice”, individual, discriminatory actions.
- Today, that kind of racism is far more rare than it was in the past (just look at who’s in the White House!).
- What lingers is structured racial inequality and subtle biases.

Structural Racism

- Relies upon informal racial bias to recreate inequality.
- These biases combine with other kinds of inequalities (in housing, in banking, in education, etc.) to obstruct opportunity.

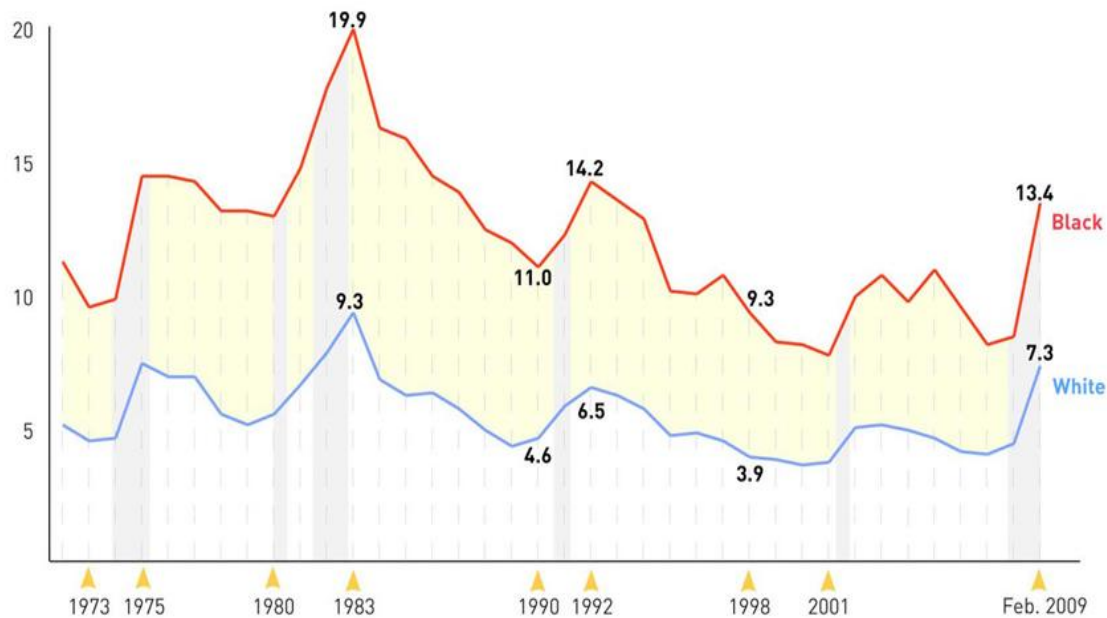
Race at Work

- As Pager and Western show the subtle biases of people in positions to hire skew employment rates.
- People of color that were hired were often “channeled down.”
- This limits their opportunities to earn income, as well as to develop credit histories that would allow them to access things that would help them get out of poverty (i.e., finance homes, education, etc.).

Unemployment Rates by Race

UNEMPLOYMENT BY RACE, 1972-2009:

Comparison of February Unemployment Rates for Whites and Blacks, 1972-2009, Seasonally Adjusted



Periods of Recession in the US

Source: Current Population Survey, Bureau of Labor Statistics, 2009

Other obstructions

- Other areas where we see a similar combination of subtle personal bias and institutional bias include:
 - Housing
 - Criminal Justice
 - Education
 - Environmental burdens/pollution
 - Access to healthy food
 - Politics

Snowball Effect

- All of these things reinforce each other creating a vicious cycle of poverty.
- Why is this allowed to continue?

Privilege

- Goldsmith and Blakely argue that a system that keeps certain groups of people disadvantaged, *advantages* others.
- One group of people can then be first hired, less likely to be arrested, live in better neighborhoods, receive better treatment from bankers, etc.
- And, it maintains a vulnerable population, willing to accept low wage jobs.

Absolute vs. Relative Poverty

- Absolute poverty is based on a specific line, or threshold. For example, if someone has too little money to buy food, or if they earn less than \$2 a day.
- Relative poverty is based on how much a person or family makes compared to everyone else. For example, if you make less than 50% of the national median income.
- Based on last week's lecture, how would that look in the U.S.?

Poverty Line Preview

In the U.S. the poverty line is defined according to absolute standards – 3x the money required for a family to purchase a decent basket of food.

But should it include things like income, literacy, access to health care, etc.?