Lecture notes for Session 2: Explanations for poverty.


• According to William Ryan, there is a set of explanations that explain poverty by focusing on the characteristics, attributes, and behaviors of people suffering from the problem in order to explain the problem.

• Ropers explains that the “blaming the victim” set of explanations is the inverse of a cause and effect system. That is, these reasons suggest that those who suffer from the condition are also the cause of that condition.

• Blaming the victim explanations.

  • Social Darwinism argues that those classes and races that are most successful are biologically superior. In the language of Darwin, social stratification reflects “survival of the fittest” in the social world. Given that this evolutionary perspective is a law of nature, social stratification is an inevitable feature of human society.

  • Innate intelligence is used as a method of selection in the social world. This mode of blaming the victim suggests that poverty is the result of lower levels of intelligence among those who are in poverty. Much of this explanation was based on findings using the Stanford-Binet IQ test. Using this test, IQ was determined using the following formula:

    \[ IQ = \left( \frac{MA}{CA} \right) \times 100 \]

    where: MA = mental age  
    CA = chronological age

  • What is wrong with the intelligence rationale for poverty?

    • IQ tests are culturally biased against non-white populations.

    • Tests also contain an urban and middle-class bias.

    • The effects of intelligence are subject to environmental influences.

• The culture of poverty explanation argues that individuals living in poverty are characterized by certain traits that are passed on from generation to generation. The characteristics include: feelings of marginality, helplessness, dependence, or inferiority, low self-esteem, lack of self-control, little ability to plan for the future, feelings of resignation or fatalism, a belief in male superiority, and a high incidence of abandonment by fathers leading to female-headed households.
• Even if the culture of poverty exists, as Oscar Lewis notes, less than 20% of those living in poverty live in such a way that would fall under the culture of poverty characterization.

• Under the functional inequality perspective, it is argued that social stratification serves an important purpose in maintaining the proper functioning of our society. (?)

• Certain occupations are more functional, or vital, to our society than others. Social stratification assures that the most rewards go to the most important jobs whereas little goes to the less important ones. Such a distribution assures that the best individuals will go into the most vital, or functional, positions.


• Whereas the prior set of explanations focused on individual characteristics, the current set focus on more external factors.

• Sweatshops: The GAO defines a sweatshop as “a business that regularly violates both wage or child labor and safety or health laws.”

• It is estimated that there are thousands of sweatshops across the country, although the true number is not known.

• Not only do sweatshops pay poor wages, but they contribute to poverty in other ways:
  • Poor working conditions can lead to health problems or injuries that prevent future work (doubtful any benefits are available)
  • Children working in the sweatshops are unlikely to attend school and thereby gain the education they need to get better jobs.
  • May depress the wages of non-sweatshop workers in the same sector. Is Nike an example of this process?

• Deindustrialization: Defined by Bluestone and Harrison as “widespread, systematic disinvestment in the nation’s basic productive capacity.” It takes three forms:
  • Milking an industry or business: taking the profits from one industry or business and investing them in another. This process often leads to the decline and abandonment of the original industry.
  • Relocating equipment: selling off equipment or moving it from one facility to another.
• Closing down: Closing down and moving an industry to a developing nation in order to save on production costs.

• What is the result of deindustrialization?
  • Unemployment or underemployment.
  • Economic and social disruptions of communities.

➢ How might these processes have an effect on individual health status?

• The theory of surplus value. (?)
  • Definition: the value of the commodities produced minus what workers are paid.
  • The theory drives explanations of poverty in 2 ways.
    • The expropriation of surplus value by the ownership class is one source of economic stratification.
    • Because the capitalist system is set up based on surplus value, it is predetermined that certain parts of the population will be exploited by others.


• Income inequality has increased over the past couple of decades. Ropers provides several explanations for this.
  • Changing global economy: The U.S. has lost market share mostly to Asian countries over the past few years.
  • Deindustrialization: As discussed in the previous chapters, over the past few years, factories and industries have been abandoned, and along with them, individuals and communities.
  • Unemployment/underemployment: While many of the well-paying manufacturing jobs have been in decline, another sort of employment, low-paying service sector jobs, have been on the upswing. Many of theses jobs are part-time, and as such, provide little pay and no benefits to employees.
  • Low-income housing: Ropers argues that the U.S. has a dearth of decent low-income housing. As he shows in Table 8.1, the number of authorized public housing units has indeed declined throughout the 80’s.
• Inadequate social welfare: Due to funding cuts and other limitations, current levels of welfare are not enough to keep families out of poverty.

• Corruption and fraud: Corruption within the government has undermined its ability to provide adequate housing to the nation’s poor.

• Family instability: Divorce and domestic violence contribute to the poverty faced by families. Further, the benefits provided by the government during times of stress are not enough to help families get through those times intact.

• Discrimination: Both racial and sexual discrimination increase the likelihood than minorities and women will face economic difficulties.


✓ Rank uses a “structural vulnerability explanation” to better understand why people are in poverty and in need of public assistance. The structural vulnerability argument has 3 components.

✓ The issue of vulnerability. Certain segments of the population do not have the tools (e.g., education, marketable skills and training) necessary to compete effectively within our economic system. He calls this collection of traits human capital. Having such skills has both an impact on becoming employed and in being able to keep a job.

✓ Do these characteristics alone cause poverty? No. If they did, we would not observe much of the fluid movement in and out of poverty. Rather, they place individuals in a vulnerable situation when faced with an economic crisis. Some crises that produce problems for vulnerable populations include:

✓ Deindustrialization

✓ Stagnation of wages or reindustrialization through low-paying service-sector jobs (without benefits).

✓ Family disruptions coupled with lack of child-support payments.

✓ Structural impact upon human capital deficiencies. Essentially, while some class mobility does occur, one of the best predictors of adult social class is social class of parents. Part of the explanation lies in the fact that children from middle-class families start with certain economic advantages that often carry with them throughout their lives. Rank makes a reference to an unbalanced monopoly game.

✓ As Harrington (1963) states, “The real explanation of why the poor are where they are is that they made the mistake of being born to the wrong parents, in the wrong
section of the country, in the wrong industry, or in the wrong racial or ethnic group. Once that mistake has been made, they could have been paragons of will and morality, but most of them would never even have had a chance to get out of the other America.”

- Two levels of understanding economic vulnerability. There are two levels at which we can understand the underlying mechanisms that produce economic vulnerability. That is, we can choose to analyze the losers of the economic game or we can analyze the game itself. ( )

- Given that there is unemployment, periods of recession, a large amount of low-paying jobs without benefits, a lack of affordable child care, and no provision to care for people who can no longer participate in the economy (due to illness or incapacitation), there will be losers. These losers will generally be the people who lack human capital. So, increasing human capital may shift who the winners and losers are, but the losers will still remain.

DISCUSSION

- Given these explanations for poverty, what can we do to help alleviate it?

- Change employment policy so that (1) there are enough jobs, and (2) the jobs pay well and provide adequate benefits.

- Increase the availability of job training programs.

- Increase levels of public service employment.

- Help low-income families build assets to draw upon during rough times.

- Provide tax credits to low-income families.

- Make policies to alleviate the problems associated with family change (e.g., vigorously enforce child support payments; enact policies to reduce the numbers of unwanted teenage pregnancies; make child care accessible and affordable).

- Universal access to decent health care.

- Building and strengthening institutions (e.g., schools, businesses, community centers) in low-income communities.