

EPILOGUE

What Kind of a Problem Is Poverty?

WHAT KIND OF A problem is poverty? This book has shown that the question is important because the answer is fundamental to both research and public policy. It bears weightily on how we study poverty and where we look for methods to reduce it. There is an ethical dimension to the answer as well because it allocates responsibility and obligation. Who is to blame for poverty as a condition of individuals or groups? Where does obligation for ameliorating or eliminating poverty lie?

Three profound questions, we have seen, frame debates about poverty's origins and run through the history of debates over poverty since the late eighteenth century. They are, first, how to draw the boundaries between who does and who does not deserve to be helped; second, how can we provide help without increasing dependence or creating moral hazard; and third, what are the limits of social responsibility? What do we owe the poor and each other?

How we answer the question about poverty's sources bears directly on each of these enduring concerns. The answer in this book is that poverty largely has been talked about and acted on as one of six kinds of problems. They represent an archeology of poverty rather than a typology because they are layered, each of the first five digging deeper into the question, and the sixth and newest going off at an orthogonal angle. These six are:

- . *Persons.* Poverty is the outcome of the failings of individuals.
- . *Places.* Poverty results from toxic conditions within geographic areas.
- . *Resources.* Poverty is the absence of money and other key resources.
- . *Political economy.* Poverty is a by-product of capitalist economies.

- . *Power. Poverty is a consequence of political powerlessness.*
- . *Markets. Poverty reflects the absence of functioning markets or the failure to utilize the potential of markets to improve human lives.*

This book has argued that of these six definitions, the idea that poverty is a problem of persons—that it results from personal moral, cultural, or biological inadequacies—has dominated discussions of poverty for well over two hundred years and given us the enduring idea of the undeserving poor. Although the idea that some poor people are undeserving is old, we have seen that the identity of those who fall within the category has changed with time and circumstance. We have discovered the identity of the undeserving poor by looking both at what was said and written about them and about how classes of individuals were treated in legislation, administrative regulations, and on-the-ground practice.

The obverse of the undeserving also has a history at which we have looked. There always has been some concession to those people—widows, children, the sick and disabled—who cannot help themselves. They are the deserving poor. Today, they include workers whose wages are too low to keep them out of poverty. They have received what limited sympathy public policy can muster toward people in poverty, and a great many have been helped to climb just above the poverty line. The condition of the nonworking, or undeserving, poor, meanwhile, has been treated with neglect and contempt. At the same time, neuroscience and epigenetics have fostered the emergence of a new version of poverty as a result of individual biology. It has aroused excitement because it parses the difference between the conservative believers in the hereditarian basis of economic achievement and the liberal champions of environmental causation. It is difficult for anyone versed in the historical application of biological thought to human society and individual merit to view this resurgence of biology without trepidation.

In mainstream poverty research, the role of culture in the production and perpetuation of poverty, as we have observed, is enjoying a revival. Although its practitioners take great pains to distinguish themselves from the old culture of poverty, their work remains implicitly animated by the questions, in what ways are poor people different (the answer is not because they lack money) and what should be done about

these differences? The questions often lead to technically sophisticated research and useful policy suggestions. But they are not the most important questions to ask about poverty today.

Another tradition—almost as old—views poverty as a problem of place. From the dominant perspective, conditions *in* places—most notably substandard housing or, more colloquially, slums—produce, reinforce, or augment poverty. From the other perspective, poverty is a product of place itself, reproduced independently of the individuals who pass through it. From both perspectives, America, like other nations, has always had its territories of poverty. There is a major book waiting to be written about their history. One of its principal themes will have to be invisibility. Poverty has concentrated in urban slums and rural backwaters, easy to miss on a day-to-day basis. But its invisibility is not accidental. It has been constructed through real estate markets, city planning, and public policy. A cynical historian would say that it has been easier to push poverty out of sight than to deal with it.

Efforts to deal with poverty as a problem of place, as this book has observed, have a remarkably poor record of success. Slum clearance and public housing shuffled poor people around; they did not make much of a dent in poverty. Model Cities, the Comprehensive Community Initiatives of the 1990s, Ronald Reagan's Enterprise Zones, Bill Clinton's Empowerment Zones: these place-based programs did not meet their objectives. Responses have taken two divergent paths. One, represented by the Harlem Children's Zone, is to do place-based anti-poverty better; the other, represented by the federal Moving to Opportunity program is to move people out of high poverty neighborhoods. The jury on the long-term results of each of these strategies remains out.

No strategies, however, build on the insights of the short life of internal colonialism—a radically different place-based strategy—perhaps because following its logic would lead in such difficult and politically unpalatable directions. There is, however, promise in the work of geographers who have revived their discipline with theories of the political economy of spatial development and in that of scholars who have taken up the old question of why some nations remain poor with new theories that reject conventional development and modernization models.¹

One of the odd aspects of the history of writing about poverty is the avoidance of the simple view that people are poor because they lack money. Again, a cynical historian could see much of the writing on poverty as an elaborate dance choreographed to stay away from the point. But the idea has never lacked advocates. Some critics have focused on the poverty that resulted from low wages—the impossibility of escaping poverty through work—while others have focused more on those who lacked wages altogether—call them the nonworking or dependent poor. Economists by and large have given the idea that poverty represents a lack of money the most attention. It was, in fact, as we have noted, Milton Friedman who in the 1960s first advocated a negative income tax. Today, an international organization keeps advocacy of a guaranteed income alive while the Living Wage Movement counts victories in a host of cities. In Wisconsin, in 2012 a public policy institute produced a poverty-reduction plan with 4 income-based components which an independent evaluation by the Urban Institute concluded could reduce poverty by up to sixty-six percent.²

Poverty as a problem of resources also receives attention because it is the official or bureaucratic view. In the 1960s, as we have seen, with the launch of the War on Poverty, the federal administration required a standard against which to measure the impact of its programs. The work of a young government economist, Mollie Orshansky, became the basis of the federal poverty line, which, despite its grave deficiencies, has endured to this day, when it is finally being edged toward replacement.

The question of the poverty line is a deep political and philosophic as well technical issue. Successive federal administrations avoided implementing a new line that would increase the official poverty rate while the history of the official poverty rate has been used to justify both optimistic and pessimistic accounts of the capacity of government to respond effectively to economic need. Recently, two scholars have developed a sophisticated measure of “consumption” as contrasted with “income” poverty and used it to argue that federal policy since the early 1970s reduced poverty far more effectively than we have realized.³ The derivation of a poverty line also requires taking a position on the essence of disadvantage. Is it only money? The Nobel laureate Amartya Sen and the political philosopher Martha Nussbaum have been arguing

for a metric that replaces money with “capabilities,” a measure identifying what is necessary for an individual to realize her human potential and lead a full and productive life as a citizen. The list of capabilities is fluid, but the idea holds the promise of directing the question of the resource deficit implied by poverty in more expansive, humanly rich, and politically heuristic directions. It links as well with the growing attention to poverty in the human rights movement—represented by the United Nations’ Millennial Goals—joining the conceptualization of poverty to the preconditions for the realization of human dignity; racial and gender equality; and the exercise of full citizenship.⁴ The human rights movement, in turn, as it arcs back to the United States, holds out the promise of remaking poverty a moral issue—a result needed to overcome an ethical lapse in American politics and public discourse.

Whether we think of poverty as a problem of persons, places, or resources, we are left with the question of why so much of it exists in the first place. That leads straight to political economy, to the understanding that modern, that is post-late-eighteenth century, poverty emerges from the routine intersection of politics with economics. The oldest and most coherent tradition in the political economy of poverty in the United States as well as in Europe, as we have observed, views the poor as the unfortunate casualties of a dynamic, competitive economy, unable to gain a secure foothold on the ladder of opportunity and too incompetent or ill-disciplined to reap the bounty of increasing productivity. Aiding them with charity or relief only interferes with the natural working of markets, retards growth, and, in the end, does more harm than good. Often dressed with quantitative sophistication and theoretical skill, this idea has retained an amazing purchase on popular thought as well as on politics. The widowed, the sick, and a few others remain exceptions, but for the most part the poor are losers.

There is, of course, a long tradition of writing about the political economy of poverty from the perspective of the political Left. These include economists responding to the consequences of the Industrial Revolution; Gilded Age, Progressive-era, and 1930s radicals; black theorists of internal colonialism and black feminists; and current-day urban ethnographers, radical sociologists, and urban geographers. As the work of these scholars shows, the United States has not lacked for

social critics and political spokespersons who have traced poverty to its roots in a capitalist economy and politics. But the political Left has lacked an intellectual tradition—a powerful counter-narrative—comparable to the reasonably coherent and powerful conservative political economy of the right that has persisted for more than two centuries. It might be worth thinking about why this is the case and from where a compelling and unifying progressive political economy of poverty might emerge.

The most promising direction is in the overlap of a revitalized geography and political economy with urban ethnography. There is, however, a tension in this literature between structure and agency. Ethnographies, for the most part, celebrate agency by showing the resilience, capability, and intelligence of their subjects who find the interstices in the seemingly monolithic situations that entrap them. But for all their cleverness at finding ways to survive and manipulate systems, they do not overthrow them. They live within them. This is no surprise given the deeply embedded forces excavated by the political sociology of urban space, as we have seen, in the work of sociologist Loïc Wacquant who explores the conditions of advanced marginality. For the potential to break out of this iron cage, we need to learn from the examples of transformative urban change in some of Latin American cities, as described by the architect Teddy Cruz in Chapter 5. Undaunted by the iron cage of urban marginality, Cruz and other practitioners of the architecture of social engagement use a participatory, bottom up process of urban design to revitalize urban spaces and open the lives of their residents to new possibilities.

The question of transforming the condition of advanced marginality brings us straight to politics. Suppose we construct a new political economy of poverty—what happens next? As the political Right has known all along, the gap between theory and implementation is filled by power. Poverty is more than a problem of political economy; it is also, as this book has argued, a problem of power. In theory, in a democracy poor people should be able to gain purchase on the levers of power by electing representatives who champion their interests. In America, this has happened briefly and episodically as in the New Deal, the War on Poverty and Great Society, and in the occasional state and local election. But for the most part electoral politics has not proved an

effective route to power for poor Americans, or those who hope to serve their interests. With the unchecked influence of wealth on politics, this may be more true today than at any point since the first Gilded Age. The trade union movement, legitimated by the Wagner Act in 1935, emerged as a counterweight to the power of capital. It played a huge, if indeterminate, role in the decline in working-class poverty after World War II, and undoubtedly many fewer workers would be in poverty today had the rate of unionization not sunk under the onslaught of corporate interests abetted by the state. Periodic “poor people’s movements,” in the words of Frances Fox Piven and Richard Cloward, also have tilted the balance of power, as have the remarkable successes of some community organizing networks and the grassroots programs initiated as part of the Community Action program of the War on Poverty.

There are a few central points to remember about power. The first is that the political economy of poverty needs a theory of power if it is to move from insight to action. The second point is that effective responses to poverty have originated outside the electoral system. Ultimately, the redress of poverty requires legislation and policy. But the engine of change starts beyond the formal political arena. Third, significant changes will not come about as a result of elite goodwill. Real change requires countervailing centers of power. The trade union movement, decimated by decades of attack, still remains vital, if weakened. Community organizing networks provide a second center. Building from the grassroots to players on the national policy scene, they have mounted some of the most effective challenges to entrenched interests and institutions. Fourth, attempts to leverage countervailing power provoke powerful backlash. A meaningful assault on poverty will not happen easily or quietly, or without great skill and effort. The December 2012 passage of anti-union legislation in Michigan, where modern trade unionism was born, provides one example of the forces arrayed against the maintenance, let alone revival, of union power. Other instances are the assault on public sector unions in Wisconsin and Ohio and the national attack on teacher unions. On the other side of the ledger, however, has been the successful organizing among home health-care workers, described in Chapter 2, the Justice-for-Janitors movement, and less nationally visible achievements such as the

December 2012 organizing of security guards in Philadelphia. There were, as well, in the 2012 elections, glimmers of a potential if loose coalition whose agenda will include more effective responses to poverty. PICO, the national, congregationally based community organization network, read the election as an affirmation of its success in mobilizing around specific issues such as increased funding for education in California.

There is, however, as Chapter 5 explains, a new strategy of anti-poverty work that does not threaten existing configurations of power or pose uncomfortable questions about capitalism. It is, in fact, of a piece with the hegemony of markets as models for American public policy, and in a short span of time it has become the cutting-edge technology of anti-poverty work.

Beginning in the 1980s, market-oriented models reshaped public policy in housing, health care, education, welfare, and elsewhere. They also reconfigured ideas about poor people and anti-poverty policy. No longer an underclass, poor people became entrepreneurs, and initiative passed from a reduced and weakened state to the private sector, which offered innovations at once less demeaning and more effective—as well as less expensive. Advocates of market-based anti-poverty policies rejected pathological descriptions of poor people. Instead, they approached them as rational actors—consumers, savers, and entrepreneurs. Four overlapping but distinct strategies dominate these new technologies of poverty work: place-based approaches intended to rebuild markets in inner cities; micro-finance programs to transform poor people into entrepreneurs; asset-building strategies designed to give poor people the means to accumulate capital; and conditional cash transfers that deploy monetary incentives to encourage poor people to change their behavior. Even though these market-based technologies of poverty work do not take aim at the foundations of social structure, attack the mal-distribution of power, or excavate the political economy of poverty, they just may help many people escape poverty, or survive it with less hardship. In an age of diminished expectations, do they mark the outer limits of realistic aspirations?

The literature on market-based technologies of power for the most part ignores the markets that matter most to poor people around the world. These are the informal economies that provide employment,

services, and goods for much of the world's population. They are at once mechanisms of exploitation and means of survival. A rich literature on informal economies has emerged in studies of the Global South. But it remains massively understudied by students of poverty in the United States, outside the boundaries of mainstream poverty research. Informal economies, nonetheless, flourish in American cities, performing much the same functions as they do in the Global South.⁵ How does the informal economy intersect the new market-based technologies of poverty work? Is there a way to use informal economies as the basis on which to build anti-poverty strategies?

One strand runs through all six answers to the question, what kind of a problem is poverty? That is the question of work. Indeed, so central have concerns about work remained to poverty discourse over the centuries that I considered highlighting it as a seventh answer. But in one way or another it penetrates all the others. In the eighteenth century, the capacity to work defined the boundary between types of poor people—the able bodied and the impotent. Today, it polices the border of social policy, separating the working and non-working poor and rewarding only the former with anything approaching adequate benefits. Chronic joblessness marks the areas of concentrated poverty in America's cities where the lack of work distinguishes the territories of poverty. At the same time, another way to talk about the political economy of poverty is through the unemployment produced by the routine workings of capitalism. This was true in the nineteenth and early twentieth centuries when work remained irregular and seasonal. It remains the case today when so many have been laid off on account of deindustrialization followed by the contraction of service sector jobs, especially in the public sector. The rewards of work, moreover, have depended on power, notably on the capacity of organized workers to extract a living wage without which work becomes exploitation, not the means to a decent life. Work, of course, also has been closely tied to labor markets. Tight labor markets always have proved effective anti-poverty strategies, as in World War II or during the early 1990s.

In practical terms where does that take us? At the risk of intellectual incoherence, we should support whatever works, taking advantage of successful ideas and programs that flow from each definition of poverty. But we need to pay special attention to those strands that

mainstream poverty policy treats most lightly: resources, political economy, and power.

This means we need to risk inconsistency. Inconsistency is the price progressives have to pay in a world marked by contradiction. In the early twentieth century, Progressive-era reformers and social scientists wrote about poverty at a moment when poverty suddenly appeared unnecessary and the possibility of its near disappearance was a sustaining faith. Some of them even rejected the idea of the undeserving poor. One of the most experienced early poverty researchers, Lilian Brandt, wrote in 1908 that in the preceding two or three years the heretical idea that “poorly paid employment” constituted one of the prime causes of poverty had taken root among some researchers. “And we are coming, therefore, to think of ‘insufficient income,’ when it means inadequate compensation, not as a joke, but as one of the causes of dependence.” In the end, most poverty, Brandt concluded, resulted from “some form of exploitation . . . some defect in governmental efficiency.” Poverty, in short, was at the heart of the problem of political economy: exploitation without, in modern terms, an adequate safety net. To be sure, some “natural depravity” and “moral defects” resulted in dependence, but they “may not be large enough to constitute a serious problem.”⁶ Brandt’s boss, Edward T. Devine, the longtime director of New York’s Charity Organization Society, wrote in his widely read book *Misery and Its Causes* that misery, including poverty, “is economic, accidental and transfigured by the abiding presence of hope.”⁷ For Devine, Brandt, and others, poverty was also a seventh kind of problem—a problem of pessimism, which they were determined to overcome. To make real progress, we need to recapture their energy and their faith.

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