
Toward a Constructive Theory for Anti-Poverty Policy

Author(s): Brian J. Jones

Source: *The American Journal of Economics and Sociology*, Apr., 1984, Vol. 43, No. 2 (Apr., 1984), pp. 247-256

Published by: American Journal of Economics and Sociology, Inc.

Stable URL: <https://www.jstor.org/stable/3486741>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



is collaborating with JSTOR to digitize, preserve and extend access to *The American Journal of Economics and Sociology*

JSTOR

Toward a Constructive Theory for Anti-poverty Policy

By BRIAN J. JONES*

ABSTRACT. What the “ideal” *anti-poverty policy* is cannot be answered without a validated theory of *income deprivation*. Such a theory is not yet available from *economics*. And *sociology* cannot yet provide a verified theory of why particular people are *poor*. The *cultural* and *situationist hypotheses* offer no adequate explanation of poverty and hence billions spent on policies based on them produced no results. *Network analysis* extends the *institutionalist hypothesis* but remains to be validated. However, empirical studies strongly suggest (though they do not prove) that *structural changes* in *educational* or *employment opportunity* are more realistic than *compensatory* or *general aid programs*.

WHAT IS THE IDEAL ANTI-POVERTY POLICY? Even when it is framed in such broad terms, the question is unanswerable without a theory of income deprivation. Policy “cures” cannot be prescribed without some diagnosis of the problematic condition. If educational failure is viewed as a result of inadequate per pupil expenditure, the appropriate policy is an increase in school district budgets; if the problem is diagnosed to be a consequence of family background, policy prescriptions will involve P.T.A. meetings and parental involvement. The interrelation of societal diagnoses and cures is such an essential point that Alfred Kahn has equated them: [social policy is] “an explicit and implicit core of principles . . . behind specific programs, legislation, administrative practices, or priorities.”¹ Policy *is* an implemented theory.

At the present time, neither sociology nor economics has an adequate explanation of micro-level income differences in society.² Since we have no verified theory of why particular people are poor, it follows by the logic above that policy “cures” will be badly informed. This point is distressingly easy to prove. It has been widely observed that a major factor in the defeats of the War on Poverty was an inadequate theoretical strategy.³ Contemporary public perceptions of the “welfare mess” reflect a hodgepodge of programs lacking a coherent rationale, and thus lacking any compelling reason for funding. Without an accepted theory of why the poor are poor, policy prescriptions must be written in the dark.

The need for an etiology of poverty is the central proposition of this paper.

* [Brian J. Jones, Ph.D., is assistant professor of sociology at Villanova University, Villanova, Pa. 19085, and editor of *Social Science Review: An Interdisciplinary Journal*, sponsored by the university.]

American Journal of Economics and Sociology, Vol. 43, No. 2 (April, 1984).

© 1984 American Journal of Economics and Sociology, Inc.

The argument will be mounted in three stages. First, the two major paradigms of poverty behavior—the culture of poverty and situationism—will be critically reviewed in light of the network approach emerging from sociology and economics.⁴ The second section will consider the practical implications for welfare policy of these alternative theories. Third, conceptual developments will be discussed in the terms of contemporary moral philosophy. This section argues that theoretical understanding could not only rebuild the shaky foundations of current poverty policy, but might also provide “a strong moral basis on which we can ground . . . our societal goals.”⁵ A final section briefly considers the interface of micro-level constructive theory with macro-level theories explaining the existence of poverty.

I

Theories and Poverty

ARE THE POOR different from you and me, aside from having less money? According to the culture of poverty paradigm, not only is the answer yes, but the differences actually produce their income deprivation. The attitudes and values of the poor are both distinctive and destructive:

The lower-class forms of all problems are at bottom a single problem: the existence of an outlook and a style of life which is radically present-oriented and which attaches no value to work, sacrifice, self-improvement, or service to family, friends, or community. Extreme present-orientedness, not lack of income or wealth, is the principal cause of poverty.⁶

Present-orientation and a host of related traits (such as fatalism, impulsiveness, etc.) are viewed as differentiating the culture of the poor from that of the middle-class mainstream; the internalization of these traits by poor individuals, in turn, keeps them out of the economic mainstream. This paradigm has been discredited on two counts. First, there is “. . . very little, if any, support for the culture of poverty concept if by the concept is meant that the poor show unique characteristics.”⁷ Even if a distinct culture had been empirically associated with poverty, attitudinal traits appear to be only weakly related to the behavior the culture of poverty supposedly impedes—work.⁸

An alternative explanation is that the actions of the poor are a rational response to deprived circumstances. According to the situationist paradigm:

. . . impulse following and a preference for immediate gratification are characteristics of lower-class life styles, (but) this behavior derives from the opportunity structure facing the poor, rather than from distinctive cultural values on their part.⁹

Poverty-producing behavior (notably, low “work effort”) is generated by a kind of utility calculus within individuals facing a deprived situation. Given the statistical unlikelihood of success, why work if it will (very probably) avail one

nothing? The situationist theory thus shares the culturist view that the poor have different orientations toward occupational achievement. Situationism, however, sees such anti-achievement attitudes as derived from individual calculations about one's miserable life-chances. Despite its rejection of culture as the cause of poverty-producing differences among the poor, the situationist paradigm is vulnerable to a familiar indictment: there is insufficient evidence that the poor *are* different (see above). Furthermore, manpower studies relating situational attributes to economic behavior have all too frequently failed to support situationist predictions.¹⁰

It is clear that neither of these rival paradigms constitutes an adequate explanation of poverty. The very inconclusiveness of the situationist-culturist debate suggests that the wrong issues are being discussed. One basic question is neglected by both theories: what is the *social* character of poverty? According to the situationists, a poverty population is merely a collectivity of persons performing separate (but similar) existential assessments. Such an atomized treatment ignores the impact of interpersonal bonds; a sister's approval of working for the future, for instance, may change the coefficients in one's own situational calculations. Despite its notion that cultural traits are "instilled" into those living amid poverty, the culturist approach is similarly superficial in its treatment of poverty's social setting. The anti-achievement attitudes and values of the slum are somehow internalized by the poor person who, consequently, remains poor. But how does the cultural pattern exert its influence? There is virtually no attention to the interpersonal patterns which transmit and support any living culture.¹¹ Both situational and cultural approaches treat social structure as a *ceteris paribus* phenomenon not endogenously involved in the explanation of poverty.

Major theoretical perspectives in both economics and sociology suggest the significance of this omission. The institutionalist school of economic thought rejects the classical model of rational individualism. Individuals do pursue optimal utility, but maximization occurs *within* a social framework setting the boundaries of the situation.¹² It is but a short step to view friends, relatives—all significant others—as defining these bounds at the micro-level for the poor individual.¹³ Such a person's decision-making would therefore unfold within specific social structures defining his "situation" according to specific "cultural" constraints. Status attainment theory in sociology is similarly suggestive. While much of its supportive research has focused on the occupational effects of individual traits (such as race, education, etc.), there is also strong support for the intergenerational transmission of achievement.¹⁴ A crucial implication for the present argument is that "transmission" is a social process; parents and

offspring to whom they transmit achievement traits are, after all, socially connected. A number of reports in this research tradition (some focused directly on the lower class) have evidenced the interpersonal impact of nonparental relationships as well.¹⁵ Such findings question the relevance of a general “culture” or “situation.” The effects of each would appear to be funnelled through the specific social milieu surrounding a given poor individual.

By demonstrating the involvement of social structure in individual occupational behavior, institutionalist economics and status attainment sociology both indict asocial paradigms of poverty. This indictment has remained implicit, though, because of the lack of a conceptual framework which could systematically relate the individual behavior of the poor to their specific interpersonal context. Enter the concept of the social network:

The social network encompasses the general structure of informal relationships as well as those operating within defined associational structures. . . . Because social networks ramify across and between institutions they provide a means of examining the inter-relationships of people in different contexts, a feature which the very abstraction necessary in institutional analysis precludes.¹⁶

In its focus on the social bonds connecting individuals, network analysis responds to the critique of poverty theories. The institutionalist approach is extended by the incorporation of social influences originating outside the economic institution. The critical implications of status attainment theory are made explicit by attention to the full range of personal relationships—non-parental relatives as well as friends—encircling a given poor individual.

Network analysis has more than this theoretical recommendation. The above discussion shows that major economic and sociological theories point to the potential of the network approach to close a crucial gap in the poverty paradigms. By filling the social structural void of culturism and situationism, network research on the poor seems to be realizing that empirical potential. A number of recent reports have revealed the involvement of poor individuals in elaborate social patterns that are adapted to the exigencies of poverty. Specifically, these networks impose on their members normative demands for material aid which are reciprocated as each person is in need. Stack argues that such micro-structures are admirably suited to situational economic emergencies, and may selectively exert cultural influences on the employment behavior of those within the network.¹⁷ Further developing the latter point, Jones has demonstrated that the *specific* composition of the social network (whether one has more relationships with regular than irregular workers, for example) successfully predicts the work effort of poor persons sharing the same *general* culture and situation.¹⁸

These selected results support a still-developing network paradigm. While

the data should not be considered definitive at this stage, they clearly warrant three conclusions. First, poor individuals are enmeshed in social structures culturally adapted to their unique economic situation. Second, such networks do not seem to be uniform in their impact on the behavior which other poverty paradigms are most concerned with, namely employment. The varying cultural contents of their network relations do impinge upon poor individuals' relations with the world of work. Third, the repeated appearance of culturist and situationist terms in the preceding conclusions suggests that the network concept may subsume the other poverty paradigms. The emerging hypothesis is that network effects on the socioeconomic *situation* depend on the specific *cultural* standards inside a poor individual's social circle.

II

Theories and Poverty Policy

THERE IS MORE INVOLVED in this discussion than academic criticism of prevailing paradigms in the light of an emerging one. Each theory of the nature of poverty strongly suggests the appropriate content of anti-poverty policy. The intellectual choice of a poverty theory therefore bears on the practical choice of a welfare program.

Consider the policy implications of the situationist theory. According to this thoroughly individualistic view, each poor person rationally assesses life-chances, then acts to maximize personal benefit. The theoretical premise leads directly to a programmatic conclusion: design welfare policies which would enhance the cost/benefit situation confronting specific subtypes of the poor. Individuals in each program category would then atomistically adapt to the changed situation by pursuing personal interests that coincide with policy goals. Programs for poor males, for instance, should increase the personal payoff of work effort and increase the opportunity cost of leisure; these individuals would then be led by policy's "invisible hand" into the labor force. To capitalize on such maximizing behavior, policy should be tailored to the diversity of poverty situations, ideally creating program categories for each type of poor individual.

The implications of the culture of poverty theory for policy are a bit more indirect. Begin with the premise that the cultural tenets of the poor are substantially different from those of the nonpoor. As impoverished persons mechanically internalize these general traits, each poor individual carries a handicap in the pursuit of economic independence. The cultural differences thus become a character flaw. Although this flaw may not be any one poor person's fault, it is best dealt with through programs which fill culturally-caused deficits at the individual level:

. . . there is a terrifying sameness in programs that arise from this kind of analysis. In education, we have programs of "compensatory education" to build up the skills and attitudes of the ghetto child, rather than structural changes in the schools. In race relations we have social engineers who think up ways of "strengthening" the Negro family, rather than methods of eradicating racism. As we might expect, the logical outcome of analyzing social problems in terms of the deficiencies of the victim is the development of programs aimed at correcting those deficiencies.¹⁹

Since the theory views the cause of poverty to be individual involvement in a subculture, structural changes in economic and social institutions are unwarranted. The radically different departure points of the culturist and situationist theories thus arrive at the same policy destination: design categorical programs for subtypes of poor individuals.

The inadequacy of the culturist-situationist theories—and the inadequacy of programs based upon them—has stimulated economic and sociological efforts to develop a more valid model of poverty behavior. One of the most ambitious interdisciplinary efforts is the federally-sponsored income maintenance research. In what has been described as "the most extensive social experimentation ever conducted," this set of projects has examined the impact of various guaranteed income plans upon the work effort and selected other traits of poor families.²⁰ While the interpretation of results is still a matter of some controversy, the focus here concerns a straightforward feature of research design. By definition, these welfare experiments admit into their treatment groups only a tiny subset of the poor at each sampling site. The selective allocation of individuals to treatment (and control) conditions is advantageous for experimental comparison, but there are two related—and crucial—disadvantages. First, the experimental subjects remain members of social networks which have been shown to influence many of the experimental variables, notably work effort (see above); second, the other network members generally are *not* experimental subjects, and face an unchanged economic situation. The networks can therefore be expected to impose upon experimental subjects the normative demands that have proven so functional in adapting to the exigencies of the former's unchanged poverty. One of the principal investigators in the Seattle and Denver Income Maintenance Experiments (the most extensive and expensive of all the federally-funded projects) suggested that the operation of the aid-networks described by Stack could explain the counter-hypothetical behavior of poor subjects.²¹ The essential point is this: the behavior of individuals inside experimental categories is not independent of their social networks which reach beyond the categories. While the research was designed to test the responses of randomly-assigned individuals to a changed eligibility situation, their behavior seems to reflect the cultural demands of ineligible relatives and friends whose situation is still impoverished.

The immediate relevance of this brief critique concerns the implications for public policy. Note the parallel between the design of the income maintenance experiments and the design of anti-poverty programs espoused by culturist/situationist theories. In both cases, selected subsets of poor persons are to receive benefits within categories specifically designed to change their individual behavior; in both cases, social networks have been empirically observed crossing such categorical boundaries to influence actions of the individuals within. The common fallacy is in the atomistic conception of the poor. The network approach to poverty highlights a truth that has been accepted at least since the Hawthorne research: people do not make income support (or "work effort") decisions alone. Nevertheless, this discredited assumption is the very basis of the programs recommended by situationist and culturist theories, and it is the basis of publicly-supported research to model the effects of poverty policy. Network analysis by no means offers a finished paradigm of poverty, but it does add substance to the critique of individualistic theories and programs. The presently established fact is that program categories are socially permeable, that material resources and decisions about work effort flow along social structures operating "over the head" of individual attributes. At a minimum, this network conceptualization severely indicts the fragmented category-by-category approach of current anti-poverty policy. While there is a pressing need for further data specifically linking networks to work behavior, current conclusions are that, a) poverty appears to be related to social processes transcending personal attributes and, consequently, b) public policy should be geared above the individual level. Structural changes in educational or employment opportunity would seem more realistic (and thus more effective) than compensatory programs "targeted" for individual skill deficits. Similarly, *general* aid programs (such as a guaranteed annual income) are more likely to encompass the network structures of poverty than are categorical programs (such as Aid for Families with Dependent Children, public housing, etc.) which draw false boundaries around aggregates of poor individuals.

III

Toward a Constructive Theory of Poverty

IT IS WORTH RESTATING the point that network research on poverty is suggestive rather than definitive. Although the data may threaten the theoretical foundation of current welfare programs, network analysis is now more an approach than a fully-developed paradigm. The central thesis of this paper is the indispensability of a systematic theory of poverty. Whether such an explanation is to emerge from network analysis or not, the growing recognition of the need for a poverty

theory is reflected in the \$100 million of public funds that have been spent on the income maintenance research. More compelling testimony can be found in the billions of dollars misspent on categorical programs lacking a coherent theoretical strategy.²²

In sum, an effective explanation of poverty would provide a sounder intellectual base for effective anti-poverty policy. This is not all. A number of scholars have recently been applying the methods of analytic philosophy to social issues, including welfare.²³ A major goal in this integration of philosophical and social scientific perspectives is the development of moral justifications for public policy. The contention of the present section is that a verified theory of poverty would not only lay a cognitive foundation for efficient programs, but could also provide an ethical grounding for the welfare system.

Consider a fundamental distinction between moral models articulated by legal philosopher Ronald Dworkin. The "natural" model uses as a basis for social ethics "a moral faculty . . . which produces concrete intuitions of political morality in particular situations."²⁴ The ethical status of poverty, then, is an objective reality which can be found in people's personal reactions to it. By contrast, a "constructive" moral model depends less on personal intuition and more on theoretical construction:

This model treats intuitions or convictions as stipulated features of a general theory to be constructed, and not as clues to the existence of independent moral principles. It makes the assumption that men and women have a responsibility to fit the particular judgments that they accept and use into a coherent set of principles or a theory.²⁵

The key distinction is in the method for establishing the ethical status of social issues. For the natural model, the method is a simple reading of popular convictions; for the constructive model, the judgment of morality vs. immorality depends on theoretical justification.

Dworkin's position against the natural model is well-supported by popular misconceptions of the poverty issue. Studies have consistently shown public opinion to view the poor as predominantly unemployed able-bodied blacks when, in fact, the majority of the poor are white, and the vast majority either work or are outside employable ages.²⁶ These fallacies are damaging to the natural model because the objective reality of poverty runs directly counter to such popular "intuitions." Moral judgments so rendered will be distorted, thus distorting the ethical basis of public policy. Popular misperceptions about the nature of poverty are generally associated with value-judgments: the poor are lazy, welfare recipients are chiselers, etc. Since the burden of immorality falls on poor individuals themselves, the ethical responsibility of the State should be minimal. If the natural conception were correct, anti-poverty policy should consist of aid cutbacks and rigid eligibility requirements so that the poor would reclaim their ethical responsibility and fend for themselves.

Such natural conceptions are patently incorrect, but—as has been demonstrated above—no social science paradigm is yet available to fill the gap of explanation. Lacking an adequate theory of poverty, we lack the constructive model which, in Dworkin's words: “. . . presupposes that articulated consistency . . . is essential to any conception of justice.”²⁷ The current disarray of anti-poverty policy reflects its lack of theoretical—and, hence, moral—foundations. Whether the promising network approach ultimately provides a developed theory of poverty or that theory emerges from some other conceptual source, such a model is doubly desirable: it would provide a sounder intellectual *and* ethical base from which to launch “Wars on Poverty.”

Notes

1. Alfred Kahn, *Social Policy and Social Services* (New York: Random House, 1973), p. 23.
2. Mark Granovetter, “Toward a Sociological Theory of Income Differences,” in Ivar Berg, ed., *Sociological Perspectives on Labor Markets* (New York: Academic Press, 1981).
3. Lawrence M. Friedman, “The Social and Political Context of the War on Poverty: An Overview,” in Robert H. Haveman, ed., *A Decade of Federal Antipoverty Programs* (New York: Academic Press, 1977), p. 40; Daniel P. Moynihan, *Maximum Feasible Misunderstanding* (New York: Free Press, 1970), p. 170.
4. For a general discussion of the relevance of network concepts to economics, see Martinson and Campbell, “Social Network Analysis: Suggested Applications to Economic Control,” *Journal of Economic Issues*, Vol. 8, No. 2 (June, 1979), pp. 44–53.
5. Derek L. Phillips, *Equality, Justice and Rectification* (New York: Academic Press, 1979), p. vii.
6. Edward Banfield, *The Unheavenly City Revisited* (Boston: Little, Brown, 1974), p. 87.
7. Peter H. Rossi and Zahava D. Blum, “Class, Status and Poverty,” in Daniel P. Moynihan, ed., *On Understanding Poverty* (New York: Basic Books, Inc., 1969), p. 42. For more recent supporting evidence, refer to Vincent T. Covello, ed., *Poverty and Public Policy: An Evaluation of Social Science Research* (Cambridge: Schenkman, 1980).
8. Leonard Goodwin, *Do the Poor Want to Work?* (Washington, D.C.: The Brookings Institution, 1972).
9. Seymour Spilerman and David Elesh, “Alternative Conceptions of Poverty and Their Implications for Income Maintenance,” in L. Orr, R. Hollister and M. Lefcowitz, eds., *Income Maintenance: Interdisciplinary Approaches to Research* (Chicago: Markham Publishing Co., 1971), p. 199.
10. See, for example, E. Erickson, A. Ritsema, W. Brookover and L. Joiner, “Differences Between Economically Disadvantaged Students Who Volunteer and Do Not Volunteer For Economic Opportunity Programs,” *Journal of Human Resources* (Winter 1969), pp. 76–83.
11. Herbert J. Gans, “Culture and Class in the Study of Poverty: An Approach to Anti-Poverty Research,” in Daniel P. Moynihan, *On Understanding Poverty*, pp. 208–09.
12. Refer to Michael Veseth, “The Economics of Property Rights and Human Rights,” *American Journal of Economics and Sociology*, Vol. 41, No. 2 (April 1982) pp. 169–81.
13. This view is closely related to the concept of “bounded rationality,” which recognizes the social constraints operating upon individual behavior in organizations. James G. March and Herbert A. Simon, *Organizations* (New York: Wiley, 1958), pp. 168–71.
14. For an overview of current (and historical) evidence, see Robert M. Hauser and David L. Featherman, *Opportunity and Change* (New York: Academic Press, 1978).

15. One early and extremely suggestive report is Richard L. Simpson's "Parental Influence, Anticipatory Socialization, and Mobility," *American Sociological Review* (August, 1962), pp. 518-29. See also Carol B. Stack and Herbert Semmel, "The Concept of Family in the Poor Black Community," in *Studies in Public Welfare* (Washington, D.C.: Government Printing Office, 1973), pp. 275-76.

16. J. Clyde Mitchell, *Social Networks in Urban Situations* (Manchester University Press, 1969), p. 49.

17. Carol B. Stack, *All Our Kin* (New York: Harper and Row, 1974), pp. 124-25. For a study uncovering similar social patterns in an otherwise dissimilar poverty population, refer to Larissa Lomnitz, *Networks and Marginality* (New York: Academic Press, 1977).

18. Brian J. Jones, "Poverty Theory and Welfare Policy: A Network Reformulation," *Policy Perspectives*, Vol. 2, No. 3 (1982), pp. 394-408.

19. William Ryan, *Blaming the Victim* (New York: Pantheon Books, 1971), pp. 7-8.

20. Kenneth J. Neubeck and Jack L. Roach, "Income Maintenance Experiments, Politics, and the Perpetuation of Poverty," *Social Problems*, Vol. 28, No. 3 (February 1981), p. 308. The experimental treatments varied benefit levels, tax rates, and the periods for which income would be guaranteed.

21. Peggy A. Thoits, "Longitudinal Effects of Income Maintenance Upon Psychological Distress: Four Waves of Analysis," *Social Science Forum*, Vol. 4, No. 1 (Summer 1982), p. 39. Specifically, Thoits speculated that the drain of resources to ineligible network members may have increased the psychological stress of experimental subjects.

22. Refer to footnote No. 3. For more recent evidence, a Census Bureau study (summarized in *The New York Times*, September 13, 1982) reports that 65 per cent of the 11.7 million households below the poverty line received no cash assistance from the federal government in 1981.

23. See, for example, Peter G. Brown, Conrad Johnson and Paul Vernier, *Income Support: Conceptual and Policy Issues* (Totowa, N.J.: Rowman and Littlefield, 1981).

24. Ronald Dworkin, "The Original Position," in Normal Daniels, ed., *Reading Rawls* (Oxford: Basil Blackwell, 1975), p. 28.

25. Phillips, *Equality, Justice and Rectification*, p. 15.

26. U.S. Bureau of the Census, *Current Population Reports* (Washington, D.C.: Government Printing Office, 1979), pp. 25-26; U.S. Department of Health, Education and Welfare, *Welfare Myths versus Facts* (Washington, D.C.: Government Printing Office, 1972).

27. Dworkin, "The Original Position," p. 30.

New Economic History Review

THE CENTER for Constitutional Studies in Madrid, Spain, has announced the appearance of a new journal for economic history, *La Revista de Historia Económica*. It hopes to become the principal medium of communication for scholars specializing in the Hispanic and Latin American areas. Professor Gabriel Tortella is the editor. An annual subscription is 1,800 pts. in Spain, \$24 in Portugal, the Philippines and Latin America and \$25 in other countries. The address: Plaza Marina Española, 9, Madrid 13, Spain.