

April 27, 2004

ECONOMIC ISSUES AND PROBLEMS II: ECONOMIC CHANGE

Read: Coontz: Looking for Someone to Blame: Families and Economic Change. 123-140
Newman: Family Values against the Odds. Skolnick 320-334
Rubin: Families on the Fault Line. Skolnick 303-319

I. This section of the course focuses on:

A. How families are embedded in the US political economy

1. We're concentrating on families with economic problems
 - a. In particular downward mobility due to economic changes
 - b. Discuss: economic changes mentioned in the readings?
 - 1) At the national level?
 - 2) International level?
 - 3) How are national and international (global, transnational) linked?
2. Today's topics are pertinent to your paper topic, because obviously policy, legislation have a lot to do with why families have economic problems and why they try to cope with them the way they do
3. Always keep in mind the ideological underpinnings of any discussion about family economics

II. Examples of kinds of family responses

A. The readings by Newman, Rubin

B. Another example: "The Kentucky Way"

1. A case of American families developing institutions to resist the worst effects of capital
2. A study by anthropologist Rhoda Halperin
3. Pockets of this country, a "core" nation in world capitalism:

- a. Can resemble peripheral countries in the third world
4. She studied a culturally diverse, racially integrated working-class community in Northeastern Kentucky
5. She discovered regionally based family networks, whose members aren't always "biological" kin
6. They called it "the Kentucky way": Halperin calls it *householding*
 - a. Economic integration that involves provisioning of a group by means of circular flows of resources, goods, and services
 - b. Rather than out from center to periphery
 - 1) Examples of center to periphery economic activity?
 - c. Goods move among the members of a network
 - 1) Rather than back and forth between two points
 - 2) A system of redistribution throughout the "family"
 - d. Reciprocity is another coping mechanism
 - 1) Barter
 - 2) This *is* back and forth exchange, but is not exclusive to one pair of exchangers
 - e. Subsistence farms use family labor to meet consumption needs
 - 1) Rather than produce for the market
 - f. Members will also work for wages
 - 1) But won't stay at one job too long
 - g. Many economic activities are not recorded in official employment statistics
 - 1) This is called the informal economy
 - 2) Flea markets

- 3) “Informal economy” is very characteristic of third-world economies
- h. The goal is to keep the family network intact in its community
 - 1) *Not* pursue upward social mobility for individuals or nuclear families
- 7. How is “the Kentucky way” like “the American way”?
 - a. How not?
- 8. There are many “family values” here
 - a. But some of them aren’t capitalistic
 - b. People will resist factory jobs
 - 1) They criticize factory workers for wasting money on beer, etc.
 - 2) Rather than investing it in land for gardens or time with family
 - c. Most Americans will see subsistence farming as precarious, factory jobs as more secure
 - 1) But a lot of factory closings in Kentucky
 - 2) Production moving overseas
 - 3) Suggest to these people that their way is better
- C. Other examples of such sharing and pooling of goods and services?
 - 1. The Newman piece?
 - 2. Or the earlier work by Stack that Newman cites
 - a. A study of underclass blacks in a northern city
 - b. Who relied on kin networks to be able to cope:
 - 1) With unemployment
 - 2) With racism

- 3) With evictions
- 4) And the unstable male-female relationships that resulted from men not being able to obtain and keep well-paying jobs
- c. Like “the Kentucky way,” they would say things like
 - 1) “What goes round comes round”
- d. Again, a system of *redistribution*
- e. Discuss: similarities in the consequences of unstable male employment in the families described by Rubin?

III. Important issue of how to represent poor people?

- A. How do you describe poor people without inferiorizing them?
 - 1. They will often describe *themselves* in terms of moral failings, stupidity, etc.
 - a. “The hidden injuries of class”
 - b. Example: “If you’re so smart, why aren’t you rich?”
- B. These topics are difficult to talk about
 - 1. Goal is to counter traditional moralistic biases and middle-class hostility
 - 2. Imagine what a middle-class social worker would say about “householding” or the network described by Newman
 - 3. However, if you sanitize the suffering and destruction that exists on inner-city streets—if you worry about not looking politically correct
 - a. You are complicit with oppression, for you have erased the effects of poverty
 - b. People *do* make decisions
 - c. There’s terrible suffering in the inner city brought on by inner-city inhabitants

- d. Victimizers who are in the same apartment building, in the same family as their victims
- C. Need to understand the chain of causes
 - 1. For example, seeing female-headed households as a rational adaptive response to conditions of deprivation
 - a. Part of a number of adjustments to desperate poverty that are made by people with children to support
 - 2. The Newman piece
- D. We need to not look away
 - 1. Mostly we don't want to think about how many people are extremely poor in this country
 - 2. We tend to see them as "throwaway people"
 - a. "They brought it on themselves"
 - b. Question: how many people who were laid off in the Rubin piece "brought it on themselves?"
 - 3. Ironic, because there are many individuals and actual families who heroically struggle to survive under these conditions
 - a. And do so against much worse odds than middle-class people face
 - b. All those hours spent in the Burger Barn
 - 4. We will grapple with this question in the Stack book
 - 5. What *do* you do if you work at a low-skilled job and can't pay expenses?
 - a. Sponge off of relatives?
 - 1) It happens, but can't go on forever
 - c. Go to charities? Can be degrading, humiliating
 - d. Do other jobs—"moonlighting"?
 - 1) Prostitution?

- a) Remember *House of Lim*'s filial prostitute?
- b) How do we judge a mother who prostitutes herself in order to put food on the table?

IV. Policy implications

- A. I am using "policy" to stand for both policy and legislation
- B. For example, concerns over welfare dependency and its effects
 - 1. Several times in the readings we've encountered good illustrations of the differences between correlations and determinants
 - a. E.g., the black "illegitimacy ratio" has increased rapidly
 - 1) But not so much because of increase in out-of-wedlock births
 - 2) As because marital fertility has declined
 - 3) And the percentage of black women living with their husbands has declined
 - a) So the increased rate is due to an increase in black divorce and separation
 - b) And in the percentage of never-married women
 - 2. Total: there was a 41% increase in number of black children growing up in fatherless families during the 1970s
 - a. Hasn't gotten better since then
 - b. Certainly something to concern us, because female-headed families are more likely to be poor and more likely to remain poor
- C. As Coontz points out, there are some cultural explanations for these changes, but structural ones (discrimination, job market) are much stronger
 - 1. Many argue that male joblessness is more of a factor than is welfare policy
 - a. In terms of being the primary cause of:
 - 1) Family breakups

- 2) Female-headed households
 - 3) Out-of-wedlock births
- D. Remember Gutman's findings of the change in skilled job rates for black men between the end of the Civil War and 1900?
1. Carpenters, etc., found they were exclusion from unions
 2. We have inherited a legacy of prejudice and legal discrimination—"Jim Crow" laws
 3. With the result that black women are more likely to delay marriage, and less likely to remarry
 - a. Not because they'll receive welfare if they don't marry
 - b. Or because they're less interested in getting married
 - c. But because there are fewer "marriageable" males
- E. That Congressional committees are persuaded that welfare is related to the rise of female-headed families is an example of mistaking symptoms for causes
1. The actual value of welfare benefits has declined over the past 10 years, while the number and proportion of female-headed families has continued to climb