Back to the U.S.
- The way racial identities combine with class can explain the position of particular groups.
- The question is to what degree is disadvantage a race issue and to what degree is it a class issue.
- Provide some context for the Wilson reading.
- How has poverty been viewed historically?

Two explanations of poverty:
- Structure
  - What does this mean?
  - Distribution of wealth and resources.
  - Western European thought
    - Adam Smith
      - Wrote the Wealth of Nations. Father of laissez faire capitalism. Let the markets figure out distribution and prices.
      - The assumption is that people are self interested. Capitalists want to make money. Workers expect to be paid for their labor. The government is secondary b/c the market will decide prices and wages.
      - Built in economic incentives.
      - Of course, there are debates about how much the government should intervene in markets.
    - Karl Marx
      - Labor is inherently at a disadvantage.
      - Proletariat: provide labor.
      - Bourgeoisie: employ laborers.
      - Both Marx and Smith saw capitalism as a spectacularly productive form of economic activity because there’s always a drive for innovation.
  - How does this relate to poverty?
    - Marx didn’t like the idea that labor was disadvantaged. Predicted that in the end, labor would overturn capitalism and create a more equal distribution of wealth.
    - Proletariat revolution.
    - One (Smith) views poverty as lamentable but unfortunate by-product while the other (Marx) sees it as inherent unjust.

Cultural and social
- Cotton Mather
  - Puritan Minister of the Massachusetts Colony. 1695
‘For those who indulge themselves in idleness, the command of God is to let them starve.’

The American cultural explanation for poverty stems from the Puritan notion of work. If you are able bodied, you should and must work. You work not because of your social position, but because it is what God commands.

There is nothing in this view of work about the market.

Work is really not about money, but it is about moral obligation.

Psychological notion of power, self-satisfaction, social standing, etc.

- These non-economic incentives should make you want to work.
- Takes the focus away from the market and places it on the individual.

- If you think that cultural and social reasons best explain work and poverty, what kind of public policies would you support?
  - Reduced reliance on programs like welfare and Medicare.
  - Social policies that stress individual habits and skills.

- If your emphasis is on the structural reasons for poverty, what kind of solutions what would you support?
  - Job generation programs to get people back to work.

Julius Wilson

- If you had to locate him between these two different views, where would you put him?
  - Student: brings up interviews as to why they work. May tend to favor social programs. Has more individual motivations.
  - Student: more structural. The interviews imply that there isn’t enough government structure to create enough jobs.
  - Student: a lot of his statements. Black people don’t have jobs because of ethnic stereotypes. More cultural than structural.
  - Student: discusses globalization a lot. Describes it as a result of historical discrimination and a lot of economic problems can be blamed on that. A lot of joblessness can be blamed on their status now.
  - He draws from and speaks to both camps in part because thinking about poverty in the U.S. has seemingly reached an impasse. Both camps have something right to say.
  - In general, liberals tend towards structural explanations and solutions.
  - Conservatives think the market is fine. They offer social and cultural explanations and look towards the market, rather than the state, for solutions.

Chicago’s racial tension

- Student: a lot of tension between whites and blacks. Racial tension.
- Student: the fact that there’s a term originating in Chicago of “the black belt” leads you to believe that racism exists there. Blacks have to commute to a white area for work will be stopped frequently by police and asked why they’re there.
• Immigrant communities came to Chicago, large Polish, Serbian, Lithuanian, Mexican communities.
• Many African Americans settled in Chicago as they were fleeing southern segregation.
• Trains went straight from Mississippi to Chicago and made Chicago an easy destination to escape from the south.
• In Chicago, there was pronounced de facto residential segregation.
• Most southern blacks are employed in low skill, low wage jobs.
• Redlining practices – explains residential patterns.
  o Real estate agents “steered” black people into certain neighborhoods, thereby helping to create “black neighborhoods.”
  o African-Americans were unable to move into these other communities not because of the lack of desire to move into white neighborhoods but because of the inability to do so.
• So what do they do?
  o Chicago’s black neighborhoods were vibrant because you couldn’t get out
  o Working men and women stayed. Doctors, lawyers, etc. Jobs were there.
  o With civil rights movement, pressure was brought to bear. Real estate agents and banks were stopped from redlining.
  o When people of means were allowed to leave, they left.
• Wilson argues for people who weren’t able to leave, hyper-concentration of poverty resulted.
• Why are manufacturing jobs so important?
  o Unskilled and semi-labor force required. Many jobs created for less educated workers.
  o Union strength.
  o Good wages for little education.
• Manufacturing jobs of that caliber don’t exist anymore.
• Wilson’s story is not just the history of racial discrimination, but the decline in manufacturing jobs as well. They don’t pay as well as they once did.
• When educated and relatively wealthier people begin to leave the neighborhood, why does that matter?
  o Student: when middle class left there was an increased prevalence of drugs, violence. Contributed to a lowering of morale. Lots of parents wanted to leave, but couldn’t due to economic constraints.
  o Student: when you have a large range socio-economically, the children have more role models. When all they see is manufacturing jobs, that’s all the kids know.
• The existence of networks and range of groups (doctors, lawyers, etc.) helps the community in stepping up in status or just getting a moderate paying job.
• If people are working, they are more connected.
• When people leave, there’s a decrease in social organization. The prevalence and strength of social networks decreases. Collective supervision diminishes. Wilson argues that all of this matters.
• Wilson talks about the social ramifications.
• Less people means that there are less people volunteering in social programs, etc.
• A steady decline in the quality of life for the people who are unable to leave.
• Wilson says that you will have visibly observable factors. Community norms that facilitate negative behaviors increase.
  o Violence
  o Gang membership
  o Selling drugs, etc.
• Where did the drugs come from?
  o Student: The demand is manipulated. Give people access, but limit the access. Give just enough that people have to fight for it a little bit.
• Illegal mob activity in the U.S.
  o Mobs have been a vehicle (Irish, Italians, Jews) for wealth and social mobility.
  o Earned money illegally usually involves the corruption of law enforcement.
• If the norm is illegal activity, such as drugs, drug selling becomes a more attractive job than working in lower paying jobs with little respect.