POVERTY THEORIES AND INCOME MAINTENANCE: VALIDITY AND POLICY RELEVANCE

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ABSTRACT

The purpose of this paper is to challenge the validity and policy relevance of the two major types of poverty theories: the cultural theory and the structural theory. The two types of theories are defined and the evidence for them is assessed. As the theories are almost entirely based upon case studies, the assessment utilizes methodologically more rigorous research as well as an internal analysis of the case studies themselves. It is concluded that there is little evidence to support either of the theories.

Independently of the issue of validity, the policy relevance of the theories also is explored, since their dubious validity is insufficiently known and they continue to provide rationalizations for poverty policies. The policy relevance of the theories is examined with regard to a variety of income maintenance programs, and it is argued that in practice the theories differ little in their policy implications and both are of marginal utility. An alternative perspective on the analysis of poverty is presented.

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I. INTRODUCTION

Social scientists and policymakers concerned with poverty have long sought to articulate their efforts into theories of poverty both as an intellectual problem and as motivation for action. Perhaps because of the universality of poverty, almost all these theories are phrased with great generality. They are designed to explain poverty in terms of fundamental social mechanisms which are unaffected by national, cultural, ethnic, racial, or other kinds of social differences. Whatever differences among men may exist in these terms, presumably they do not affect their economic status.

The purpose of this paper is to challenge the substantive validity and policy relevance of these theories. In Part II the two basic types of theories are defined. In Part III the evidence for the theories is assessed. As the theories are almost entirely based upon case studies, the assessment utilizes methodologically more rigorous research as well as an internal analysis of the case studies themselves. Part IV examines the policy relevance of the theories in terms of poverty policy in general and income maintenance programs in particular, and Part V explores an alternative perspective to the poverty theories built upon the findings of Parts III and IV.

II. THE THEORIES OF POVERTY

Theories of poverty can be broadly classified into two types: cultural and structural. Cultural theories find the explanation for poverty in the traits of the poor themselves. These theories assert it is the valuational, attitudinal, and behavioral patterns of the poor which prevent them from being socially mobile. In contrast, structural theories explain poverty in terms of the conditions under which the poor live: unemployment, underemployment, poor education, and poor health. The distinctive traits of the poor so central to the explanation of the cultural theorists are, for the structural theorists, responses or adaptations to the hostility of the structural conditions the poor face. Structural theorists fully accept the cultural theorists' characterization of the poor; they merely place another interpretation on it.

Table 1 shows the extent of agreement between the two types of theorists in terms of the following ten traits, which may be said to form a kind of poverty syndrome and which are repeatedly reported in the literature.

1. A community with little social organization beyond the extended family
2. A mother-centered family organization
3. Little class consciousness
4. General feelings of helplessness, fatalism, dependency, and inferiority
5. A strong present-time orientation, including a desire for excitement
6. Little historical knowledge
7. An alienation from political institutions
8. An early initiation into sex
9. An emphasis on masculinity
10. Middle-class aspirations and values which are not translated into behavior

The six authors in the table represent a sample of the more prominent researchers. Although this list of traits was developed from the

TABLE 1

THE POVERTY SYNDROME AND POVERTY RESEARCHERS

	Cultural Theorists			Structural Theorists		
Attributes	Lewis	Miller	Reissman et al.	Rainwater	Clark	Liebow
1. Little social organization	x		x	x	x	x
2. Mother-centered family	x		x	x	x	x
3. Little class consciousness	x					
4. Feelings of fatalism, etc.	x	x	x	x	x	x
5. Present-time orientation	x	x	x	x	x	x
6. Little historical knowledge	x					
7. Alienation from politics	x		x		x	x
8. Early sex	x	x	x	x	x	x
9. Masculinity	x	x	x	x	x	x
10. Middle-class aspirations	x		x	x	x	x

Sources: Lewis (1966b); Miller (1958); Reissman et al. (1964); Rainwater (1966); Clark (1965); Liebow (1967).

extensive discussion of Lewis (1966a; 1966b), the evident overlap in Table 1 clearly reveals the generality of Lewis's list. In four of the six cases the authors agree on eight of the ten traits; in a fifth, seven of the ten are reported. Moreover, since in each instance the goal of the research was more exploratory than designed to confirm the existence of the poverty syndrome, an absence of agreement may only reflect the diverse foci and interests of the researchers. For example, Miller's subject--the delinquency of adolescent gangs--and conceptual framework--psychology--are unlikely to lead him to investigate or report on such traits as class consciousness or political alienation. Thus the extent of agreement observed is all the more impressive.

Both types of theorists also believe that poverty is often cyclic, that successive generations of the same family remain poor. For the cultural theorists, the poverty syndrome is the explanation for the poverty cycles. Thus the matrifocal family isolated from the larger society, imbued with feelings of inferiority, dependence, alienation, present-time orientation, and the remaining attributes is thought by cultural theorists to socialize its young to the same poverty syndrome and thereby to transmit its status in poverty to the next generation. The problem therefore lies within the poor family and the attributes of the individuals comprising it.[1] On the other hand, the structural theorists explain the poverty cycle in terms of the persistence of inimical structural conditions over time. Liebow stated the argument well:

> No doubt, each generation does provide role models for each succeeding one. Of much greater importance for the possibilities of change, however, is the fact that many similarities between the lower class Negro father and son (or mother and daughter) do not result from "cultural transmission" but from the fact that the son

> goes out and independently experiences the same failures, in the same areas, and for much the same reasons, as his father. What appears as a dynamic, self-sustaining cultural process is, in part at least, a relatively simple piece of social machinery which turns out, in rather mechanical fashion, independently produced look-alikes. The problem is how to change the conditions which, by guaranteeing failure, cause the son to be made in the image of the father (Liebow, 1967:233; emphasis added).

The basic argument here is that parental socialization is less important for an individual's occupational success than his experiences with the social systems which control that success, e.g., the educational system and labor market. The structuralists view these systems as hostile to the interests of the poor and, insofar as the poverty syndrome is an adaptation to them, as independent of the individual attributes of the poor.

As noted earlier, the frame of reference for both theories extends across national, cultural, ethnic, racial, and other boundaries. But both cultural and structural theorists have recognized, explicitly or implicitly, that there are certain societal characteristics necessary to the development of the poverty syndrome. In the most extensive analysis, Lewis (1966b:xliii-xliv) defined six such characteristics: (1) a profit-based cash economy; (2) high under- and unemployment for unskilled labor; (3) low wages; (4) little social organization among the poor; (5) a bilateral kinship system; (6) a value system stressing the individual accumulation of wealth. The portrait is one of a capitalist society such as the United States, and it seems evident that most authors, regardless of theoretical perspective, would agree in the essentials of the conditions outlined. For example, there appears to be general agreement that a socialist society would not meet the above conditions and

hence would not exhibit a poverty syndrome (Lewis, 1969:187-88; Liebow, 1967:224-31).[2] On a societal basis, therefore, there appears to be a means for determining whether a society will display the poverty syndrome.

Within a society, however, the situation is not so clear. Neither cultural nor structural theories contain any mechanisms capable of explaining poor who do not have the poverty syndrome, although some theorists recognize that not all poor display it. Lewis, for example, has estimated that only 20 percent of the American poor exhibit the poverty syndrome (Lewis, 1969:196). His explanation for this low percentage is that it is simply "because of the advanced technology, the high level of literacy, the development of mass media, and the relatively high aspiration level of all sectors of the population . . ." (Lewis, 1969:196).

Such an explanation is meaningless or worse on two counts. First, the factors listed are not further elucidated. Second, with one exception, they nowhere appear as part of his theory. And the one exception, the high level of aspiration, is stated to be unimportant in the theory: "People with a culture of poverty are aware of middle-class values; they talk about them and even claim some of them as their own, but on the whole they do not live by them" (Lewis, 1969:190). The implication of this statement is clear: it is not aspirations but the discrepancy between aspirations and behavior which is important. Consequently it must be said that Lewis's explanation is at best ad hoc; the reader cannot relate the ostensible reasons for the low prevalence of the poverty syndrome to its purported causes. But the structural theorists do not fare any better. Although they assert that inimical structural conditions cause the poverty syndrome, they are silent as to why these conditions should not affect everyone in poverty equally.

III. THE VALIDITY OF THE POVERTY THEORIES

Since the evidence for the poverty syndrome largely rests upon case studies, it is appropriate to ask, despite the consistency of findings, the extent to which it is supported by more methodologically rigorous research. Unfortunately, there are few studies designed to confirm the syndrome, and consequently it is necessary to draw data from a variety of sources directed to other questions. Correlatively, there is the question whether the researchers' conclusions are consistent with their own reported findings. Finally, to what extent has the case-study methodology through its necessarily narrow focus led to errors of omission which would be caught in studies of broader perspective?

More rigorous evidence contradicting either the ostensible facts of the poverty syndrome or its imputed effects can be found for four of the ten basic elements: the matrifocal family, the lack of social organization beyond the extended family, the lack of class consciousness, and the inability to delay gratification. Perhaps the most widely discussed element is the matrifocal family structure. According to the cultural theorists, female-headed families cannot provide the masculine role image necessary for successful socialization; thus male children from these families will have lower intelligence scores, less education, higher unemployment rates, higher crime rates, and a variety of other liabilities which combine to keep them in poverty. Some support for this view is found in the Duncans' analysis of a special Current Population Survey conducted by the U.S. Census (Duncan and Duncan, 1969). Addressing themselves directly to the relation of family stability to occupational success, the Duncans do find a small effect (five points on the Duncan SES Index) due to family stability when race and education

were controlled. However, the effect of being black is almost four times that of family stability, suggesting a far less substantial role for family instability than indicated by the emphasis placed upon it in the poverty syndrome. Moreover, if a female head is regularly employed, it appears that she can cancel out the effect of the absence of a male head on her children's occupational success. And contrary to the poverty cycle concept, male children from female-headed families are more likely to be in an intact marriage than those raised in male-headed households. While these findings require further research, it is clear that the matrifocal family does not have large or irreparable effects upon occupational success. Indeed, if the female head works regularly, it may have no effect. It also seems clear that female-headed families do not have uniformly injurious consequences for all the variables associated with poverty. If the Duncans' data are to be believed, the existence of a broken family in one generation may actually diminish the probability of its occurrence in the next.

More generally, there is relatively little evidence for a generational transmission of poverty. Blau and Duncan (1967) found that the correlation between father's and son's occupational status scores is .4 in the United States, which says that a son's occupational status can be predicted from his father's only about 16 percent of the time. Nor does the situation differ if we focus on those occupations most likely to contain the poor: the "service," "manufacturing laborer," and "other laborer" occupations. Only 10.5 percent of the sons of "service workers," 7.1 percent of the sons of "manufacturing laborers," and 9.9 percent of the sons of "other nonfarm laborers" are in the same occupations as

their fathers (Blau and Duncan, 1967:28). More generally, only 21.4 percent of the sons of service workers, 22.3 percent of the sons of manufacturing laborers, and 16.5 percent of other nonfarm laborers were in any of the three categories. Father's occupation is even more weakly related to son's income: the correlation is less than .2.

One final point. The impression given by many poverty theorists that the matrifocal family is the dominant form among the poor is false, at least in the American case. Sixty-six percent of the poor are in male-headed families (U.S. Bureau of the Census, 1969). Perhaps the discrepancy can be accounted for in terms of the fact that the case studies on which the poverty syndrome is based are almost all focused on subgroups of the urban poor, and for some of these subgroups--for example, urban blacks--the female-headed family is numerically dominant (U.S. Bureau of the Census, 1969). However, the poverty syndrome ostensibly is universally characteristic of the poor, and the poverty theorists have no way of explaining such subgroup variations.

Subgroup variations also damage the claim of little social organization among the poor. In an anlysis of survey data from Detroit, Chicago, and a Washington suburb, Orum (1966) found that 63 percent of the low-status group reported at least one group affiliation in response to the question, "How many organizations such as church and school groups, labor unions, or social, civic, and fraternal clubs do you belong to?" Although Orum confirmed previous research relating affiliation to status, it is difficult to argue that there is little social organization among the poor, given such a high participation rate. Moreover, Negroes, who especially in the low-status category might be expected to have fewer affiliations than whites, had more. Among those with an eighth-grade

education or less, 45 percent of the blacks had an affiliation as against 30 percent of the whites. In other words, in precisely the group in which one would expect to find the least amount of social organization, one finds, comparatively speaking, the most.

The same point can be made about the supposed absence of class consciousness among the poor. In a survey of class consciousness in Detroit, Leggett (1968) found that low-income individuals were more likely to be class conscious than those with higher incomes, and low-income Negroes were more likely to be class conscious than low-income whites. Once again, the subgroup most commonly associated with poverty does not display the expected poverty attribute. And once again, the poverty theorists have no explanation for the subgroup variations.

Another feature of the poverty syndrome--the strong present-time orientation--appears moot as a distinctive characteristic of the poor. After reviewing the existing experimental and survey data, Miller et al. (1968) found (1) that the incidence of the present-time orientation among the poor is unknown, and (2) that a number of studies show no status differences in time orientation. They conclude that "the verdict on the DGP [present-time orientation] is 'not proved'" (Miller et al., 1968:432).

Where the poverty syndrome is not challenged by external evidence, it is often contradicted by internal. For example, Lewis's assertions that the poor are politically alienated and lack historical knowledge neglect his own reports of their taking political leadership (1959), lobbying local politicians, and being aware of the subtleties of politics in several Latin American countries (1966b:82-85). It ignores his descriptions of their attendance at political rallies, of their

comparisons between the American and Puerto Rican cultures, and of their comparisons between the history of the Jews and the histories of other ethnic groups (1966b:444-55). Similarly, Clark at first describes poor blacks as politically alienated and then professes to find among them the political resources for social changes (1965:154-222). No less contradictory is Gans's report of the West Enders' political passivity, which is countered by his later acknowledgment that local politicians in the West End, as elsewhere, must provide political favors and vote correctly on issues of local concern (1962:173-76). From such contradictory evidence it is difficult to ascertain a syndrome of poverty--much less an explanation.

Finally, if the case studies are compared, it becomes clear that the ostensibly identical characterizations of the poor in fact markedly differ. For example, contrary to the assertions of the poverty theorists, from their own reports the matrifocal family varies across ethnic and racial lines in terms of paternal role performance, family stability, and kin ties. Liebow's Negro men typically shun marriage for consensual unions without the obligations and ensuing stresses of the former. When they do marry, it is rare that the marriages last or that the men remarry after the marriages fail. In other words, marriage is an activity of the young, and if it fails, consensual unions are the most likely form of future male-female relationships. After a marriage or union ends, the children born to it remain with their mother, and it is unusual for their father to take much interest in them. Extended kin ties are highly limited, friendship and kinship networks only narrowly overlap. (Although Rainwater notes that there is likely to be a strong, continuing relationship between a mother and her daughter.) At the same time, a fragile

surrogate kin network does develop in which friends are designated as "brothers" or "sisters." Consensual unions also are quite common among Lewis's Mexicans and Puerto Ricans, but the incidence of marriage appears higher than among Liebow's or Rainwater's Negroes. If a marriage or union fails, the children almost always stay with their mother, although their father seems more likely to maintain some responsibility for them than is the case among Liebow's blacks. While the nuclear family still predominates, commonly resident extended families are more frequent, and nuclear families are more likely to turn to their kin for friendship and assistance. Finally, among Gans's Italians consensual unions appear to be virtually nonexistent, and the marriages seem quite stable (Gans, 1962).[3] The family is matrifocal in the sense that child rearing is the wife's responsibility, the husband entering largely to provide formal discipline. Unlike the previous two cases, the extended family is the center of social life. The kinship network is largely encompassed in the friendship circle, and both are usually located quite close to the family. Gans sees the physical proximity of friends and kins as extremely important for the perpetuation of low status insofar as the continuous contact fostered by such closeness sustains certain norms inhibiting social mobility.

Thus it is clear that no one family structure is universally characteristic of the poor, and it is probably the case that the above three structures describe no more than a fraction of the poor among the ethnic and racial groups in which they were found. An important drawback to the case study is that it provides no estimate of the variability of an attribute, and it may even miss the modal value. For instance, it

has already been noted that female-headed families are not modal for most subgroups of the poor.

It is in the nature of these explanations of poverty that they explicitly or implicitly exclude the possibility of accounting for the poor who do not have the poverty syndrome. To some extent this is because the case-study researcher, constrained to show that his data are typical and generalizable, usually creates a stereotype from which explanation proceeds. Initial caveats as to the limitations of the data are quickly forgotten; discussion and interpretation become centered on the stereotype, the data playing only a subsidiary and supporting role. We hear not of some young lower-class Negroes but of "the young lower-class Negro" (Liebow, 1967:210); some lower-class Negro-Americans become simply "lower class Negro-Americans" (Rainwater, 1969:239). Usually there is little evidence that we are speaking of probabilistic social processes; in their place we have the determinism of stereotypical descriptions.

On balance, we must say that the evidence for both the cultural and structural theories is weak. The poverty syndrome may characterize certain subgroups of the poor, but the numbers involved are unknown. And clearly, to the extent that the poor do not display a particular poverty syndrome, the theories are invalidated. The cultural theory is particularly suspect, since these symptoms supposedly are causes of poverty. The structural theory also is challenged, though not so directly. While the poverty syndrome is not the cause of poverty, it is believed to be its effect. Consequently a failure to find it indicates a fundamental defect in the cause-effect linkage.

However, this is not to say that elements of the poverty syndrome may not for particular groups and particular times operate as the two types of poverty theorists say they do. It is the attempt to generalize from such particular groups and times that is suspect. Moreover, no one would deny that both culture and structure play some role in poverty, but it can be seriously questioned as to whether the roles currently assigned to them are accurate.

IV. THE POVERTY THEORIES AND INCOME MAINTENANCE POLICY

Unfortunately, the deficiencies of these two theories are insufficiently known, and they continue to serve, in one form or another, as the rationale for policy efforts (Marris and Rein, 1967; Moynihan, 1969). Indeed, in one sense the validity of the theories may not be pertinent. If policymakers define the theories as valid, they will have real consequences. It is therefore worthwhile to examine the implications of the two theories in terms of policy. In particular, we shall ask how they relate to programs of income maintenance. We shall make two points. First, in practice the policy implications of the two theories only marginally differ. Second, despite their generality and seeming universal applicability to poverty policy, the theories have little to say about income maintenance programs. Rather, many of these programs may say something more about the theories.

At first glance, the two theories would appear to offer dramatically different solutions for poverty. For the cultural theorists, the critical problem is to interrupt the cycle of poverty by directly attacking the values and behaviors that support it. Unless such a direct attack is

undertaken, it is their view that the syndrome will continue. Thus the specific policy requirements are a broad range of social services designed to resocialize the poor to valuational and behavioral patterns taken to be of assistance to social mobility. The focus is on the individual. On the other hand, the structural theorists assume that structural change of the employment, education, health, and housing markets is requisite. Because the poverty syndrome consists of reactions to structural conditions, its elimination necessitates the elimination of the conditions causing the reactions (see Spilerman and Elesh [1970] for a fuller discussion of these points). Clearly, the structural solution is the more radical of the two inasmuch as it demands changes in a social organization in which some groups have vested interests.

But in practice the distinction is usually without a difference. In terms of concrete poverty programs, neither theory offers much hope for the effectiveness of remedial efforts of either a cultural or structural kind for the adult poor because both believe adults to be insulated from virtually any program by socialization. While it is parental socialization in one case and environmental socialization in the other, they are nonetheless believed to be equally effective. Liebow noted the response of men structurally socialized to the existence of real opportunity:

> Each man comes to the job with a long job history characterized by his not being able to support himself and his family. Each man carries this knowledge, born of his experience, with him. He comes to the job flat and stale, wearied by the sameness of it all, convinced of his own incompetence, terrified of responsibility--of being tested still again and found wanting. . . . Convinced of their own inadequacies, not only do they not seek out those few better-paying jobs which test their

> resources, but they actively avoid them, gravitating in a mass to the menial, routine jobs which offer no challenge--and therefore pose no threat--to the already diminished images they have of themselves (Liebow, 1967: 53-54).

From the standpoint of the cultural theory, Lewis has made the same point in cautioning that the elimination of the poverty syndrome will take more than a single generation under the best of circumstances (Lewis, 1969:199). It follows that for both types of theorists the real beneficiaries of poverty programs are the very young and succeeding generations. It follows also that if poverty programs designed to change the poor's labor, education, health, and housing markets are to have any effect on adults, resocialization must be attempted. Conversely, for resocialization programs to be meaningful, structural changes must be undertaken. Thus we find Lewis calling structural changes "absolutely essential and of the highest priority" (Lewis, 1969: 199), and Liebow, on the other side, praising the Office of Economic Opportunity's more modest efforts to change values (Liebow, 1967:226). In practice, then, the policy difference between the two theories is more one of emphasis, or possibly of priorities, than of concrete programs for action. Perhaps structural theorists are slightly more optimistic that structural changes alone would bring short-term gains.

What does this mean in terms of income maintenance programs? Income maintenance programs to eliminate poverty are clearly not indicated by the cultural theory inasmuch as they do not involve direct attempts to change the poverty syndrome. They merely alter the economic condition of the poor through income supplements. Consequently, since the cultural theorists argue that the poverty syndrome must be directly assaulted if

there is to be any hope of change for the currently adult (and perhaps even younger) generations, they would predict no short-term gains. It follows that to the extent to which the poverty syndrome can be identified and is affected by income maintenance in the short run, the cultural theory is undermined.

The meaning of income maintenance in regard to structural theory is not so clear. For some types of programs income maintenance involves structural change; for others it does not. It depends upon the particular structural market with which one is concerned and whether the income supplement is cash or in kind (e.g., job guarantees). By way of illustration, it is useful to consider the effects of both cash and in-kind transfers on the employment, education, and health-service markets.

Employment

1. Cash Transfers. Most commentators have considered unemployment and underemployment as a fundamental cause of the poverty syndrome. Thus, to have impact on the syndrome, a cash-transfer program must improve the labor market for the poor. But as payments are made to individuals, the supply side of the market, such payments are unlikely to have much if any effect on the demand for the poor workers. This means the transfers will help the poor insofar as they permit them to improve their position in terms of the existing demand for labor. There are three ways in which this can occur. First, the poor can use the transfers to migrate or travel to where jobs are more plentiful, pay more money, or offer better opportunities for advancement. Second, they can use the payments to pay

for training programs for jobs for which better opportunities exist. Finally, they can use the payments to provide day care for their children, enabling the responsible adult to enter the labor force.

However, structural theorists appear to consider only change on the demand side of the labor market as "true structural change."[4] Attention is focused on the necessity for a full-employment economy and direct federal intervention in the labor market either to stimulate full employment or to guarantee it through some form of job insurance program. Consequently, change on the supply side of the market is likely to be interpreted as only an incomplete solution or palliative and ambiguously related to the implications of the structural theory. In other words, although cash transfers may attenuate the poverty syndrome, they may not be taken as a genuine confirmation of the structural theory.

2. In-Kind Transfers. Income maintenance programs involving in-kind transfers imply that the federal government directly or indirectly will supply jobs. The former case is embodied in proposals that the government act as "the employer of last resort"; the latter is contained in suggestions that the government subsidize private industry to hire and train the poor. Proposals of direct supply involve structural reform consistent with the imagery of the structural theorists insofar as they assure the poor of jobs at some minimum wage. They also may provide skills transferable to jobs in private industry.

However, there are a number of disadvantages to such programs. First of all, it would be difficult for the government to provide the better-paying semi-skilled or skilled labor jobs without competing with private enterprise and arousing considerable political opposition. Second, as

a consequence, the jobs the government could offer would in all probability be menial. Third, since the government could not put itself in competition with private industry it could not develop an organizational structure permitting advancement.[5] Fourth, given the kind of jobs the government is likely to provide, the transfer value of what skills an individual might learn on such jobs is likely to be nominal. In sum, the major and perhaps sole benefit of a direct supply program to the poor would appear to be job security.

Indirect supply programs are difficult to assess without specifying a particular program. However, it seems likely that they would be less costly than direct supply programs in that overhead and start-up costs would likely be at least partially borne by private enterprise. Moreover, at least in theory there is the possibility of occupational mobility. On the other hand, such programs can be "played" for the subsidies, possibly producing as much or more turnover as the poor currently experience. For example, employers might hire blacks for traditionally Negro occupations which have been placed under federal subsidy. Since for the blacks nothing has changed except that the occupational discrimination has federal support, turnover should be as high or higher than if there had been no program.

Given these deficiencies of in-kind employment programs, it is not clear that they would alter the status quo. Insofar as they do not, the structural theory would imply that they would have little effect on the poverty syndrome.

Education

1. Cash Transfers. As the effects on adult education essentially lie in the work training programs mentioned earlier, the focus here is

on the effects on children. Programs are divisible into two broad types: (a) transfers to parents whose allocative decisions may upgrade academic opportunity for their children; (b) direct transfers to children in reward for academic achievement.

Transfers to parents may be either unrestricted cash grants or vouchers redeemable only for educational expenses. The unrestricted grants are likely to render the educational effects contingent on parental decisions with regard to the more fundamental questions of employment and housing. If employment or housing are improved as a result of unrestricted grants, then the children may find themselves attending better schools, having better study conditions at home, etc. On the other hand, vouchers would have direct effects because they could not be used for any other purpose.[6] Children's school performance could be expected to improve to the extent it is responsive to educational expenditures (not very, if the Coleman report is to be believed; cf. Coleman et al., 1966, esp. chap. 3) and to the extent the educational system does not adjust its prices to maintain the status quo.

Programs which pay children for academic achievement change the educational market insofar as they change the reward structure by increasing and bringing backward in time some of the cash payoffs for educational attainment. They also shorten the lag in the labor force's response time to changes in the occupational structure due to technology: fewer people will be available for the lower skilled occupations for which demand is declining.

In terms of structural theory and the poverty syndrome, the implication of these programs is as follows: unrestricted grants are unlikely to influence the educational market and consequently have no significant

bearing on the poverty syndrome; vouchers may attenuate the syndrome if the supplements enable the educational system to make expenditures for improved quality and pupil performance is sensitive to that improvement; direct payments to children should markedly diminish the syndrome over the intermediate (and perhaps, the short) term since the children no longer face the old attenuated and unstable reward system.

2. In-Kind Transfers. Transfers in kind in education involve income-conditioned provision of education. Existing educational efforts in the poverty program (e.g., Head Start) constitute such transfers and by definition are structural changes. Should they reduce the poverty syndrome, they would help to confirm the structural theory.

Health Services

1. Cash Transfers. There are two basic types of cash transfers which may affect the health of the poor: restricted and unrestricted cash grants. Restricted grants may be in the form of health insurance or a voucher system, the latter being less desirable because they may be sold at a discount for cash. Both differ from the unrestricted cash transfer in that they commit the individual, through either payment of insurance premiums or receipt of vouchers, to definite expenditures for health services. Whether the health of the poor would be improved by greater use of health services than, say, by greater expenditures for food (which might result in a more adequate diet) is open to question.

But regardless of the kind of cash transfer, because of the extreme shortage of physicians and other health services (Fein, 1967), it is dubious that any cash transfer program could bring about structural

change. Indeed, it seems quite possible that the net effect of cash transfers would only be to push prices out of the reach of the transfer recipients.

2. In-Kind Transfers. The provision of in-kind transfers implies the supply of medical services and would require a reorganization of current medical practices, possibly some form of socialized medicine. In particular, it would require increased production of physicians and increased use of paraprofessional personnel to relieve the physician of those activities which do not need his training. It might well require changes in the settings in which physicians work, their relationship to hospitals, their corporate organization, and the manner in which they are paid. Such changes would clearly be structural and could well reduce the poverty syndrome by increasing the ability to work and to work effectively. However, the radical nature of the changes suggests that there would be few short-term effects.

To summarize, this discussion of the application of the poverty theories to income maintenance programs indicates that the theories provide limited guidance for the creation or selection of one rather than another program. Rather than theory guiding programs, it would seem that programs provide opportunities to "test" theory. At the same time it must be admitted that it is not entirely clear what would constitute a disconfirmation of the theories. Would all elements of the poverty syndrome have to be affected by a program or would change of only some be sufficient? Certainly it seems clear that some elements are more susceptible to change by an income maintenance program (or any poverty program) than others. For example, we are more likely to affect a person's sense of political alienation than his family

structure. Poverty theorists give us little guidance on this point. It would also appear that some programs are not equally relevant to both theories. While all income maintenance programs constitute "tests" of the cultural theory, it is not clear that the same is true of some cash transfer programs in relation to the structural theory, due to some uncertainty about what is "structural change." Since the programs bear more important implications for the theories than the theories for the programs, there may be a question of the relevance of the poverty theories in addition to the question of their validity.

V. AN ANALYTICAL ALTERNATIVE TO THE THEORIES OF POVERTY

Although this analysis has found the poverty theories to be of dubious validity and policy relevance, it also has pointed to a number of lines along which theory construction and policy guidance might be more fruitfully developed. Among these are differences in ethnic and racial subcultures, residential segregation, and discrimination. Related to these are differences in terms of occupational and industrial segregation, geographic location, and "immigrant generation." These variables are not intended to be a theoretical substitute for the poverty theories but rather an analytic framework within which theories for specific processes producing and sustaining poverty may be constructed. Our emphasis is on an individual or family's position on continuous variables rather than whether they do or do not have one or more particular characteristics. This section will outline some of the implications of these variables and relate them to the same three areas of income maintenance discussed earlier to indicate their utility for policy guidance.

If, as Oscar Lewis asserts, poor Jews' values mediate their economic condition, it should not be surprising if the same is true for other groups. For example, Gans's West End Italians frowned upon attempts to be upwardly mobile which would require leaving the community. As in the southern Italian agrarian society from which they came, the West Enders' lives revolved about their peer relationships and not their livelihoods. The quality of personal relationships was held to be more important than occupational success, and it was expected that, if a decision had to be made, the latter would be sacrificed for the former. At the same time, if a man was out of a job, he was likely to turn to his peer group for assistance in finding another. Similarly, if a man wanted to find better housing, he would likely ask his peer group for help. So long as one remained within the norms, the peer group was a network of assistance and information. It follows that income maintenance programs that do not permit groups such as the West Enders to maintain their peer relationships are likely to be ineffective among them.

Of course, program effects will vary with the strength of group ties, and ethnic subcultures will exert control to the extent they are not forced to compete with other value systems. Competition is minimized chiefly as a byproduct of residential concentration. The more residentially concentrated a group is, the more likely it is that the social contacts of its members will be restricted to the group. Conversely, to the extent that a group is residentially dispersed, the control of the subculture is likely to be reduced. Competition is also minimized through the industrial concentration of the group. If a

particular group is numerically dominant in an industry, social contacts with nongroup members will again be limited. Moreover, since in these instances the common group membership is often used for job acquisition, maintenance, and advancement, the group member is likely to feel more constrained than he might otherwise be to observe group norms. The control of the transportation industry in New York by the Irish and the Jewish domination of the garment industry are but two examples of industrial concentration (Moynihan and Glazer, 1963). Occupational segregation also narrows social contacts in much the same fashion (e.g., Irish policemen and Italian bakery workers).

To be sure, the theoretic and policy significance of subcultural variations does not simply depend on the value groups may place upon peer relationships as opposed to occupational advancement. Indeed, the foregoing has suggested a number of other subcultural variables of relevance: the breadth of friendship and kin networks and the value placed upon mutual assistance within them, family structure, sex role definitions, and parental role definitions. A variable of particular importance is "immigrant generation," that is, whether the poor group in question is first-generation Italian, Puerto Rican, urban black, etc. It is of course in the first generation that the cultural differences between an immigrant group and the larger society will be greatest. Differences in language, religion, food habits, and other more subtle characteristics set the first generation apart from the native population more than succeeding generations. These differences are likely to produce both voluntary and involuntary social, residential, occupational, and industrial segregation. Helping networks develop which tend to concentrate group members in certain industries and occupations.

On the other hand, it is clear that members of the larger society often feel challenged culturally and economically by immigrants and seek to separate themselves from them. But during succeeding generations, many of the linguistic and other cultural differences are removed by the educational and occupational systems with the result that many of the discriminatory barriers also fall. The implication for income maintenance programs is that responses would increase with succeeding generations.

Among the remaining variables, discrimination is the most important. For a number of groups among the poor, most notably blacks, discrimination is a fundamental barrier to upward mobility. The degree of this discrimination varies across groups and consequently varies in its effects. For example, for Jews discrimination (where it still exists) is largely limited to the job and housing markets, while for blacks it pervades virtually every aspect of their lives. Generally speaking, to the extent discrimination creates residential, occupational, and industrial segregation, it impedes upward mobility by denying access to avenues of advancement.[7] For blacks residential segregation increasingly means restriction to inner-city ghettos in which job opportunities are rapidly declining, while the real growth in the labor market is occurring in the suburbs, where housing for blacks is extremely difficult to find. And even when they can find housing, their traditional occupational and industrial segregation probably will mean they will be inadequately trained for the better jobs there.

Certainly, the effects of any income maintenance program must be viewed as contingent on discrimination. And since the majority of the

poor are subject to it, ways must be found to either bypass or alter the markets in which it operates if these programs are to be effective.

In estimating the significance of discrimination for income maintenance, it is also important to remember that these bases for it are as various as the differences between men. But clearly they differ in terms of the ease with which they can be eliminated. Consider, for example, language, religion, and color. Public policy can and has been used to good effect to eliminate linguistic differences through the provision of special classes, etc. Even where no efforts are made, linguistic differences usually do not last beyond one generation, given public schooling. Perhaps with greater difficulty, it is possible to change one's religion and to conceive of a public policy capable of encouraging such changes. But it is virtually impossible to change skin color by either individual or collective action. It follows, other things being equal, that income maintenance programs are likely to affect a group in relation to the degree the bases for discrimination can be eliminated.

There are, then, a number of variables useful for the creation of poverty theory and programs. Indeed, the foregoing discussion in this section suggests that some relatively concrete predictions can be made about the effects of income maintenance programs in specific areas. Consider, for example, the three areas discussed earlier: employment, education, and health services.

Employment.[8] Aside from direct application to places of employment, jobs are most frequently obtained through friends and relatives (Lurie and Rayack, 1968; Sheppard and Belitsky, 1966). Assuming constant

motivation, it follows that the more extensive a person's friendship and kinship network, the more easily he will find a job or change jobs. Moreover, the greater the value placed upon mutual assistance within the network the easier the job hunt. Although there is not enough systematic knowledge to rank more than a few of the subgroups of the poor in these terms, it is fairly clear that blacks would rank near the bottom. That is, it can be expected on the basis of the nature of their friendship and kinship networks that transfer programs will have smaller employment effects among blacks than among other groups. In contrast, Puerto Ricans should show a larger response to transfers. The response of Italians may be even stronger.

Blacks also should respond more poorly compared to most other groups because they have poorer training, face greater discrimination, and live in more disadvantageous locations (Duncan and Duncan, 1968; Guion, 1968; Marshall, 1965; Strauss and Ingerman, 1968). Moreover, in large part because of the difficulty of obtaining housing, blacks are less likely to move to the suburbs where the potential jobs are concentrated (Kain, 1968; Mueller and Ladd, 1968). And since discrimination in the labor market carries over into preparation for it, blacks will have less job training than whites of equal income (Fusfeld, 1968). Consequently they will be less able to translate migration to the suburbs into better jobs.

On the other hand, blacks may be less affected by subcultural values which emphasize peer-group relationships over occupational values than those groups with more developed relational networks. However, predictions here require further research.

Education. The two types of cash transfer programs, transfers to parents and transfers to children, have rather different effects. As indicated earlier, the educational effects of transfers to parents are likely to be ancillary to more basic job and housing decisions. Therefore, educational responses should follow the same ranking as work responses, with blacks at or near the bottom of the array and groups with less residential and occupational segregation, larger relational networks and less social discrimination ranking higher.

On the other hand, transfers to children may be able to counteract a good part of a group's disadvantages. One of the most interesting features of transfers to children is that they may be most effective among those who have rejected the established reward structure, for example, older, black, and relationally isolated children. Those children who accept the existing system are likely to be working closer to their capacities and consequently to show a lower level of response. If this argument is correct, the ranking of group responses predicted on the basis of transfers to parents would be largely inverted by transfers to children.

In-kind educational transfers are like cash transfers to parents in that they do not affect the established reward structure. This means that the payoffs to whatever educational programs are undertaken are contingent upon all those factors which currently limit the translation of educational attainment and training into improved economic and social status. The response ranking should therefore be the same as that suggested for the employment effects of cash transfers.

Health Services. With the current shortage of physicians and health services, the potential response to cash transfers for health care is

limited for all groups. Although the distribution of health services generally does respond to aggregate income, the best recent evidence suggests that the proposition is essentially untrue if the potential client is black (Elesh and Schollaert, 1970). Perhaps the best prediction that can be made of group demands for health services is that they will reflect current differences in the availability of such services. In all likelihood, this would mean that blacks will give the lowest response.

Aside from increasing demand for health services, a health response to cash transfers may be obtained from an improved diet. Group variation in such response should largely reflect the extent of poverty among it.

Group responses to in-kind health service transfers depend upon the structure of the transfer program and to whom the transfers are principally directed. As this is a political problem, predictions are extremely hazardous. But it probably can be expected that those who have traditionally been excluded from political process will continue to be so. If so, the blacks will rank near the bottom once again.

VI. CONCLUSION

In this paper the major competing theories of poverty have been described and evaluated in terms of the existing empirical evidence and their relevance to income maintenance policy. Both theories were found to be overly general, simplistic, and of dubious validity. The major criticism of the theories was that neither could account for subgroup variation in the central characteristics claimed to be highly associated

with poverty. This problem, together with their highly general nature, also meant that theories could offer little guidance for poverty policy in general and income maintenance policy in particular. However, the discussion of the poverty theories did suggest a number of dimensions along which poverty could be more usefully analyzed for the purposes of both theory construction and policy formation. The dimensions suggested are in no sense exhaustive nor are their interrelationships fully known. But exploration of their completeness and their interrelationships is far more likely to be of value than further research on the cultural and structural theories of poverty.

NOTES

[1]For a more extensive discussion of the mechanism of transmission, see Spilerman and Elesh (1970).

[2]This inference is implicit in Liebow but is never stated explicitly.

[3]Gans's study, The Urban Villagers, is primarily of the Italian working class, but it is clear that this description also holds for the action-seeking lower class (cf. Gans, 1962:253).

[4]That is, it appears that "true structural change" is restricted to changes on the corporate, institutional, and governmental levels (cf. Clark, 1965; Liebow, 1967; Rainwater, 1966).

[5]While poverty agencies can serve this function, they cannot employ more than a very small fraction of the poor.

[6]Of course, they might be sold at a discount for cash as sometimes occurs with food stamps.

[7]The most notable counterexample is the Jews, who managed to turn their segregation (particularly occupational and industrial) into improved economic and later social status.

[8]In-kind employment programs will not be considered as the earlier discussion has shown them to be impractical.

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