

High and persistent poverty levels are a disgrace for the richest country in the world, but a reality for many of its citizens who live in inner-city neighborhoods with high levels of crime and drug abuse, increasing dependence on welfare and family disintegration. Wilson's *When Work Disappears* shifts the spotlight, however, arguing that it is the absence of jobs—at least formal ones—more than mere poverty that better explains these problems. According to Wilson, current neighborhood joblessness is creating an environment conducive to a new and more destructive form of poverty by affecting both the social and cultural life, in particular in African American ghettos. This paper reviews the arguments Wilson uses in the first five chapters of his book, attempting to sketch a broad picture of the complex panorama he presents. The main questions addressed are why certain types of jobs are disappearing, and why this is happening particularly in inner-city African-American ghettos.

Wilson's answer to the first question is not provocative. Certain types of jobs—especially those that require less formal education—are moving outside of the United States and as a result companies are demanding less American workers. He points out several factors, but most of them relate to two interconnected phenomenon: globalization and the economic restructuring that this is causing in the American economy. Globalization has allowed—and sometimes forced—companies to look for lower paid workers in other countries; many products that were made in the US before by American workers are now produced elsewhere. The factories relocated to other countries and so did the jobs.

Globalization also means an increased competition among countries and the American economy has adapted to that in various ways. More advanced technology continues to make processes more efficient, but at the same time displaces formally less-educated workers and creates more opportunities for higher-educated workers. Thus, job creation for less-educated individuals has shifted from the manufacturing to the service sector where a different set of skills is needed. Lastly,

this has also encouraged companies located in the US to hire more immigrants instead of African-Americans since they are paid less and are perceived to work harder.

Having established the main forces that are shifting the American economy and reducing certain types of jobs, Wilson spends most of his time answering the second question: why is joblessness predominantly happening in inner-city African American ghettos? Wilson identifies many interrelated issues that build-up the current situation. Figure 1 is an attempt to visualize the way some of these variables relate. The diagram has so many arrows that almost any box is both a starting and an ending point, underscoring that this is no easy answer. For purposes of clarity, the analysis will follow the diagram from top to bottom.

Out migration of both black and white middle classes from inner-cities has taken with it current jobs and valuable resources that would promote the creation of new ones. Out migration is related to many other factors in the diagram, but Wilson points specifically to the federal government as a major responsible for this. Restricting certain urban areas from receiving mortgage capital, destroying viable low-income black communities by constructing freeways and highways through them, and massive federal segregated housing projects are some of the actions that he cites. Lower spending on urban areas –when all these other factors are making it most needed- is another one.

Suburbanization of jobs and lower wages in the available opportunities add to the unemployment picture. Jobs out of the urban perimeter are difficult to access without a car since public transportation is not always available or convenient. Some people do it, but in many cases the salary is not worth the monetary and extra-time effort. Lower wages in the few jobs available reinforce this pattern, since they make welfare and illegal activities more attractive.

Wilson argues that joblessness creates a type of poverty that is different than that seen in the 1970s. Two important reasons why are the proliferation of drugs and the illegal economy that it

creates, and the destruction of social organizations among the community. Both of these further contribute to the destruction of jobs and exacerbate the incentives for middle-class individuals to leave (out migration). At the same time, each of them reinforces the other. As crime and drugs permeate the environment mechanisms of social cohesion such as the family are destroyed, and less social control means neighborhoods will be less organized to fight criminal organizations and the social problems they create. It is a vicious and never-ending cycle: fewer jobs result in more crime and less social organization, each reinforcing the other and increasing out migration of the middle class and those with economical resources. Out migration, higher crime and less social organization diminish the few job opportunities that were available and the cycle starts again...

A final element of this troubling picture is that this continued joblessness transforms cultural and social values of people living in the inner-city ghettos. Jobs are more just a paycheck; they create discipline, strengthen self-confidence and help individuals have greater expectations about their future. When lack of work—at least formal—is continuously perceived as normal and tolerated, values about the importance of work change. This new 'joblessness culture' affects expectations about the future and undermines the prospective for a family. Further, as this transforms the lenses through which life is understood it creates an 'inner-city stereotype', which is already suffering discrimination. Thus, even someone that is able to bypass the harsh environment will find it incredibly difficult.

So, what to make of this daunting picture? The analysis made by Wilson has three interesting take-outs from a policy perspective. First, better and more inclusive education are decisive in an increasingly globalizing world. As the economy shifts the American workers need to have new skills and be better educated. Second, the environment plays a decisive role in determining someone's options and choices in life. It is not only families or individuals' bad decisions that lead them to dead ends. Third, incentives for job creation in inner-cities need to be developed. Inducing businesses and

middle-income families to locate there is part of the answer, but with so many arrows pointing everywhere it requires a coordinated effort in many fields at the same time.

Figure 1.  
The Joblessness Trap

