

THESIS

Debate on the possible causes behind poverty has been a hot topic for over a century now within the discipline of sociology. Predictably, the arguments fought over within this realm of academia have spawned similar controversies in the worlds of politics and policy change. Because the subject matter is so controversial, it seems that an agreement among the “experts” is nowhere close to being decided, and will probably remain that way for a long time. Is it the individual’s fault, or society’s? Is the poor’s plight a purposeful result of others’ actions or just an accidental consequence of progress? Eric Olin Wright, a contemporary Marxist, argues in his article “The Class Analysis of Poverty”¹ that the reasons behind large-scale poverty may be a combination of all these possibilities, but that the evolution of capitalist society has been the most influential and *knowing* contributor to the widespread nature of poverty today. While his analysis of the basis behind destitution is quite plausible, Wright wrongly assumes that this problem can be positively solved while maintaining the efficiently competitive nature of American capitalism.

ARGUMENT

Wright begins his article by explaining each of the four popular arguments within the poverty discourse today. He asserts that each line of reasoning revolves around two issues: whether the fault lies with the individual or his society, and whether poverty is an inherent attribute or just an unfortunate by-product of the social structure. The first combination of these traits is known as the genetic inferiority approach

¹ Wright, Eric Olin. *Interrogating Inequality*. Verso, 1994. 32-50.

(individual/inherent). This belief revolves around the idea that an individual's poverty status is due to inherited biological factors that make him unskilled, unintelligent, or possibly lazy, unreliable, etc. These inherent characteristics make it hard for a person to advance to higher-paying jobs that will keep him or her out of poverty.

The second trait combination is known as the culture of poverty approach (individual/by-product). This controversial viewpoint argues that a person in poverty has a weak work-ethic, disinterest in work, or deviant behavior, etc. due to the culture in which he or she was raised. It is believed if an individual is raised in poverty, with very few or no good role models to model behavior after, it is almost inevitable that this person will repeat these actions as an adult.

The ravages of social change approach (societal/by-product) is a third possible trait combination. This line of reasoning claims that people in poverty cannot get quality jobs because the social system is holding them back. For instance, if the economy is poor, it will be harder for lower-skilled individuals to find higher-paying jobs because of more competition from higher-skilled or more highly educated people. Another possible scenario (although they are unlimited in possibility) is that a person in poverty had a good job in manufacturing, for example, but their company decided to outsource their product's production to countries where labor would be cheaper. This person lost his job and because of his old age, he could not find a new one.

The final trait combination is that of the class exploitation approach (societal/inherent). Most closely associated with Marxism, this argument places the blame for poverty squarely on the shoulders of capitalists (in American society) because they purposefully exploit the working class for their labor in order to make a profit.

Having low wages is one way to keep costs low in U.S. business society. Because the capitalists have a huge amount of power in our culture, it is argued that these conditions will not change until these elite are forced to cut back on their profit margin. Wright will elaborate on this premise for the rest of his article.

Wright then begins to discuss the case of the cartoon shmoo. A shmoo is a small creature that could turn itself into any *necessity* a human could want (such as simple foods or clothes) because they got satisfaction out of making people happy (but it could not turn itself into anything extravagant or unnecessary). The best part about the shmoo is that it could multiply on a whim. The result is that rich capitalists didn't have any need for a shmoo because the amount of money they already make made free "necessities" inconsequential to them. Plus, rich people were used to having expensive and luxurious things, which the shmoo could not provide. On the other hand, if a person in poverty got a hold of one, it changed their life and made working for a wage no longer necessary for them. Because they had been working arduously for a small, inadequate wage before, having a shmoo to provide the everyday materials of everyday life made life much better for them than it ever had been before, and for that reason they did not need anything else more lavish.

In the cartoon depicted, a wealthy capitalist was trying to find cheap, hard-working people to labor in his new factory, which would make him even richer than he already was. He went to a small town where he did not know had just been introduced to the wonders of the shmoo. While he expected that these people would be glad to work long hours for him at a below-average wage, he found that they no longer wanted to work at all because they had everything provided for them by the shmoo. The capitalist

realized that he had to stop the shmoo before it spread to every town in America, so that he could still find cheap, exploitable labor to hire for his factories.

Wright uses this example to show the “deeply antagonistic” (7) interests of the potential workers and the employer. He says that this is also the case in real life. He likens workers’ ownership of the shmoo to reverting living conditions to that of the Garden of Eden (39), when people were much happier because they did not have to labor for their food. Wright shows employers acting selfishly to prevent the workers from achieving this contentment at any cost, just so their labor supply is not limited. Without enough eager and hard-working laborers, capitalists’ profits would be minimized. The crux of Wright’s shmoo argument is that his fictional workers would not care if every person had a shmoo as long as their lower class had them, while the capitalists would prefer that no one get the benefit of the shmoo if it meant smaller profits.

Wright continues with his line of reasoning by contending that the shmoo example proves that exploitation is a necessary condition for capitalists to have profits. He defines exploitation as an occurrence consisting of three parts (10): first, the poor must have less in order for the rich to have more, and vice versa. Both classes cannot be well off if the capitalists are to have their large profits. The second condition is that there must be an unequal access to resources such as land or the means for production, which enable one to get rich. This means that not everyone can become rich because the poor have a lack of capital. The final stipulation for the existence of exploitation is that the “exclusion” necessary for the second requirement enables the rich to demand labor from the poor, for a small wage. This means that the capitalists are actually dependent upon their workers to do the manual labor of their businesses. The existence of these three

conditions in much of American society proves Wright's point that exploitation is not just a matter of status, but a *binding* "pattern of ongoing interactions" (11). The workers cannot live without the jobs (and wages) from the employers, and the employers will not make a profit without the labor of his workers.

However, it is in the best interests of employers to keep the wages of their employees as low as possible: lower wages mean larger profits for the business and its owners and managers. As a result, the plight of the "working poor" is due to the greed of the capitalists, which has become an inherent part of American culture. Wright says that poverty is therefore due to the "inherent features of the social system" (49). He suggests that some reform could be made if there was a stronger labor movement present in the U.S. that would lobby for higher minimum wages to keep people out of poverty, like there presently is in some European countries like Sweden. He also muses that the only way the social structure could be permanently altered for the better is if the people holding all the power (capitalists) are challenged by a stronger movement. This will be difficult as it is, because currently the American elite use their power to maintain their power.

EVALUATION

The United States was founded on the idea of free-market capitalism. Referring to private property ownership, Alexis de Tocqueville wrote, "In no other country in the world is the love of property keener and more alert than in the United States, and nowhere else does the majority display less inclination toward doctrines which in any

way threaten the way property is owned”² (638-9). This statement can be extended to refer to Americans’ general preference for little regulation of market transactions. Even before the colonies declared their independence from Britain, the entrepreneurial spirit was high in this country. Since then, this practice has only flourished, and now has a Constitution and hundreds of years of precedence in the law to uphold this idea. Very few times in our country’s history has the idea of laissez-faire economics been seriously threatened. At this moment in time, there is an exceedingly small chance that Americans’ consumerist, self-interested ideals will drastically change in the lifetime of anyone living, for the simple reason that there are so many checks and balances against sudden change and which also maintain the status quo. The capitalistic greed and exploitation Wright describes in his article fit our society to a tee, and it is not very likely that these aspects of our society will be changing anytime soon. What Wright failed to see in his analysis is the good that this system does for *all* the people of our country. He took for granted that greed is always an evil thing, when in fact it can promote efficiency and growth.

No matter how advanced any “modern” society is – no matter how strong its bureaucratic dependency, how fast-paced the city life is, or how clever its politicians, businessmen, and inventors are – it still needs manual laborers working at the bottom to support the infrastructure everyone else depends on. No matter how much they are paid, every building will still need a janitor and every city will still need a garbage man. Without these people, the bureaucracy, city, and politicians, businessmen, and inventors would cease to operate successfully.

This is apparent. However, Wright’s own example of the shmoo illustrates what would happen if the people on the bottom were given too much without requiring any

² de Tocqueville, Alexis. Democracy in America. Anchor Books, 1969.

work or self-improvement. Once the shmoo arrived in the small town, none of its inhabitants had the motivation to work anymore, even though they believed the opportunity given to them by the capitalist (although comparatively worse than many other people's) was a good one. In his example, the greedy capitalists were the only people who were motivated to work for work's sake. Granted, they had another motivation in the promise of a lot of money, but they were *already* rich and did not even have to open the factory they were trying to find labor for, to live comfortably for the rest of their lives. If the people qualified only to perform unskilled labor are not willing to work, they cannot contribute to society in any beneficial way. If enough of them decide not to work, the society is doomed to regress to times when options were more limited, both in the things one can buy and in the professions one can work.

Therefore, poverty *is* necessary for American society to “work,” just as Wright argues. In an ideal world, one's encounter with it would be for a short time until the individual gained enough capital and experience to move onto better jobs with better pay. Sometimes this is how it works, but quite often Americans get “stuck” in a cycle of poverty, which was described in Wright's “culture of poverty” argument. What an advanced capitalist country like the United States needs is not higher minimum wages for unskilled laborers, as Wright advocates, but social programs that show people how to lift themselves out of poverty. Walter Williams, a renowned contemporary economist, states that “Those who earn low wages tend to have low skills and education. Our challenge is how can we make these people more productive? Raising minimum wages will not raise worker productivity; however, it can sabotage worker potential to acquire higher

productivity”³. This is because raising wages gives low-skilled workers little incentive to become more productive or better-skilled (just like what happened in the example of the shmoo) so they can earn higher-paying jobs on their own. There are other ways to help people out of poverty: a better welfare system could be made available for those unfortunate enough to not earn enough money to get by, public education could be improved to benefit the poor especially, new social programs could be created to give the people stuck in the culture of poverty role models to look up to, job training programs could give people the skills they need to become employed, and discriminatory hiring practices could be eliminated (in practice, not only under the law) so that each individual has equal opportunities to get a job, no matter what social changes are occurring in the area at the time. The economist, Henry Hazlitt points out that “[a] higher price for the product may not be possible; it may merely drive consumers to the equivalent imported products or to some substitute. Or, if consumers continue to buy the product, of the industry in which wages have been raised, the higher price will cause them to buy less of it. While some workers in the industry may be benefited from the higher wage, therefore, others will be thrown out of employment altogether”⁴ (135). This argument draws attention to the potential harm that higher wages can create: they may not only hurt the customer in the form of higher prices, but many employees could lose their jobs, too. In addition, raising wages means that less money will be available within a company’s budget to encourage and fund things such as inventing new technology or the implementation of creative marketing strategies: innovation that keeps America on the

³ Williams, Walter E. "Minimum Wage Maximum Folly." Walter E. Williams website. 20 Mar. 1995. George Mason University. 1 Dec. 2005
<<http://www.gmu.edu/departments/economics/wew/articles/95/minimum-.htm>>.

⁴ Hazlitt, Henry. Economics in One Lesson. Crown, 1979.

cutting edge. Creating stronger labor movements and increasing minimum wages will only dampen the entrepreneurial spirit that has kept our society running efficiently for so long.

REFLECTION

Writing this article critique re-clarified to me that I like thinking critically about social issues. It also made me aware that I have become even more conservative in my four years at this liberal university than I was when I came here.

Sometimes I worry that my conservative upbringing makes me blind to the true reality of society and life in general. I guess on the other hand, though, others' liberal upbringings may have blinded them to a more conservative "true" reality. These thoughts remind me of the very first articles we read about what social theory is and what it aims to accomplish. While some theorists believe that sociology can be completely objective in its analysis of culture, I have come to realize through assignments such as this that no theorist can avoid the bias of their own views. This only makes me wonder if an impartial view of society can *ever* be agreed upon, or if we are just fated to each see our own society in the light that we grow up in.