ON THE DYNAMICS OF POVERTY

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Research related to poverty cannot be regarded as a peripheral area of sociological studies, because the domestic as well as international literature abounds in surveys of the topic. Despite our presence in academic discourse and the large number of publications dealing with the issue there are certain areas that belong to the shadowy side. One of them is the study of the development of poverty, its becoming a lasting one, and emerging from poverty that is the dynamics of poverty. Zsolt Spéder’s book puts this issue into the focus of his interest and research, calling attention to a number of phenomena that have not been sufficiently highlighted by the domestic literature on poverty. This very fact would have justified a review article of the book published by Századvég Kiadó in 2002 to follow its release soon and not three years later. The value of the book is produced by two specificities of approach besides the empirical analysis of the period between 1992 and 1997 that has not yet been embedded in research into poverty. Therefore it is worth calling the attention of researchers and social politicians dealing with the topic to these values of Zsolt Spéder’s work even three years after its publication.

The first specificity is that the author discusses the phenomenon of poverty from the angle of different theoretical frameworks and approaches. The second one is the dynamic interpretation of poverty. Let us see the first statement. Sociology has several research areas where empirical analysis is unimaginable without fixing the theoretical moorings. The study of poverty is not of this kind. Works in which an empirical study is testing a theory and hypotheses deductible from it may be regarded rather as exceptions and not the rule. The author himself opens his work with the thought that the dominance of empirical research and methodological discussions is conspicuous in the literature on poverty, and works studying poverty embedded in some theory are rather rare. The author wishes to fill this lacuna by the presentation of those decisive theories that may serve as a framework for getting acquainted with the phenomenon of poverty.

At first he studies the two classical schools of social stratification, namely functionalism and conflict theory, how they interpret poverty, and how the concept of poverty may be deducted from their approach. These theories are similar in that they regard poverty as the consequence of structural conditions, and interpret it basically as a social situation determined by the position occupied in the labor market. Davis and
Moore, regarded as the classical representatives of the functionalist school, trace back social inequalities to the fact that the various positions are of different importance for societies, and individual abilities are differentiated. Those people become poor who take up positions that are less important for the society and could be filled by many other people. The less human resources the individual has the more probable it is that he would become poor, because he would take up a position in the labor market less valued by the society and he would be paid accordingly. The school of conflict theory is of the view that the class articulation of the society is the product of the conditions of exploitation. The classics of the theory, such as Marx and Wright, regarded exploitation based on ownership as the fundamental factor in structuring, but such factors are added to it in modern industrial societies like skills, or organisational power.

In addition to the two theoretical schools, the author underlies the theories of multidimensional stratification he considers decisive for two reasons in the study of poverty. The first one is that income is not a consequence but a structuring factor of social stratification in several theories of multidimensional stratification. And the second one is that concepts like multiple disadvantageous position and deprivation have developed in research into poverty under the influence of these theories. The concept of poverty usually appears explicitly in theories of multidimensional stratification. Since the evolution of stratification is not only viewed on the basis of the position occupied in the labor market, those social groups may also be incorporated into the structure that are located outside the world of the labor market, namely those who are inactive ones.

Next Zsolt Spéder undertakes the presentation of theories trying to answer to the question how sharp the dividing line is between the poor and the non-poor, and whether the “cleavages” or the “transitions” are more decisive in the structure of a society. He particularly mentions three of the theories stressing social cleavages. One of the theories is hallmarked by the name of Oscar Lewis, who describes the “culture of poverty”, the lifestyle of the poor in the Latin American slums. According to Lewis poverty is embodied not only in material deprivation but also in a specific system of values and forms of behavior that essentially differ from the values and behavioral patterns of the middle-class society. The “culture of poverty” is inherited from generation to generation, isolating the world of the poor from that of the non-poor, but it constitutes a kind of protective bastion as well. It is just this specific culture that makes survival and enduring material deprivation possible for the poor. From this approach the conclusion that can be drawn about the interpretation of poverty in time dimension is that once someone becomes poor he would be unable to quit the status of being poor, and the life of the generation of children also becomes determined by the bequeathed culture.

The so-called model of the two-thirds society, a German model of social theory, also stresses the importance of social cleavages. According to that theory two-thirds of the society exclude the remaining one third, and ensure its relative welfare position by that exclusion. This idea may be related to several class theories. Representatives of the theory see the most fundamental cleavage of the society between those who have, and those who have no job. Under the term unemployed they do not only mean
unemployed people in the ‘classical’ sense of the term but all those who lose their position as employees. Those who have no jobs would fall off the framework of social participation, too. The second cleavage is between two groups of those employed in the labor market. On the one side there are the full-time contracted employees, whereas the part-time employees, or those without a contract, or contracted for a definite period of time are on the other side. Though the author does not mention it but part of the theories of social exclusion resemble the model of the two-thirds society in several features.

The third theory of the image of a markedly splitting society is the so-called theory of the underclass, mostly spread in the United States since the 1980s. Representatives of the theory are of the view that the poor constitute a class under the other classes, in other words they totally fall behind the majority of the society. The author points out that it is this theory that most sharply projects the category of unworthiness. The poor are to blame themselves that they become poor; they are characterized by laziness, unreliability, alcoholism, and the rhapsodic nature of their emotions. At the same time it cannot be stated that representatives of the underclass theory identically approach this issue. There are authors who link the definition of the underclass to positions in the labor market and regard those people members of the underclass society who are being excluded from the formal labor market. There are others who stress that the breaking away of the underclass from the society is manifest even spatially, in other words they are getting spatially segregated.

The theories stressing transition between the social groups essentially differ from those emphasizing social cleavages. Partly it means that they do not regard the dividing line between the poor and the non-poor as a sharp cleavage, and partly they assume that poor and non-poor periods may alternate even within the career of an individual. Ulrich Beck speaks about risk society, where broad strata of the society are endangered by poverty. Its fundamental reason is that in the German society of the 1980s, for Beck’s model pertains to that one, unemployment decreasingly depended on school education, in other words being squeezed out of the world of labor did not hit only the least qualified ones but even people possessing larger human capital. Therefore many people may experience the fact of unemployment in the risk society, some people for longer, others for shorter periods of time. In this context poverty is not necessarily a lasting condition but “a career-specific experience”.

The author specifically mentions two more theories besides the model of risk society in the series of theories stressing transition. One of them is the theory of family development, based on the statement that every family covers the same track. Marriage is followed by the birth of children, their young age, school age and becoming adults, their separation from parents and finally loneliness. The different periods include various risks of poverty. In modern societies this scheme has undergone profound changes that can be traced back essentially to changes in the labor market, to an extension of years spent at school and to the transformation of the pattern of partnership. It is a question how the theory of family development may represent a starting point of thinking under these conditions. The theoretical framework of the “sociology of career” closes the series of theories presented by the author. Approaches belonging to this heading also stress that the individual’s career can be broken down to
different phases characteristically different in the case of men and women. The different phases of career, just as it was seen in the theory of family development, involve different risks of poverty.

The theories presented by the author offer a starting point to two basic issues of the study of the dynamics of poverty. The first one is how far the societies of the poor and the non-poor are separated. This is obviously related to the question of the permanence of poverty in a given society. If lasting poverty dominates it is accompanied by lagging behind sooner or later, by exclusion, by becoming “underclass” and spatially segregated. Whereas if it is the transitory nature of poverty that becomes stronger as it is stressed by the theory of “risk society”, then it is much more social transitions and changes that become characteristic and not cleavages and breakages. The second basic issue derives from these conditions, namely how far the state of being poor characterizes the entire period of individuals’ life, and whether it is possible to emerge from it. If lasting poverty dominates in a society it may be assumed that it is inherited from generation to generation and characterizes the entire life of the individual. While if it is transitory poverty that dominates in a “risk society”, affecting relatively broad strata of the society it does not mean a determined life situation lasting for one’s entire life.

The chapters of the book presenting empirical researches actually try to find answers to these questions. We wish to emphasize however, that the theories are not exclusive ones in a given society. There may be lasting and deep poverty and segregation also in a risk society where poverty may hit broad social strata in a certain period of people’s career. Different mechanisms shape them and hit different social strata, requiring different measures of social policy.

Coming back to Zsolt Spéder’s book, the author studies the period between 1992 and 1997 on the basis of the data of the Hungarian Household Panel. The researchers visited the same people and households for six years recurrently within the framework of the survey. This offered an opportunity for the analysis of the dynamics of poverty on micro level. Basically the analysis concentrates on changes of the income situation, though the author attempts to involve the deprivation approach as well at some points. Almost three-fourths of the persons involved in the survey never lived below 50 per cent of the average income during the six-year period. More than one fourth of them, however, fell below the poverty line at least once. The author regarded those people as permanently poor who fell below that threshold value more than three times out of the six years. Their proportion remained below 6 per cent. The proportion of those who became poor temporarily approximated 20 per cent of the society. It is a question, however, how continuous the years spent in poverty were in the case of those who were poor temporarily. It indicates different life situations if someone was poor continuously for three years, or sank below the poverty threshold from time to time, for shorter periods of time. The author’s analyses show that the proportion of those who “commute” between the poor status and the non-poor one was rather high within the group of those who became poor temporarily in the sequence of the periods of observation. In addition this motion does not only mean dynamics around the poverty line. A significant group of those who emerge from poverty would get rather far from the life situation of poverty. It is particularly true if their movement is observed for

Review of Sociology 11 (2005)
several years. The author’s research shows the same broad dynamics when the recruitment base of poverty that is the group of people who become poor is studied. These results very much seem to justify the thesis worded by the theory of risk society that poverty, even if for shorter periods of time, is becoming a social phenomenon hitting the middle classes as well in modern societies.

The question arises then what causes this vigorous dynamism? What causes can be found for entering poverty and quitting it? What are the events in the individual and family career that make the risk of impoverishment likely? Can it be assumed that the decisive factors of becoming lastingly poor and of temporary poverty are not identical? As far as the factors determining lasting poverty are concerned, the author convincingly proves that all those socio-demographic factors and spatial determinations that cause cross-section poverty are also of decisive importance in lasting poverty. Moreover, he also proves that they determine lasting poverty even more vigorously than it could be experienced in surveys so far done about cross-section poverty. School education, the position occupied in the labor market, age, family structure, the spatial location of residence and its type, and ethnic background all have a decisive role in it. Surely the social position of individuals may have changed in several respects of these factors during the six years under survey that could influence poverty as a life situation. When presenting the dynamics of the processes it cannot be disregarded either what social situations are generated by the various combinations of the explanatory factors. Certain factors may strengthen, whereas others may extinguish the effects of the different explanatory ones. When involving these points of consideration the author came across serious limitations that were primarily due to the small number of cases of the database used. Nevertheless, he attempts to make the explanatory factors dynamic in several respects. He studies the changes that took place in the income structure of households. He assumes that emerging from poverty or entering into it is basically determined by the labor market which, in its turn, can be measured by the percentage of income by work in the income structure of the given social group. His results show that the proportion of income by work dropped in the case of those who became poor from one year to the other, whereas in the case of those emerging from poverty it was just the proportion of income from work that had grown. Surely there may be various processes behind the changes of the proportion of income by work and it is worth disaggregating it. Besides becoming unemployed there may be such factors playing a role like retirement and various forms of becoming inactive, child birth, divorce, and naturally the proportion of income by work may fall also if the individual does not drop out of the labour market but is transferred to a less favorable position. Separating all these circumstances would be very important to the understanding of the causes resulting in poverty.

It is precisely one of the greatest achievements of the study of dynamism that a causal chain can be established among the explanatory factors as well as between the explanatory factors and poverty, by which typical careers may be drawn. It actually appears in its fullest form when the book offers the analysis of demographic effects. Even the earliest researches into poverty recognized the fact that demographic events such as marriage, child-bearing, divorce, widowhood would attract risks of poverty above the average. The question then is what social characteristics protect certain
members of the society from impoverishment when these events take place? Another question is how far this condition becomes a permanent one, in other words is the household capable of getting out of poverty? And, finally, it is also a question whether one can be sure about the correctness of the established causal chain of the individual events, and whether the explanatory variables would have an identical effect in every case? To me the most interesting part of the book is where the author is seeking answers to these questions, even if the database does not offer an opportunity for adequately profound analysis due to the cause mentioned above. The author proves in relation to most of the above-mentioned events that the risk of impoverishment grows in and around the years when these demographic events take place. This relationship is surely not always of one direction. In the case of child-bearing Zsolt Spéder shows that parenthood may result even in the improvement of income position for poor families where the proportion of activity was unfavorable already before the birth of the child. These families may have access at least to some kind of provision based on social insurance though not to a high income with the birth of a child. These analyses surely do not indicate an unambiguous direct causal relationship, for the effect of demographic events on poverty should have been controlled by other effects. It, however, would mean the drawing of a finely articulated image where the small number of cases would make the results rather uncertain.

Zsolt Spéder’s book basically deals with the issue of income poverty while both the theories outlined as well as the issues raised by the author would justify the involvement of other dimensions. It is a separate issue to be studied from the angle of the dynamism of poverty how the changes and continuity of income poverty would affect disadvantageous positions manifest in other areas of the living conditions. Gordon’s theory, mentioned by the author, offers a good starting point in this respect. Gordon assumes that the different aspects of poverty (income poverty, crises of consumption, housing adversities, etc.) are linked in an order determined by time. Income poverty is subsequently followed by crises of consumption, next comes deprivation of assets, or the deterioration of housing. The same is true in the reverse, in other words, some improvement of the income position, emergence from income poverty would be sensed in the other components of living conditions only later. It means that at the moment of observation one cannot decide on the basis of the given income level whether the individual or the household is moving towards poverty or it is just about getting out of it. Is it using up its reserves or are opportunities just opening for the household for building up reserves? In other words, there is dynamism in society not only in the sense as the factors determining poverty are linked to one another, as these factors affect the income situation, but also in the way the different aspects of poverty are linked to one another. Perhaps it could be put otherwise: there is a possibility for emerging from poverty until social disadvantages can be registered ‘only’ in respect of income. If it is linked to disadvantages measured in other areas of living conditions poverty would become deeper and lasting.

The author makes efforts in two areas to study the dynamics of living conditions. One is housing and the other is the dynamics of consumption crises. While the latter one rather vigorously follows the dynamics of income, there is obviously less mobility in the field of housing. In this respect the duration of the observation time is not satisfactory in
each case. At any rate, it is worth studying the dynamics of more dimensions of living conditions. I am of the view that Zsolt Spéder’s book raises such novel and fundamental issues the study of which is the greatest challenge for researchers of poverty. To answering them surely such targeted data collection is necessary of which a series of dynamic variables may be established, the observation period of which is adequately long, and the number of observed persons and families is adequately large to allow for the exploration of impoverishment, emergence from poverty and the large variety of careers leading towards lasting poverty. A picture thus produced would not only give a more colorful image of society but, as the reader is convinced by the book entitled “The Changing Faces of Poverty”, it would even alter it.