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NEW POVERTY

Families in Postmodern Society

David Cheal

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Families in Postmodern Society

David Cheal

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For my mother and father,
and the experience they gave me of growing up in a large family

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It was not a lack of progress but, on the contrary, development . . . that created the possibility of total war, totalitarianisms, the growing gap between the wealth of the North and the impoverished South, unemployment and the “new poor.”

— Jean-François Lyotard, 1993, p. 82

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Preface

This book is intended to inspire serious, critical reflection on the relationships between current family situations and the risks of being poor today. There are many reasons for concern. Some of them are: the existence of a life course poverty gradient, in which the risk of poverty is highest in early childhood; the fact that families with children do not appear to benefit significantly from government income redistribution; and the politics of fiscal programs that both alleviate and increase poverty risks, for different groups.

The waning interest of governments in supporting poor people forces us to reexamine some fundamental understandings about modernization and progress. In this book, specific causes of poverty are located within a broader context of problems in modernity. The author argues that the sociology of poverty has entered a new, postmodern phase.

Chapters 1 and 2 contain general discussions about the cultural and political significance of poverty research. The main theme in those chapters can be stated very simply. It is that new forms of poverty can be fully understood only in the context of theories of social change.

Poverty as it exists today evidently has something to do with a special set of changes known collectively as modernization. But what is the connection, exactly? The most common answer is that poverty is due to certain imperfections in the process of modernization itself. Further, it is hoped that correcting those imperfections can reduce the impact of

poverty. Three theories of modernization are examined in Chapter 1. They are: standard modernization theory, critical modernization theory, and radical modernization theory. A fourth theory is also considered, namely, that of postmodernization.

In Chapter 2, the history of research on poverty in the twentieth century is briefly reviewed. Poverty research has been closely linked to ideas about progress, in the belief that accurate information is the basis for solving social problems. In the first half of the twentieth century, poverty was seen as a pervasive condition affecting large numbers of working-class people. In the post-World War II period, it came to be seen as a problem of excluded minorities. More recently, views about the poor have been colored by the perception that attempts to solve the problem of poverty have failed. That perception is often linked to fears about the breakdown of the modern family and the emergence of an urban underclass.

Families, and especially families with children, have become focal points for discussions of contemporary poverty in the United States and Canada. Chapter 3 introduces original data on poverty in these two countries that were produced especially for this book. The origins of the data and the methods of analysis are described; the research procedures and the scientific logic behind them are discussed as well. Chapter 3 is written in a straightforward manner, with few technical details. It should be accessible to most readers.

Chapter 4 opens the research issues covered in this book, by describing poverty in female-headed families after the breakdown of relationships through separation or divorce. It is well known that the current incomes of families headed by separated and divorced mothers are relatively low. Attention is also drawn here to their long-term economic insecurity due to low capital formation or, possibly, capital loss. Families headed by women have low levels of home ownership, they save very little, and they make extremely low payments into financial security plans.

In Chapter 5, discussion of children in poverty is extended from just one type of family to include children in all families. The focus here is on the extent to which estimates of the volume of child poverty are affected by particular statistical procedures. The implications of these procedures for child and family income transfer policies are discussed. It is concluded that families with children in Canada and the United States do not benefit substantially from income redistribution and that children from large families are still the most likely to be poor.

From Chapter 6 through Chapter 8 the emphasis shifts from looking at families and children to looking at family work systems and employment

income. Chapter 6 examines the relationship between different forms of wage labor and household income. Lack of regular employment and working for only part of the year are the principal causes of low household income today. The interaction between employment activity and marital status is explored. Poverty is found mainly in those households in which individuals not having significant market incomes also do not have strong family financial supports. Such individuals have little informal protection against the risks of the labor market, and they are overrepresented among the poor. Never-married individuals living on their own are especially vulnerable.

Although single persons may have a higher incidence of poverty, there are nevertheless many married couples who are also poor. In Chapter 7, the “shallow income pools” found among the married poor are studied, and they are compared with the large combined incomes in successful dual-career families. It is argued that the latter family type is the result of an intensification of work in the nonelderly population. A result of this process is that less work-intensive families have become marginalized. Such families in 1992 relied heavily on state income-support programs, which have since been reduced.

In contrast to reductions in certain income-support programs for the nonelderly, income transfers to the elderly have remained substantially the same in recent years. The contrasting fortunes of the elderly and the nonelderly is the principal theme in Chapter 8, where information is presented about a life course poverty gradient. Poverty rates are highest among children, and with increasing age more people tend to escape from poverty. Once they have escaped from the poverty of childhood and youth, most people in the United States and Canada are unlikely ever to be at such high risk of impoverishment again.

The role of the state in setting implicit income policies has surfaced in Chapter 8 and earlier in Chapters 5 and 7. It is brought to the fore in Chapter 9, which is the last research chapter. In Chapter 9, evidence is presented to show that in the late twentieth century the state has both alleviated poverty and increased the risk of poverty, for different groups. As a result, intergenerational inequity in social program outcomes is described as an especially troubling issue.

In the final chapter, the author returns to the themes with which the book began. Evidence for and against the three theories of modernization is reviewed, drawing on results from the research chapters. The conclusion drawn is that all three theories have some supporting evidence, or, better put, there is some evidence that can be interpreted so as to support

each theory. However, each of the theories also appears to have significant limitations.

The common difficulty in all modernization theories is their failure to give adequate recognition to imbalances and tensions in state income-support systems. The myth of the essentially beneficial role of the welfare state in income redistribution is a central component in the sociology of modernity. It is difficult to see how theories of the modernization of social life can be maintained once that myth is given up.

The hypothesis is, therefore, advanced that “new poverty” is due to a process of postmodernization. In postmodernity, incompatible models of social time generate a series of relational, demographic, economic, and political crises. Poverty groups are formed in those crises. Today, they are formed especially in the crisis of the political economy of the state. More modernization is not going to fix that problem.

Acknowledgments

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The data analysis is based on a Statistics Canada microdata tape containing anonymized data collected in the 1992 Family Expenditure Survey, as well as a U.S. Bureau of Labor Statistics microdata tape containing anonymized data collected in the 1992 Consumer Expenditure Survey. All computations on these microdata were prepared by David Cheal. The responsibility for the use and interpretation of these data is entirely that of the author. Data analysis, as well as the preparation of tables and figures, was assisted by Karen Kampen. Her energy and her desire to learn were vital to the completion of many different undertakings.

Some of the early theoretical work for this book benefited from invitations to speak at the Theory Construction and Research Methodology Workshop at the 1992 Annual Conference of the National Council on Family Relations in Orlando and at a conference on family sociology in Oslo in 1994. The latter conference arrangements were made possible by a grant from the Research Council of Norway. I would like to thank Arnlaug Leira for agreeing to the use made in this book of portions of the paper presented on that occasion.

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1

Families in Postmodernity

Throwing money at social problems is no longer popular. In particular, giving money to the poor is now often seen as an act of dubious value, for which political consent is only grudgingly given. Of course, the income safety nets in the United States and Canada have always had some large holes in them. Even so, there is something new about our reluctance to support poor people today. Opinions about the deserving poor and the undeserving poor have hardened, and the commitment to maintaining a minimum standard of living for all families has softened.

Current debates about poverty are of interest not only to policy makers and the poor themselves but also to anyone who wishes to understand the temper of our times and how that temper has frayed. Slogans such as “the rise of the radical right,” and “hard times breed hard politics,” explain part of what is happening. But there is a larger set of factors at work. The present moment is a time of great change and great uncertainty. Social institutions, governments, and nations are in a state of flux. Pressures to restructure economic practices are felt in homes as well as in businesses, and major changes have taken place in family life over the past century. Together with the likelihood of further changes, these events are prompting a broad rethinking of established points of view about families and their place in society.

In this book, we will examine some of the economic and social characteristics of poor families in the United States and Canada today. The

primary purpose of this research is not to identify new categories of the poor, nor is it to produce a refined analysis of the causes of poverty. Rather, the main purpose of this book is to learn something about the new requirements for a pragmatic political science of poverty. The reasons why we need a new science of poverty at the present time are discussed in the present chapter, in the following chapter, and in the conclusion to this book.

We must begin by examining how the optimistic views that social scientists used to hold about social policies and the policy-making process have come unravelled. That process of unravelling goes beyond individual doubts about the effectiveness of this or that particular policy. It encompasses a broad range of issues, and it reflects deep-seated changes in fundamental world views.

In the present chapter, we will establish the broad cultural context for the rethinking of ideas about poverty that has occurred at the end of the twentieth century. In the following chapter, we will focus more specifically on the research literature about the extent of poverty and its causes. Chapter 2 will show how the sociology of poverty has tracked broad cultural trends of increasing caution about prospects for positive change as well as growing doubts about political solutions to social problems.

The cultural context for moods of optimism and pessimism about social improvement is the shared belief that people have concerning collective organization for positive change or, in other words, modernization. There have been four principal points of view about the possibility of modernization. They are: standard modernization theory, critical modernization theory, radical modernization theory, and postmodernization theory. Each of these theories takes a definite position regarding the possibility of collective improvement through social action. Standard modernization theory is the most optimistic, and postmodernization theory is the most pessimistic. At the risk of over-simplification, we can say that the recent history of social thought in the Anglo-Saxon countries has been from standard modernization theory to postmodernization theory. In other words, the trend has been from optimism to pessimism about the achievements of social policy.

STANDARD MODERNIZATION THEORY

The central concept for all theories of modernization is *modernity* (Habermas, 1981; Baudrillard, 1987; Boyne & Rattansi, 1990). Modernity is the term used to describe the dominant culture during the period of time

leading up to, and perhaps including, the present. It is thought to have begun with a breakthrough, or a series of breakthroughs, from all traditional arrangements that had prevailed throughout earlier human history. In modernity the dominant cultural values ceased to be practices inherited from the past. Traditional values were replaced by criteria for improvement, which came to be referred to collectively as "progress."

The concept of modernity has not been in common use in the sociology of the family, with the principal exception of the work of Peter Berger (1977). It is, however, related to two other terms that are more widely used. They are, first, the concept of modern society and, second, the concept of modernization (Featherstone, 1988). Modern societies are societies in which most of the population believes that it has benefited from, or that it will benefit from, progress. Modern individuals support the progressive institutions that promise to improve their lives. The historical transformation by which progressive institutions gradually took shape and gained control over large areas of human existence is seen as a process of modernization.

Sociologists of the family have often been interested in the differences between traditional societies and modern societies (Cheal, 1991). Those interests were made most explicit in the modernization theories that were developed in the United States after World War II. The most notable of the modernization theorists, Alex Inkeles, spelled out in some detail how "family modernism" was part of what he called the "general modernity syndrome" (Inkeles, 1983; Inkeles & Smith, 1974). In his view, modern attitudes are those ways of thinking and feeling that foster individual improvement and that pose few barriers to individuals' aspirations for a better quality of life.

Much of the discussion of family modernism through the 1970s focused on the changing nature of descent ties. The lesser force and extent of kinship obligations outside modern nuclear families is held to permit greater individual mobility (both social and geographical), and to facilitate the accumulation of resources for investment in nuclear family members. A high level of investment in the human capital of children is a notable characteristic of intergenerational relationships in modern families (Moore, 1966). In modernizing societies, children are cultural symbols that represent the future. Investing in children is believed to be a means of guaranteeing that the future will be better than the present. As a result, modern families have sometimes been described as being child-centered. What is meant by this is that there is a relatively great emotional investment in each individual child, and there is also a strong emphasis