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Theories of Poverty and Anti-Poverty Programs in Community Development

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Abstract:

In this paper I explore how five competing theories of poverty shape anti-poverty strategies. Since most rural community development efforts aim to relieve causes or symptoms of poverty, it makes a difference which theory of poverty is believed to be responsible for the problem being addressed. In this paper five theories of poverty are distilled from the literature. It will be shown that these theories of poverty place its origin from 1) individual deficiencies, 2) cultural belief systems that support subcultures in poverty, 3) political-economic distortions, 4) geographical disparities, or 5) cumulative and circumstantial origins. Then, I show how each theory of poverty finds expression in common policy discussion and community development programs aimed to address the causes of poverty. Building a full understanding of each of these competing theories of poverty shows how they shape different community development approaches. While no one theory explains all instances of poverty, this paper aims to show how community development practices that address the complex and overlapping sources of poverty more effectively reduce poverty compared to programs that address a single theory.

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Which view of poverty we ultimately embrace will have a direct bearing on the public policies we pursue.

(Schiller 1989:4)

Introduction

Community development has a variety of strategies available to meet the needs of those persons and groups who are less advantaged, usually in poverty. Community developers help all communities, but their passion lies disproportionately with people who do not have adequate personal resources to meet their needs or with communities with large populations of people who need assistance. These people and communities receiving attention from community developers are extensively varied in most other respects than being poor—the poor are both rural and urban, they are ethnically minority or not, they live in places with weak and strong economies, and they have been helped for decades or neglected for as long. In short, fixing poverty is a dominant theme within community development, but we have infrequently examined the theories that underlie the dominant practices addressing poverty.

The thesis of this paper is that community anti-poverty programs are designed, selected, and implemented in response to different theories about the cause of poverty that “justify” the community development interventions. The definition of poverty and theories that explain it are deeply rooted in strongly held research traditions and political values, reinforced by encompassing social, political and economic institutions that have a stake in the issue. Thus, a purely objective explanation of poverty is displaced by a proliferation of socially defined issues and concerns from both liberal and conservative perspectives. Moreover, no one theory of poverty has emerged that either subsumes or invalidates the others (Blank, 1997). Explaining poverty remains a lucrative field for academics, policy makers, book publishers, and ideologues, and as a consequence the range of explanations has proliferated.

A sampling of community based poverty programs show how varied community level anti-poverty efforts can be:

1. A county directed its schools to identify children not attending school more than ten days per school-year without medical excuses, and then if the family received TANF benefits, the child’s portion of the family welfare payments were withheld to enforce school attendance and assure that welfare kids not get left behind for another generation.
2. Pre-school programs are advocated in order to help poor kids gain skills and internalize the value of learning that will help them succeed in school, and after-school programs are designed to keep children away from negative influences of unsupervised street cultures.
3. Public programs (such as equal opportunity) help remove social and economic barriers to housing, good jobs, health care, and political processes, based on the premise that otherwise qualified people are commonly excluded from poverty reducing opportunities by race, class, gender, or other factors not relevant to ability to perform.
4. Communities utilize a range of local economic development tools such as redevelopment, business attraction, or enterprise zones to stimulate development of poor and

disadvantaged areas hurt by regional isolation, economic backwardness, blight, and disinvestment.

5. Nonprofits and CDCs develop comprehensive approaches to poverty based on a multifaceted approach including employment development, education, housing, access to healthcare and social services, as well as personal networks and participation in community programs that increase social capital.

The first example is based on theories that poverty is perpetuated by individual or family irresponsibility which should be stopped by stiff penalties; the second example addresses subcultures of poverty and tries to acculturate poor children in mainstream values; the third sees poverty not as an individual problem but a social one that needs to be addressed politically and structurally; the fourth addresses regional or geographic concentrations of poverty through spatially targeted benefits; and the final addresses poverty in a comprehensive and cumulative way. Each example reflects a different theory of what causes poverty and how to address it.

I consider a theory an explanation that links several concepts; in this case theories explain poverty (as defined below) by linking different factors thought to cause or perpetuate poverty through distinctive social processes. Interventions that reduce a cause of poverty should reduce poverty as a consequence. The emphasis here is on poverty in developed countries such as the USA. The purpose of this paper is to expand our understanding of five different theories of poverty that underlie the common toolbox of programs which community developers apply to address the problem of poverty in their community. In contrast to the typical focus that limits theoretical review to only two or three contrasting perspectives (Ropers, 1991; Egendorf, 1999; Epstein, 1997), this paper suggests that there are five major theoretical explanations for poverty¹. Poverty, it is argued, is a very complex social problem with many variants and different roots, all of which have validity depending on the situation (Blank, 2003; Shaw, 1996:28).

Poverty Definitions

Poverty in its most general sense is the lack of necessities. Basic food, shelter, medical care, and safety are generally thought necessary based on shared values of human dignity. However, what is a necessity to one person is not uniformly a necessity to others. Needs may be relative to what is possible and are based on social definition and past experience (Sen, 1999). Valentine (1968) says that “the essence of poverty is inequality. In slightly different words, the basic meaning of poverty is relative deprivation.” A social (relative) definition of poverty allows community flexibility in addressing pressing local concerns, while objective definitions allow tracking progress and comparing one area to another.

The most common “objective” definition of poverty is the statistical measure established by the federal government as the annual income needed for a family to survive. The “poverty line” was initially created in 1963 by Mollie Orshansky at the U.S. Department of Agriculture based on three times her estimate of what a family would have to spend for an adequate but far from lavish diet. According to Michael Darby (1997:4), the very definition of poverty was political, aimed to benchmark the progress of poverty programs for the War on Poverty. Adjusted for inflation, the poverty line for a family of four was \$17,050 income in 2000 according to the US Census. Most poverty scholars identify many problems with this definition

¹ Several authors distinguish similar lists or theories. Blank (2003) covers six theories that are variations on my first and third theory. Morrill and Wohlenberg (1971) also offer a selection of six theories, though they differ slightly from the ones used here.

related to concepts of family, cash income, treatment of taxes, special work related expenses, or regional differences in the cost of living (Blank 1997:10; Quigley, 2003).

Regardless of how we look at the “science” of poverty, or what O’Connor calls the “knowledge of poverty,” it is essential to retain focus on the fact that the definition of poverty and the policies addressing it are all shaped by political biases and values:

It is this disparity of status and interest that make poverty research an inescapably political act: it is an exercise of power, in this case of an educated elite to categorize, stigmatize, but above all to neutralize the poor and disadvantaged through analysis that obscures the political nature of social and economic inequality (O’Connor 2001:12).

In this sense, political agendas are the overriding factors in poverty that not only influence the choice of theory of poverty but the very definition of poverty to be explained by each theory. Powerful interests manage how poverty is discussed and what is being done about it; unfortunately this paper can only identify the politicization of theories of poverty rather than separate it out for analysis.

Sources and approach

The approach in this paper is to review strategically selected programs and approaches used by communities to address poverty and in the United States. The approach starts by examining some of the most significant recent books and articles (and several classics) that discuss poverty in America², and then it distills from them the theoretical perspectives that are most central to their analysis. The task here is not to do a complete review of all the literature on poverty, as that includes thousands of items and is beyond the scope of this paper. Nor is the task to distill all the recent abundance of information on poverty, especially the empirical evidence of who the poor are and what their condition is.

I approach poverty programs from the community development perspective, addressing the range of programs available to a typical community. Since this portfolio of programs changes rapidly over time and from community to community, I have attempted to generalize and build grounded theory that captures the range, even if it blurs some details. I have been guided in this task by the recent books on poverty policy such as Sar Levitan’s colleagues whose inventory of “Programs in Aid of the Poor,” (Levitan et al, 2003) catalogued many federal programs available to local areas. I also based my analysis on those programs I have known over years of community based work. Simply put, the task of this paper is to look in the literature for theoretical explanations of poverty that link up with the practices that are at the core of community development.

For each of the five theories that make up the bulk of the poverty literature, I have identified the set of variables that are most significantly associated with causing poverty according to that theory, the mechanisms by these variables cause poverty, the potential strategies that can be addressed in response to poverty, and finally community based examples of how anti-poverty programs based on that particular theory are implemented. These are summarized in Figure 1.

Five theories of Poverty in Contemporary Literature

Recent literature on poverty uniformly acknowledges different theories of poverty, but the literature has classified these theories in multiple ways (for example, compare Blank, 2003;

² The perspective developed here is paralleled by discussions in Europe. See for example Alock (1993).

Goldsmith and Blakely, 1992; Jennings and Kushnick, 1999; Rodgers, 2000; Schiller, 1989; Shaw, 1996). Virtually all authors distinguish between theories that root the cause of poverty in individual deficiencies (conservative) and theories that lay the cause on broader social phenomena (liberal or progressive). Ryan (1976) addresses this dichotomy in terms of “blaming the victim.” Goldsmith and Blakely, for example distinguish “Poverty as pathology” from “poverty as incident or accident” and “poverty as structure.” Schiller (1989:2-3) explains it in terms of “flawed characters, restricted opportunity, and Big Brother.” Jennings (1999) reviews a number of variants on these individual vs. society conceptions, giving emphasis to racial and political dynamics. Rank is very clear: “the focus on individual attributes as the cause of poverty is misplaced and misdirected.” Structural failings of the economic, political, and social system are causes instead. (Rank 2004:50) The various theories are divergent, and each results in a different type of community development intervention strategy.

1. Poverty Caused by Individual Deficiencies.

This first theory of poverty is a large and multifaceted set of explanations that focus on the individual as responsible for their poverty situation. Typically, politically conservative theoreticians blame individuals in poverty for creating their own problems, and argue that with harder work and better choices the poor could have avoided (and now can remedy) their problems. Other variations of the individual theory of poverty ascribe poverty to lack of genetic qualities such as intelligence that are not so easily reversed.

The belief that poverty stems from individual deficiencies is old. Religious doctrine that equated wealth with the favor of God was central to the Protestant reformation (Weber 2001) and blind, crippled, or deformed people were believed to be punished by God for either their or their parents’ sins. With the emergence of the concept of inherited intelligence in the 19th century, the eugenics movement went so far as to rationalize poverty and even sterilization for those who appeared to have limited abilities. Books like Hurnstein and Murray’s The Bell Curve (1994) are modern uses of this explanation. Rainwater (1970:16) critically discusses individualistic theories of poverty as a “moralizing perspective” and notes that the poor are “afflicted with the mark of Cain. They are meant to suffer, indeed must suffer, because of their moral failings. They live in a deserved hell on earth.” Rainwater goes on to say that it is difficult to overestimate the extent to which this perspective (incorrectly) under-girds our visions of poverty, including the perspective of the disinherited themselves.

Ironically, neo-classical economics reinforces individualistic sources of poverty. The core premise of this dominant paradigm for the study of the conditions leading to poverty is that individuals seek to maximize their own well being by making choices and investments, and that (assuming that they have perfect information) they seek to maximize their well being. When some people choose short term and low-payoff returns, economic theory holds the individual largely responsible for their individual choices—for example to forego college education or other training that will lead to better paying jobs in the future.

The economic theory that the poor lack incentives for improving their own conditions is a recurrent theme in articles that blame the welfare system’s generosity on the perpetuation of poverty. In a Cato Journal article, economists Gwartney and McCaleb argue that the years of the war on poverty actually increased poverty (adjusted for noncash transfers) among working age adults in spite of unprecedented increases in welfare expenditures. They conclude that “the application of simple economic theory” suggests that the problem lies in the war on poverty programs:

They [welfare programs] have introduced a perverse incentive structure, one that penalizes self-improvement and protects individuals against the consequences of their own bad choices. (1985: 7)

This and similar arguments that cast the poor as a “moral hazard” also hold that “the problem of poverty continues to fester not because we are failing to do enough, but because we are doing too much that is counterproductive” (Gwartney and McCaleb 1985:15). Their economic model would solve poverty by assuring that the penalty of poverty was great enough that none would choose it (and welfare would be restricted to the truly disabled or otherwise unable to work).

A less widely critiqued version of the individualistic theory of poverty comes from American values of individualism—the Horatio Alger myth that any individual can succeed by skills and hard work, and that motivation and persistence are all that are required to achieve success (see Asen, 2002:29-34). Self-help literature reinforces the belief that individuals fail because they do not try hard enough. Frank Bettger (1977:187-8), in the Dale Carnegie tradition, tells how he got a list of self-improvement goals on which to focus and became one of the most successful and highly paid salesmen in America. He goes on to say that anyone can succeed by an easy formula--focused goals and hard work. This is the message of hundreds of self-help books, articles, and sermons. By extension, this literature implies that those who do not succeed must face the fact that they themselves are responsible for their failure.

While scientifically it is routine to dismiss the individual deficiency theory as an apology for social inequality (Fischer, et al, 1996) , it is easy to see how it is embraced in anti-poverty policy which suggests that penalties and incentives can change behavior.

Anti-Poverty Programs from an Individual Theory of Poverty Perspective.

Community development practice, embedded in decades of welfare and social policy, frequently deals with programs aiming to remedy poverty based on individual deficiency theories. Explicitly or implicitly, individual deficiencies have been an easy policy approach not always carefully explored as they get implemented. The key initiatives today are to push poor into work as a primary goal, what Maskovsky calls the “workist consensus.” Indeed this move is accompanied by an increasing emphasis on “self help” strategies for the poor to pull themselves from poverty, strategies encouraged by the elimination of other forms of assistance (Maskovsky, 2001:472-3). Earned income tax credits are one aspect of the strategy to assure that the poor work even at below living-wage jobs.

However, from a community development perspective, addressing poverty by focusing on individual characteristics and bad choices raise fundamental conflicts in philosophy and in what is known to succeed. The compassion of community development shies away from blaming the individual, and individual level programs are usually embedded in community efforts by the very nature of community development. Thus, anti-poverty programs in community development tend to oppose strategies that punish or try to change individuals as a solution to poverty, though working with individual needs and abilities is a constant objective. This tension runs through all anti poverty programs.

However, many contemporary anti-poverty programs are not designed with compassion in mind but use punishment and the threat of punishment in order to change behavior and get people off public assistance (see O’Connor, 2001, Quigley, 2003). The best example of this response to poverty is to limit the number of years people can be on family assistance and to require participation in work activities after two years on welfare (see Levitan et al 2003: 59-72), a core part of the politically conservative (and ironically named) Personal Responsibility and

Work Opportunity Reconciliation Act (PRWORA). The threat of a cut-off in assistance is believed to change behavior since a person will lose assistance after five years. Another program I have been studying (MERCAP) reduces assistance payments to families if their children fail to attend school, hoping that children will eventually graduate from high school and not become another generation of welfare recipients. This study found that the punishment did little to change behavior, while attention from teachers and school administrators helped identify more complex reasons for poor school attendance (Campbell and Wright, 2005). The punitive approach of individual theories of poverty justifies policies that restrict public assistance to services and goods instead of cash because there is a lack of trust in the discretion of poor people. Providing food at school for children or offering homeless people shelters rather than cash to pay for housing are examples.

Individual level anti-poverty efforts have a social component, however. First a reliable safety-net that can help people who are otherwise not able to help themselves is really a civic responsibility. The disabled, elderly, children, and even the unlucky are part of every community, and without blame, their individual needs can be met by collective action. A safety net, without pejorative connotations, is a key to civility. Making the safety net work and available is broadly accepted.

In sum, to the extent that policy makers or program leaders hold the individual theory of poverty, it is increasingly unlikely that they will pursue a community development approach to solving poverty. Thus, in spite of the widespread societal view that individuals are responsible for their own poverty, community developers look to other theories of poverty for more positive approaches.

2. Poverty Caused by Cultural Belief Systems that Support Sub-Cultures of Poverty

The second theory of poverty roots its cause in the “Culture of Poverty”. This theory is sometimes linked with the individual theory of poverty or other theories to be introduced below, but it recently has become so widely discussed that its special features should not be minimized. This theory suggests that poverty is created by the transmission over generations of a set of beliefs, values, and skills that are socially generated but individually held. Individuals are not necessarily to blame because they are victims of their dysfunctional subculture or culture.

American Sociology has long been fascinated by subcultures of immigrants and ghetto residents as well as the wealthy and powerful. Culture is socially generated and perpetuated, reflecting the interaction of individual and community. This makes the “culture of poverty” theory different from the “individual” theories that link poverty explicitly to individual abilities and motivation. Technically, the culture of poverty is a subculture of poor people in ghettos, poor regions, or social contexts where they develop a shared set of beliefs, values and norms for behavior that are separate from but embedded in the culture of the main society.

Oscar Lewis was one of the main writers to define the culture of poverty as a set of beliefs and values passed from generation to generation. He writes,

Once the culture of poverty has come into existence it tends to perpetuate itself. By the time slum children are six or seven they have usually absorbed the basic attitudes and values of their subculture. Thereafter they are psychologically unready to take full advantage of changing conditions or improving opportunities that may develop in their lifetime. (Scientific American, October 1966 quoted in Ryan, 1976: 120)

Cultures are socialized and learned, and one of the tenants of learning theory is that rewards follow to those who learn what is intended. The culture of poverty theory explains how government antipoverty programs reward people who manipulate the policy and stay on welfare. The underlying argument of conservatives such as Charles Murray in Loosing Ground (1984) is that government welfare perpetuated poverty by permitting a cycle of “welfare dependency” where poor families develop and pass on to others the skills needed to work the system rather than to gain paying employment. The net result of this theory of poverty is summed by Asen’s (2002: 48) perceptive phrase, “From the war on poverty to the war on welfare.”

This theory of poverty based on perpetuation of cultural values has been fraught with controversy. No one disputes that poor people have subcultures or that the subcultures of the poor are distinctive and perhaps detrimental. The concern is over what causes and constitutes the subculture of poverty. Daniel Patrick Moynihan found the concept particularly applicable to his study of Black poverty in the early 1960s and linked Black poverty to the largely “dysfunctional” Black family found in central cities. Valentine (1968:20) criticizes E. Franklin Frazier, who with Daniel Patrick Moynihan (1965), portrayed the culture of the negro poor as an “immoral chaos brought about by the disintegration of the black folk culture under the impact of urbanization”.

In other sub-cultural situations the cultural portrayal of the poor is more sympathetic. For example, many liberal scholars understand the cultural problems that Native Americans face trying to assimilate middle class value systems. Ironically, after a number of generations we recall the “heroic” efforts of Irish or Italian immigrant groups and their willingness to accept hard work and to suffer for long term socio-economic gains; we forget the cultural discrimination they faced for not fitting in during the first generations after they arrived. Today the sub-cultural values for higher education and entrepreneurship among Asian and Indian immigrant groups are prized as an example of how subcultures can work in the favor of groups trying to escape poverty.

Anti-Poverty programs from a Culture of Poverty Perspective.

From a community development perspective, if the theoretical reason for poverty lies in values and beliefs, transmitted and reinforced in subcultures of disadvantaged persons, then local anti-poverty efforts need to intervene to help change the culture. This is socialization as policy. This may work in three ways, based on Valentine’s (1968) suggestion of different models of cultural theories of poverty

1) If one thinks of the culture of the poor as a dysfunctional system of beliefs and knowledge, the approach will be to replace that culture with a more functional culture that supports rather than undermines productive work, investment, and social responsibility. Innovative prisoner release programs, for example, may try to relocate prisoners from the environment where they got in trouble and assure that they adopt new values appropriate for work. A number of experiments have tried with mixed results relocating poor from ghetto housing projects into suburbs with the hope that the new culture will help the family emerge from poverty (Goetz, 2003; Goering, Feins, and Richardson, 2003).

2) On the other hand, if one thinks of the culture of poverty as an opportunistic and nonproductive subculture that is perpetuated over generations, then the focus will shift to youth to stop the recreation of the detrimental culture. Head Start, and many educational programs are according to Zigler and Styfco (1996) are successful at providing an alternative socialization for the next generation to reduce poverty, though the programs need more coherence and quality.

Similarly, community developers are often involved in helping establish after school programs for teens where their peer culture is monitored and positive social values are established, while keeping youth away from gangs and detrimental behavior. These programs are a policy favorite (Levitan et al 2003) because they are believed to change the culture of youth while their values and norms are still malleable.

3) A third approach to the culture of poverty is to try to work within the culture to redefine culturally appropriate strategies to improve the group's well being. For example, community developers can enhance and build upon cultural values with the subcultures of the poor which can become assets for economic development. Local crafts cooperatives are examples, as are programs that tap the traditions of small business and entrepreneurship found in subcultures as different as urban gangs and middle class single mothers. Institutions by which ethnic groups or clans assist each other in creating and financing businesses are well documented in the literature. While programs promising micro-enterprise as a path from poverty are often oversold (Goldstein, 2001), the mystique of Gramin Bank type programs as a road out of poverty offer culturally compatible strategies that build on a groups strengths.

3. Poverty Caused by Economic, Political, and Social Distortions or Discrimination

Whereas the first "individualistic" theory of poverty is advocated by conservative thinkers and the second is a culturally liberal approach, the third to which we now turn is a progressive social theory. Theorists in this tradition look not to the individual as a source of poverty, but to the economic, political, and social system which causes people to have limited opportunities and resources with which to achieve income and well being. Research and theories in this tradition attempt to redress the problem noted by Rank, Yoon and Hirschl (2003: 4???): "Poverty researchers have in effect focused on who loses out at the economic game, rather than addressing the fact that the game produces losers in the first place."

The 19th century social intellectuals developed a full attack on the individual theory of poverty by exploring how social and economic systems overrode and created individual poverty situations. For example, Marx showed how the economic system of capitalism created the "reserve army of the unemployed" as a conscientious strategy to keep wages low. Later Durkheim showed that even the most personal of actions (suicide) was in fact mediated by social systems. Discrimination was separated from skill in one after another area, defining opportunity as socially mediated. Taken to an extreme, radical thinkers argued that the system was flawed and should be radically transformed.

Much of the literature on poverty now suggests that the economic system is structured in such a way that poor people fall behind regardless of how competent they may be. Partly the problem is the fact that minimum wages do not allow single mothers or their families to be economically self sufficient (Jencks 1996:72). The problem of the working poor is increasingly seen as a wage problem linked to structural barriers preventing poor families from getting better jobs, complicated by limited numbers of jobs near workers and lack of growth in sectors supporting lower skilled jobs (Tobin 1994). Interestingly research is showing that the availability of jobs to low income people is about the same as it has been, but wages workers can expect from these jobs have fallen. Fringe benefits including health care and promotions have also become scarce for low skilled workers. These and related economic changes documented by Blank (1997) and Quigley (2003) show the way the system has created increasingly difficult problems for those who want to work.

Elimination of structural barriers to better jobs through education and training have been the focus of extensive manpower training and other programs, generating substantial numbers of successes but also perceived failures. However, in spite of perceived importance of education, funding per student in less advantaged areas lags that which is spent on richer students, teachers are less adequately trained, books are often out of date or in limited supply, amenities are few, and the culture of learning is under siege. This systemic failure of the schools is thus thought to be the reason poor people have low achievement, poor rates of graduation, and few who pursue higher education (Chubb and Moe, 1996).

A parallel barrier exists with the political system in which the interests and participation of the poor is either impossible or is deceptive. Recent research has confirmed the linkage between wealth and power, and has shown how poor people are less involved in political discussions, their interests are more vulnerable in the political process, and they are excluded at many levels. Coupled with racial discrimination, poor people lack influence in the political system that they might use to mobilize economic benefits and justice.

A final broad category of system flaws associated with poverty relate to groups of people being given a social stigma because of race, gender disability, religion, or other groupings, leading them to have limited opportunities regardless of personal capabilities. No treatment of poverty can be complete without acknowledging that groups against which discrimination is practiced have limited opportunities regardless of legal protections. The process of gaining stronger rights for minorities in poverty is an ongoing one, for which legal initiatives and public policy reform must work with efforts to change public attitudes.

Anti-Poverty Programs from a Structure of Poverty Perspective.

If the problem of poverty is in the system rather than in the poor themselves, a community development response must be to change the system. This is easy to say but hard to do, which may explain why so many policy programs revert to trying to change individual behavior. How can one get more jobs, improve schooling for the poor, equalize income distributions, remove discrimination bias from housing, banking, education, and employment, and assure equal political participation by poor persons? None of these tasks are easy and all require interventions into the systems that create the barriers that block poor persons from gaining the benefits of society.

Changing the system can take place at three levels. From a grassroots level, social movements can exert pressures on vulnerable parts of the system to force desired change. Although most studies show a decline in support for poor peoples social action, Rank (2004: 189-191) argues that change could be mobilized to support better jobs for the poor and a more effective system since as the subtitle of his book states, "American poverty affects us all". For example, public pressure including unionization can increase wages and gain employment for persons systematically excluded. Civil rights movements have had a strong impact on breaking down formal barriers, as has the woman's movement. Community organizing in the Alinsky (1945) tradition has helped reduce poverty across the country (Rank, 2004:233).

A second strategy within community development for changing the system involves creating and developing alternative institutions which have access, openness, innovation, and a willingness to help the poor gain well being. This strategy is at the cornerstone of most community development corporations which aim to provide alternative businesses, housing, schooling, and programs. In addition, business strategies such as employee ownership or

networks of minority or women's businesses also work. Community owned businesses such as community banks also provide alternative structures.

Finally, change can occur through the policy process (Page and Simmons, 2000). The range of federal and social policies that can be adjusted to accomplish poverty reduction include providing jobs, raising wages, expanding the safety net, assuring effective access to medical care, and coordinating social insurance programs. In order to protect these programs in an era of governmental retrenchment, it is increasingly clear that the poor and their advocates need to be more politically mobilized. Legal changes to enforce civil rights of the poor and to protect minority groups are needed. For example, the American Disability Act has established many gains for otherwise able persons who happen to be blind, deaf, or with limited mobility. One of the boldest policy moves is suggested by Quigley (2003) and others who advocate a constitutional amendment to guarantee a job to anyone who wants one and to guarantee that anyone working full time would be able to earn a living wage.

4. Poverty Caused by Geographical Disparities

Rural poverty, ghetto poverty, urban disinvestment, Southern poverty, third-world poverty, and other framings of the problem represent a spatial characterization of poverty that exists separate from other theories. While these geographically based theories of poverty build on the other theories, this theory calls attention to the fact that people, institutions, and cultures in certain areas lack the objective resources needed to generate well being and income, and that they lack the power to claim redistribution. As Shaw (1996:29) points out, "Space is not a backdrop for capitalism, but rather is restructured by it and contributes to the system's survival. The geography of poverty is a spatial expression of the capitalist system."

That poverty is most intense in certain areas is an old observation, and explanations abound in the development literature about why regions lack the economic base to compete. Recent explanations include disinvestment, proximity to natural resources, density, diffusion of innovation, and other factors (see Morrill and Wohlenberg, 1971:57-64). In a thorough review of the literature on rural poverty, Weber and Jensen (2004) note that most literature finds a "rural differential" in poverty, but that the spatial effect is not as clearly isolated from individual effects as needed for confidence. Goldsmith and Blakely offer a comprehensive perspective on the link between development and poverty in urban contexts. In their book, Separate Societies they argue that the joint processes of movement of households and jobs away from poor areas in central cities and rural regions creates a "separation of work, residence, and economic, social and political life" (1992: 125). These processes which we already discussed are multiplied by racism and political indifference of the localities in which they flourish.

One theoretical perspective on spatial concentrations of poverty comes from economic agglomeration theory. Usually used to explain the emergence of strong industrial clusters (Bradshaw, King, and Wahlstrom, 1998) agglomeration shows how propinquity of similar firms attracts supportive services and markets, which further attracts more firms. In reverse, the propinquity of poverty and the conditions leading to poverty or the consequences of poverty (crime and inadequate social services) generate more poverty, while competitive areas attract business clusters, drawing away from impoverished communities. Low housing prices in such locations may attract more poor persons, for example, leading to housing disinvestment by building owners. In a world in which the criteria for investment is "location, location, location," it is not unreasonable to track investment going to neighborhoods, communities and regions in which there is already substantial investment, while leaving less attractive areas.

A second theoretical insight is from central place theory and related “human ecology” examinations of urban growth that trace the flows of knowledge and capital (Rural Sociological Society, 1990:71-74). As Niles Hansen (1970) points out, rural areas are often the last stop of technologies, and low wages and competitive pricing dominate production. The lack of infrastructure that allows development of human resources limits economic activity that might use these resources. Places left behind (Lyson and Falk, 1992) experience the largest competition in restructuring of the economy because the jobs in these categories are most likely to move to less developed countries. An increasing body of literature holds that advantaged areas stand to grow more than disadvantaged areas even in periods of general economic growth and that there will be some “trickle-down” but not an equalizing as classical economists would have us believe (Rural Sociological Society, 1990: 114-119).

A third perspective involves selective out-migration. One part of Wilson’s book, The Truly Disadvantaged (1987), holds that the people from ghetto areas with the highest levels of education, the greatest skills, widest world view, and most extensive opportunities were the ones who migrated out of central city locations to other places. In addition, he argued, these departing people also were the community’s best role models and were often civic leaders. Rural poverty is similarly attributable to selective out migration. Population density (both low rural density and the negative impact of high density) is another part of a growing body of theory on spatial variables in social science using the tools of GIS to track spatial dynamics of opportunity and poverty (Bradshaw and Muller, 2003).

Anti-Poverty Programs from a Geography of Poverty Perspective.

A geographical theory of poverty implies that responses need to be directed to solving the key dynamics that lead to decline in depressed areas while other areas are growing. Instead of focusing on individuals, businesses, governments, welfare systems, or cultural processes, the geographical theory directs community developers to look at places and the processes by which they can become self-sustaining. Interestingly, a few disadvantaged communities around the world are finding their way out of poverty and as such show that it can be done. However, as Morrill and Wohlenberg (1971:119-120) point out, it is hard.

Some who view regional poverty analyses made proposals in the 1970s to encourage out migration under the premises that it would reduce poverty to have people in a place where there was a growing economy. Instead, the rural poor people moving to the city became urban poor, with much the same hopeless situation. It has been said that much of urban poverty is actually displaced rural poverty.

No matter how badly buffeted by geographical forces, community development programs attempt to help communities identify their assets and address their condition. Many government and foundation programs have assisted in this effort and progress can be demonstrated. Several approaches have been taken to build stronger geographical areas; the following are more examples than an exhaustive list.

- Improve local industry competitiveness through cluster development (Blakely and Bradshaw 2001) or building creative communities (Florida, 2002).
- Enterprise zones, redevelopment and other tax based incentive programs for economic development and channeling private investments.
- Inclusionary zoning, affordable housing and similar programs that place conditions on development.

- Downtown revitalization and civic improvements that increase amenities and make areas more attractive, hoping to stimulate employment and tax revenues.
- Infrastructure investment, including interstate highways, parks, water, waste disposal, schools and other public facilities.
- Community organizing
- National and regional reinvestment that shifts funds from one area to another, as the commitment to helping the Southern US grow after WW II.

The community development approach through community visioning, planning, and especially community investment is central to efforts to turn around distressed areas and places where poverty is rampant. Because community developers understand community, their efforts often leverage community assets, integrate economic development in an area with housing and other spatially allocated factors, and hope that the changes will increase opportunities for residents.

5. Poverty Caused by Cumulative and Cyclical Interdependencies

The previous four theories have demonstrated the complexity of the sources of poverty and the variety of strategies to address it. The final theory of poverty I will discuss is by far the most complex and to some degree builds on components of each of the other theories in that it looks at the individual and their community as caught in a spiral of opportunity and problems, and that once problems dominate they close other opportunities and create a cumulative set of problems that make any effective response nearly impossible (Bradshaw, 2000). The cyclical explanation explicitly looks at individual situations and community resources as mutually dependent, with a faltering economy, for example, creating individuals who lack resources to participate in the economy, which makes economic survival even harder for the community since people pay fewer taxes.

This theory has its origins in economics in the work of Myrdal (1957:23) who developed a theory of “interlocking, circular, interdependence within a process of cumulative causation” that helps explain economic underdevelopment and development. Myrdal notes that personal and community well being are closely linked in a cascade of negative consequences, and that closure of a factory or other crisis can lead to a cascade of personal and community problems including migration of people from a community. Thus the interdependence of factors creating poverty actually accelerates once a cycle of decline is started.

One place where the cycle of poverty is clearly defined is in a book on rural education by Jonathan Sher (1977) in which a focus is on the cycle by which education and employment at the community and individual level interact to create a spiral of disinvestment and decline, while in advancing communities the same factors contribute to growth and well being. For example, at the community level, a lack of employment opportunities leads to outmigration, closing retail stores, and declining local tax revenues, which leads to deterioration of the schools, which leads to poorly trained workers, leading firms not to be able to utilize cutting edge technology and to the inability to recruit new firms to the area, which leads back to a greater lack of employment.

This cycle also repeats itself at the individual level. The lack of employment leads to lack of consumption and spending due to inadequate incomes, and to inadequate savings, which means that individuals can not invest in training, and individuals also lack the ability to invest in businesses or to start their own businesses, which leads to lack of expansion, erosion of markets, and disinvestment, all of which contribute back to more inadequate community opportunities. Health problems and the inability to afford preventive medicine, a good diet, and a healthy living environments become reasons the poor fall further behind. The cycle of poverty also means that

people who lack ample income fail to invest in their children's education, the children do not learn as well in poor quality schools and they fall further behind when they go to get jobs. They also are vulnerable to illness and poor medical care.

A third level of the cycle of poverty is the perspective that individual lack of jobs and income leads to deteriorating self-confidence, weak motivation, and depression. The psychological problems of individuals are reinforced by association with other individuals, leading to a culture of despair, perhaps a culture of poverty under some circumstances. In rural communities this culture of despair affects leaders as well, generating a sense of hopelessness and fatalism among community leaders.

This brief description of the cycle of poverty incorporates many of the previous theories. It shows how people become disadvantaged in their social context which then affects psychological abilities at the individual level. The various structural and political factors in the cyclical theory reinforce each other, with economic factors linked to community and to political and social variables. Perhaps its greatest value is that it more explicitly links economic factors at the individual level with structural factors that operate at a geographical level. As a theory of poverty, the cyclical theory shows how multiple problems cumulate, and it allows speculation that if one of the linkages in the spiral was broken, the cycle would not continue. The problem is that the linkages are hard to break because each is reinforced by other parts of the spiraling system.

Anti-Poverty programs from a Cycle of Poverty Perspective.

The complexity of the cycle of poverty means that solutions need to be equally complex. Poverty is not just one cause but many, while our antipoverty efforts seem to focus on only part of the solution. Community developers are specialists in appreciating the interdependence of different parts of the community and their solution is to try to address issues like poverty from a multifaceted approach. Steps taken to break the cycle of poverty are necessarily complex, but they are a better solution to poverty than most single factor efforts, and it is embedded in some of the most successful anti-poverty programs from the community development corporations, local neighborhood revitalization projects, and other efforts linking grass roots problem solving with diversified organizational management. The limitations to the first four theories of poverty lead us to want to look closely at the cyclical theory. On the whole the cycle of poverty is rarely mentioned by poverty scholars but its success by programs such as the Family Independence Initiative (FII) in Oakland give hope. I highlight this program just as an example of the cycle breaking efforts of many innovative community based development organizations.

Helping poor people achieve "self-sufficiency" is an increasingly significant phase in poverty reduction. While called various names, the emphasis is on providing both "deep and wide" supports and services for people. A full step from poverty requires six interdependent elements of self-sufficiency that can be identified and tracked (Miller et al, 2004).

1. Income and economic assets
2. Education and skills
3. Housing and surroundings (safe, attractive)
4. Access to healthcare and other needed social services
5. Close personal ties, as well as networks to others
6. Personal resourcefulness and leadership abilities.

A key piece of this comprehensive approach to helping individuals from poverty is that there is no way the public can do all of this for every person without first increasing social capital among

communities or subcultures of the poor. Miller has a strong belief that strong interpersonal ties as in villages or organized groups can provide shared assistance that professionals can not. The key is helping groups of poor people build supportive communities with shared trust and mutuality. This program consciously seeks the benefits of building social capital (following Putnam 2000) based on 'affinity groups' where people share common interests from their ethnicity, religion, family history, living area, or other sources of friendship. Building the personal ties and leadership linking individual families to their community is perhaps the most challenging part of the FII model. Thus, in this model the key is to see the interrelation between financial and material resources and ties to the community.

In facing the overwhelming task of helping both poor people and their poverty neighborhoods, there is no easy answer to breaking the cycle of poverty. Asset mapping (Kretzman and McKnight, 1993) is a way to identify whatever strengths the community has and to use them to solve problems in the most effective way rather than to spend time identifying problems for which there may not be adequate answers. Moreover, existing organizations with roots in the community are generally more effective in bridging the range of problems in a community facing poverty cycles than new single purpose organizations.

Community development programs structure their efforts around three focal points for breaking the cycle of poverty. These program structures, like the cyclical theory itself, combines strategies and tools from response to the other theories of poverty.

1. Comprehensive. The first strategy to breaking the cycle of poverty is to develop comprehensive programs. Comprehensive programs are ones that include a variety of services and that try to bridge the individual and community needs.

2. Collaboration. The key to doing extensive programs without becoming too uncontrolled is to collaborate among different organizations to provide complementary services that by their combination of efforts the output is greater than could be done by either alone. Collaboration involves networks among participants, though the coordination can vary from formal to informal.

3. Community Organizing. Finally, community organizing is a tool by which local people can participate to understand how their personal lives and the community well being are intertwined. Breaking the cycle of poverty must include individuals to participate as a community in the reversal, just like individuals create the spiral downward when they and their community interact in a cycle of failure. For the poor, empowerment is central to this issue.

It is interesting that this is the approach to poverty that is the least commonly described in the poverty literature, but community based examples are what is brought out whenever successes are discussed. There are no comprehensive community based self-sufficiency programs from the federal government or most states. The bulk of efforts remain experimental and rooted in programs from foundations. In our review of what works to build community and improve the lives of poor people we recall examples like Dudley Street (Medoth and Sklar, 1994), not a welfare office. The key to these successes is as Fung (2004) suggests, empowered participation.

Implications

This essay started with the premise that the theory or explanation of poverty one holds shapes the type of anti-poverty efforts that are pursued by community developers. The fact that poverty theory addresses individuals, their culture, the social system in which they are embedded, the place in which they live, and the interconnection among the different factors

suggests that different theories of poverty look at community needs from quite different perspectives. The diversity and complexity of causes of poverty allow for these multiple points of view. While none are “wrong,” it is consequential from a community development perspective which theories are applied to particular anti-poverty efforts. How one frames the question of community development determines who gets what types of service and who gets left out.

However, this essay also argues that the first four theories do not fully explore the relation between individuals and their community in the process of placing people in poverty, keeping them there, and potentially getting them out. The growing realization is that individuals are shaped by their community, and communities are as a consequence shaped by their individual members. The strength of the growing interest in social capital by social scientists following Putnam (2000) points to this interdependence where individuals through association memberships create communities characterized by more trust and reciprocity, and in these communities with more social capital thousands of small activities are possible that contribute to reversing the spiral of decent into poverty. It is no wonder that communities with strong social capital (or similarly entrepreneurial communities described by Flora and Flora) have been shown to be more resilient to adversity and thus protect their residents from the spiral into poverty that less civic communities experience when facing similar challenges.

Similarly, community economic and political systems and institutions reflect community values and respond to the social capital that underlies these values. While reforming social institutions is a policy response to poverty essential in poverty communities, Duncan (1999) concludes her book on rural poverty with the observation that communities which value equality and have narrow gaps of opportunity also have institutions that reflect these values and to a greater degree try to not leave anyone behind too far. She thinks that education is the most important local institution where this dynamic can be reversed in poor communities. Goldsmith and Blakely in their book Separate Societies (1992) make the same type of argument. Policies that build community institutions help to close the gap between poverty and rich communities, rather than many existing policies that widen it.

Increasing the effectiveness of anti-poverty programs requires that those designing and implementing those programs need to not only develop adequate theories of poverty to guide programs, but they must make sure that the community development approaches are as comprehensive as possible.

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Five Theories of Poverty and Community anti-poverty programs

Theory	What causes Poverty?	How does it work?	Potential Community Development responses	Community examples to reduce poverty
1. Individual	Individual laziness, bad choice, incompetence, inherent disabilities	Competition rewards winners and punishes those who do not work hard and make bad choices	Avoid and counter efforts to individualize poverty, provide assistance and safety net	Drug rehabilitation, second chance programs, making safety net easier to access, use training and counseling to help poor individuals overcome problems
2. Cultural	Subculture adopts values that are non-productive and are contrary to norms of success	Peer groups set wrong values and reinforce wrong behaviors,	Use community to the advantage of the poor; value diverse cultures, acculturation, and community building; alternative socialization through forming new peer groups,	Head start, afterschool, leadership development within sub-cultures, asset based community development
3. Political-economic Structure	Systematic barriers prevent poor from access and accomplishment in key social institutions including jobs, education housing, health care, safety, political representation, etc	Selection criteria directly or indirectly exclude some groups of persons based on inappropriate criteria	Community organizing and advocacy to gain political and economic power to achieve change; create alternative organizations,	Policies to force inclusion and enforcement,
4. Geographic	Social advantages and disadvantages concentrate in separate areas,	Agglomeration, distance, economies of scale, and resource distributions reinforce differences	National redistributions, concentration of development on local assets,	Redevelopment areas, downtowns, rural networking, urban revitalization
5. Cumulative and cyclical	Spirals of poverty, problems for individuals (earnings, housing, health, education, self confidence) are interdependent and strongly linked to community deficiencies (loss of business and jobs, inadequate schools, inability to provide social services) etc.	Factors interact in complex ways. Community level crises lead to Individual crises and vice versa, and each cumulate to cause spirals of poverty	Breaking the spiral of poverty with a spiral of success through a comprehensive program that addresses both individual and community issues.	Comprehensive CDC programs that build self-sufficiency in a community reinforced environment, programs that link individuals and community organizations, asset based approaches

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RUPRI Rural Poverty Research Center Oregon State University 213 Ballard Hall Corvallis OR 97331-3601 PH 541 737-1442. Theories of Poverty and Anti-Poverty Programs in Community Development.Â Recent research has confirmed the linkage between wealth and power, and has shown how poor people are less involved in political discussions, their interests are more vulnerable in the political process, and they are excluded at many levels. Coupled with racial discrimination, poor people lack influence in the political system that they might use to mobilize economic benefits and justice.