

# What's next? Some reflections on the poverty conference

## Poverty and race

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Of necessity, I bring an outsider's perspective to poverty research.<sup>1</sup> But although it is not a field to which I have contributed, as a student of inequality in American society I have been an avid consumer of this work for some time now. One thing is immediately apparent. The field has progressed impressively over the last 25 years—with better data, more sophisticated analytic methods, and a growing number of creative scholars working on the problems. We have witnessed the professionalization and institutionalization of research in this field in the years since the War on Poverty. On balance, this is surely a good thing. Yet my sense of the matter is that it is also a mixed blessing. I will say more on this point in due course.

### Conceptual issues

Although some effort has obviously been taken to gather an interdisciplinary group of scholars, the balance is still heavily weighted in favor of econometric analysis. There is nothing wrong with rigorous statistical inference from quantitative data—this activity is indispensable. But I'm moved to ask: Where are the ethnographers, developmental psychologists, social philosophers, and political analysts? These are vitally important areas of scholarship bearing directly on the issues under discussion. There are some puzzles raised by the poverty data that can, in my opinion, only be illuminated with cross-disciplinary collaboration. I know that effective scholarly exchanges across disciplinary boundaries are not easy. But a difficult thing becomes impossible when it is not tried.

I stress this because, as I see it, we will need to look beyond the conceptual resources of economics and quantitative sociology if we are to make progress on some of the crucial outstanding issues. Why, for example, does couching some interventions explicitly in terms of religious faith seem to matter for their success? How does a group of people (like welfare recipients living in cities and belonging to racial minority groups) come to be stigmatized, and what effect does the prospect of such stigmatization have on their behavior and their well-being? Where do ideas about identity (who am I?) and about social identification (who is essentially like me?) come from, and what role is played by people's ideas in this regard to produce or to avert bad social outcomes? What can be said about the shaping of individual preferences—regarding work, sexuality and family formation, 'academic achievement, associational behaviors, and the like?

Social scientists have not made much progress toward answering such questions, but what progress there has

been is the result mainly of qualitative investigations in the field. How can the insights from such qualitative inquiry be integrated with the knowledge produced from careful statistical analyses of nationally representative data sets? I urge that some consideration be given to this question at the next ingathering of poverty researchers. The sociologist George Farkas provides an apt illustration of the point I'm trying to make here.<sup>2</sup> Paraphrasing, Farkas argues as follows: Here is a young man to whom one says, "Why don't you marry the girl you got pregnant? Why don't you work in a fast-food restaurant instead of standing on the street corner hustling? Why don't you go to community college and learn how to run one of the machines in the hospital?" And his answer is not, "I have done my sums and the course you suggest has a negative net present value." Rather, his answer is, "Who, me?" He cannot see himself thus. Now, I ask, how are we to understand the people who answer us in this way? And, how can we achieve a satisfactory grasp of the nature of poverty in American society in the absence of such an understanding?

Another area where my theorist's sensibility cries out for greater clarification involves the construction of the very concept of "poverty" itself. A clear distinction between "poverty," "disadvantage," "inequality," and "social exclusion" is often not drawn. Measurement of poverty involves imposing a binary categorization (poor/not poor) upon a continuous, multidimensional flux of social experience. There are two parts to this problem: to define a measure of well-being, and to define what about the distribution of well-being is normatively salient. Despite the disappointing (to me, anyway) results of efforts by axiomatic social choice theorists to deduce poverty measures from more primitive postulates about social values, I am convinced that this remains an area much in need of theoretical work. More generally, I think that there are both normative and positive issues raised by the problem of poverty (that is, issues of *social values* and of *individual behavior*). I judge that the former warrant more attention.

### Race and poverty research

As the director of an institute dedicated to the study of "race and social division" I would be remiss if I did not comment on this aspect of the poverty problem. Taking the papers presented at this conference as a whole, in table after table and regression after regression one encounters the disturbing evidence that racial differences in the experience of poverty are large, intractable, and poorly understood. Why are the extent, severity, and durability of impoverishment

so much greater among blacks than whites, Hispanics than Asians? It is a failing of the poverty research tribe that so little can be said with confidence about this. I offer two thoughts on this problem.

The first deals with the concept of racial discrimination. In the early days, discussions of race and poverty in the United States often entailed some consideration of discrimination. As an historical practice, this is appropriate and understandable. My current view, however, is that a focus on the discriminatory treatment of individuals is no longer adequate. To illustrate my position, consider an elemental distinction between two kinds of behavior—what I'll call discrimination in contract and discrimination in contact.

By "discrimination in contract" I mean to invoke the unequal treatment of otherwise like persons based on race in the execution of formal transactions: the buying and selling of goods and services, or the interactions with organized bureaucracies, for instance. By contrast, "discrimination in contact" refers to the unequal treatment of persons on the basis of race in the associations and relationships that are formed among individuals in social life, including the choice of social intimates, neighbors, friends, heroes, and villains. It involves discrimination in the informal, private spheres of life.

An important difference is to be noted between these types of discrimination. Discrimination in contract occurs in settings over which a liberal state could, if it were to choose to do so, exercise review and restraint in pursuit of social justice. Precisely this has happened in the United States in the period since 1965, with significant if not complete success. Yet in any liberal political order some forms of discrimination in contact (marriage, residence, friendship networks, for instance) must remain a prerogative for autonomous individuals. Preserving the freedom of persons to practice this discrimination is essential to the maintenance of liberty, because the social exchanges from which such discrimination arises are so profoundly intimate and cut so closely to the core of our being.

However, and this is my key point, mechanisms of status transmission and social mobility depend critically upon the nature of social interactions in both spheres—that is, on the patterns of contact as well as on the rules of contract. The provision of resources fundamental to the development of human beings is mediated by formal and informal, by contractual and noncontractual social relations. I have in mind the roles played in the shaping of persons by the family, the social network, and (using the word advisedly) the "community." I am thinking about infant and early childhood development, and about adolescent peer group influences. I mean to provoke some reflection on how people come to hold the ideas they, in fact, do hold concerning who they are (their identities), which other persons are essentially like them (their social identifications), and what goals in life are worth striving toward (their ideals).

My fundamental empirical claim is this: In U.S. society, where of historical necessity patterns of social intercourse

are structured by perceptions of race, it is inevitable that developmental processes operating at the individual level will also be conditioned by race. From this it follows that, in a racially divided society like the United States, fighting discrimination in the sphere of contract while leaving it untouched in the sphere of contact will generally be insufficient to produce basic equality of opportunity for all individuals. And yet a commitment to political liberalism would seem to require precisely this. Hence the dilemma, one that I believe is powerfully relevant to the study of racial disparities in the experience of poverty.

My second point has to do with the role of cultural explanations in accounting for racial disparities. I am deeply suspicious of the easy evocation of cultural arguments in this area, because these arguments typically neglect the crucial point that group identifications and racial self-understandings are endogenous. How are we to account for the ways in which, within a system of mutually susceptible individuals, each seeking approval or standing with the others, a normative type emerges that becomes the model for what "authentic" behavior represents within the (racial) group?

The "peer effect" models typically posit a gravity-type idea: the norm (for a race-, class-, or neighborhood-based group) is the mean or median behavior found within the group, toward which individuals are pulled, to some extent contrary to their individual inclinations. But why? These are human beings, not celestial bodies. Why should criminal behavior, early unwed pregnancy, or hours spent studying be driven by the mean or median action within a peer group, and not by the 90th or 10th percentile action? In other words, how does the group construct its notion of what constitutes a norm?

I think this centrist-focused approach may be quite far off, and that examples can be found where idealization of heroic, extreme behavior is more influential than "regression to mean" types of peer influence. For this reason, I am interested in how notions of stigma, shame, honor, and the rest arise as outcomes of intersubjective encounters amongst a group of people seeking to discover for themselves "who they really are," as individuals and collectively. And I am particularly concerned about such matters when the groups involved are defined in part on the basis of "race." Anyone who evokes notions like "black culture," "ghetto culture," or "underclass culture" in an effort to explain racial differences in poverty experience ought to be required to address such matters as well.

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<sup>1</sup>These remarks form part of rapporteur's comments by Professor Loury, presented at the IRP conference, Understanding Poverty in America: Progress and Problems, on May 22-24, 2000, in Madison, WI. The revised conference papers will be jointly published by Harvard University Press and the Russell Sage Foundation in a volume tentatively titled *Understanding Poverty: Progress and Prospects*.

<sup>2</sup>*Human Capital or Cultural Capital? Ethnicity and Poverty Groups in an Urban School District* (New York: A. de Gruyter, 1996).