

Poverty, Welfare and Power

by Sophia Tutorial



WHAT'S COVERED

This tutorial will cover the topic of poverty, through the definition and discussion of:

1. Forms of Poverty
2. Categories of the Poor
3. Feminization of Poverty
4. Homelessness
5. Welfare
6. Global Perspective on Poverty: Imperial and #Colonial Power

1. FORMS OF POVERTY

There are three forms of poverty or three ways sociologists commonly distinguish poverty and the state of being poor:

- **Relative Poverty:** a form of poverty when you are poor relative to somebody else. Therefore, relative poverty simply depends on your perspective and the relationship you have with someone else--it's more of a psychological condition than a physical need.

🔗 **EXAMPLE** If you live in a neighborhood that's predominantly composed of wealthy people, but you only make \$25,000 a year, you might feel quite poor comparatively. Yet you're also rich relative to somebody who has no savings, no job, or is homeless.

- **Absolute Poverty:** a form of poverty that's so extreme that it's dangerous for survival, meaning that you might die because you're so poor. It has a major impact on life expectancy, which is dramatically lower if you're living in absolute poverty, because you could be malnourished, for instance. Therefore, this is a form of poverty so extreme that it can threaten your life.



DID YOU KNOW

One-fifth of the world's people--1.4 billion people--live in absolute poverty.

- **Functional Poverty:** a form of poverty in which you're getting by--you're functional--but you're just meeting your basic needs, food and shelter. You have no other money or other savings; you're essentially living by meeting your basic needs. It's very difficult for people in functional poverty to get out of poverty. They can

survive, but it's hard to do anything else.



TERMS TO KNOW

Relative Poverty

A form of poverty where one person is poor relative to another.

Absolute Poverty

A form of poverty that is so extreme that individuals suffering from absolute poverty live in danger.

Functional Poverty

A form of poverty in which a person can only meet their basic, functional needs of food and shelter with little else.

2. CATEGORIES OF THE POOR

Who are the poor in the United States? What kind of categories do they belong to?

- People of color are three times as likely as white people to live in poverty. This is because of racial prejudice and systematic exclusion from labor markets by the dominant white majority for centuries.
- Elderly people historically have also been thought of as victims of poverty. However, over the last several decades, there have been advances in the caliber of retirement savings programs, such that society has been able to lift many seniors out of poverty.
- People under 25 are now more likely to be living in poverty. There's a trend right now, a student loan debt bubble, in which many students have loans that they can't afford, and because the economy is so bad, they also don't have well paying jobs.

➦ **EXAMPLE** If you have \$100,000 of student debt, yet you're working as a restaurant server, you won't be able to effectively pay off your debt.

3. FEMINIZATION OF POVERTY

Our country is also experiencing what is called the **feminization of poverty**, which is to have more women relative to men become poor, or to increase the percentage of women becoming poor through time. This means that now, more females are poor than males. This is likely due to the fact that more and more women are heads of households, heading up single families of women and children, which helps to explain the feminization of poverty.



TERM TO KNOW

Feminization of Poverty

A shift in the demographics of poverty in which we see a higher proportion of females in poverty than before.

4. HOMELESSNESS

In addition to the categories of people who suffer from poverty, such as racial categories, women, children, and young people, poverty generates broad problems in society, like homelessness. The U.S. has a major problem with **homelessness**--the condition of not having a home. It includes people who might have to live on the street, or in a car, or in a homeless shelter.



DID YOU KNOW

Some estimates state that as many as 1.6 million people in a given year will spend some portion of that year homeless.

IN CONTEXT

The old stereotype of people pushing around shopping carts containing all of their possessions or sleeping on park benches is rather outdated, because there now exists the ‘new homeless’--people who have lost their jobs due to structural reasons in the economy or who have lost their homes due to the 2008 financial crisis. The bank has foreclosed the home and they've lost the mortgage, so these people become homeless.

In a recent documentary about homeless people who live in cars, they were able to retain their cars and they spend their money on gas, and drive around from parking lot to parking lot, locations where they think it will be safe to sleep.

These people are simply trying to regain a foothold in the normal economy and a structured, normal working life. One woman even worked a job while living in her car and trying to save money--she didn't have a bank and had keep all of her cash in her car, which isn't very safe. Homelessness in the United States is a real, undeniable problem.



TERM TO KNOW

Homelessness

A social phenomenon describing members of society who do not have adequate housing.

5. WELFARE

How does society deal with poverty? It's a problem that has many adverse consequences and effects, so how does society mitigate these effects? There are two overriding responses to poverty in society, both funneled through welfare or helping out people:

- **Individual welfare:** Aid given directly to individuals through reduced taxes, reduced grocery or school lunches, daycare, commuter expenses (e.g., bus passes), to name a few examples. The idea of individual welfare is that it goes directly to the individual.
- **Corporate welfare:** When you give support and aid directly to private businesses with the hopes that this will improve the economy, create more jobs, and infuse more spending in the economy, so that everyone functions better.

This is typically called ‘trickle down economics,’ or Reaganomics, after Ronald Reagan, who pushed for this

strategy. Corporate tax breaks are given to private businesses with the hope that they will use that money to hire new workers, who will, in turn, be able to get a paycheck, spend money, and improve the economy overall. From the top down, support and aid will trickle down, and society will become better.

IN CONTEXT

Corporate welfare is commonly the Republican strategy to welfare. Democratic candidates stereotypically claim that Republican candidates don't care about the poor, that this strategy only benefits the wealthy.

Conversely, proponents of individual welfare say that money is given directly to individuals in need, so that they can spend it today, rather than having to wait for some corporation that may or may not hire somebody. Also, how is the person in need going to even get to that job opening up across town? Therefore, responses to poverty differ along political lines.



TERMS TO KNOW

Individual Welfare

Aid to individuals directly.

Corporate Welfare

Aid or tax breaks to corporations with the hopes that they create jobs which trickle down to individuals.

6. GLOBAL PERSPECTIVE ON POVERTY: IMPERIAL AND COLONIAL POWER

You've explored poverty within America, yet it's also important to look at poverty in a global and historical perspective. Why are there some countries more likely to have problems with poverty than others? Why are some countries richer than others?

If a country is richer, it follows that the citizens of that country are more likely to be richer, on an individual level. What does history have to do with this? Two ideas explain the global and historical take on poverty: imperial power versus colonial power. These terms are commonly thought of as synonymous, but they are distinct.

- **Imperial Power:** power gained through imperial expansion, from establishing a domination over a territory or a nation for some purpose of enriching wealth back home at the center, or the imperial seat. You might venture out to a nation and exploit it for its natural resources, yet you're not really that interested in settling there, so you're not going to set up a colony. You just want to exploit it and funnel all those resources back home, so they can be used in your economy at home. In this process, you enrich yourself and impoverish the others in that territory, integrating them into a world economy in a dependent position.
- **Colonial Power:** power derived from establishing a colony in another area. The U.S. did this when we settled in America, by displacing the native population and establishing the position of dominance over

them, and deriving power.

➦ **EXAMPLE** The French also did this in Algeria, where they established a colony and derived power. Native Algerians were more likely to be impoverished, rather than the French colonizers.

Therefore, imperial power and colonial power help to explain why some nations and, it follows, the people within them, are more or less likely to be poor or rich today.



TERMS TO KNOW

Imperial Power

Power gained through imperial expansion, through establishing economic control over a territory for the purpose of exploitation or resource extraction.

Colonial Power

Power gained through colonial settlement.



SUMMARY

Today you learned about the **forms of poverty** and **categories of the poor**, as well as some of the negative and adverse effects of poverty in this country, such as the **feminization of poverty** and **homelessness**. You also explored **welfare**, society's response to poverty, and the **global perspective on poverty, including imperial power** and colonial power.

Source: This work is adapted from Sophia author Zach Lamb.



TERMS TO KNOW

Absolute Poverty

A form of poverty that is so extreme that individuals suffering from absolute poverty live in danger.

Colonial Power

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Corporate Welfare

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A shift in the demographics of poverty in which we see a higher proportion of females in poverty than before.

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