

## Plenary Address, Frances Fox Piven, Relational Poverty Network Conference

10 October 2014

I'm so glad to be here. I never heard the phrase "Relational Poverty" until I started hearing from Vicky and Sarah. And then of course I discovered that I had been working on Relational Poverty pretty much all my life.

I want to talk about poverty in the United States. I want to underline Sarah's comment about the depth and extent of poverty in the United States. But I also want to argue that the very conditions which are deepening and making more extensive poverty are conditions which make possible resistance - that make possible social movements against poverty.

You hear this all the time: the depth of child poverty in the United States, the relationship of poverty to illness, physical illness, mental illness, social pathology. It really is criminal - the fact that the United States has become a world leader - a world leader in poverty. Although, it's also increasing elsewhere: in Europe, especially in the Southern tier, and in all the settler societies created by English imperialism including Canada, Australia, and so on. But, think about this: the United States is the world leader in poverty. It's also the richest country in the world.

So how do we understand this juxtaposition of great wealth and deep, extensive poverty. The dominant explanation in the United States, even among philanthropists, the Bill Gates', the "good philanthropists," I suppose, the dominant explanation fastens on the poor themselves. Something about the poor themselves explains their impoverishment, their illness, their misery. The dominant explanation, in other words, echoes Margaret Thatcher's famous slogan, "There is no such thing as society, there is only the individual...and the family." - she added somewhat later "and the family." What she and the poverty industry, the poverty propagandists, like Paul Rand for example, mean by that is that the reasons why people are poor have to do with their individual characteristics probably genetically determined. Or maybe the result of the treatment they received as babies and children from impoverished families. The reasons are individual and biological. There are cases where in a particular set of circumstances the individual is not to blame for causing poverty, disasters for example. But namely we have to look to the individual and the family.

Now this kind of idea this kind of thinking has very ancient roots. And its significance is that it turns us away from the characteristics of our society, it distracts us. We think about their early childhood upbringing, or we worry about preschool. Now I'm in favor preschool for everybody, actually for all children. But, the idea that someone's causing poverty due to lack of preschool turns us away from the social, economic, and political, and cultural relationships which embrace and shape *all of us*, not just the poor. It also turns us away from the dense, crystalized social relations that we call institutions - institutions that have a lot to do with creating poverty.

Now think about this: why is poverty increasing as the society is still getting wealthier? All this talk about the United States failing, declining ... but we're still rich and we're getting richer. We're the richest and we're creating more and more poor people. What does that have to do with? That has to do with labor markets. That has to do with the fact that wages are stagnant or falling in real terms for large sectors of the labor force. It has to do with the fact that many, many people work as what are called precarious workers, or contingent workers. Or think about the demand now for the fast food workers. What do they want? They just want to know what their schedule is so they can arrange for childcare. Isn't that languid, pathetic...

What has to do with labor market has to do with social policies. We have eliminated cash assistance to women with children. There are so few people getting tenant assistance. In 1996 we didn't replace it. We have something called the earn income tax credit, which is a subsidy to low waged workers paid for by other workers. I mean, where does that subsidy come from? It comes from public revenues. And where do public revenues come from? Well, I have something to say about that in a moment. So it has to do with labor markets, with our relationships and our social policies. It has to do with what has happened in entire urban communities that have been deserted. Go to Camden, or go to Detroit, or go to parts of Cleveland, or Rochester, those are devastated communities with people sprawled on the sidewalk.

Why is that? Is it the people there that are doing that? Is it their individual characteristics? I don't think so. It's big processes of disinvestment for example; it's racism and the way in which it's marked these communities. Well, social relationships, including relationships pardoned into institutions, create poverty. And that includes political institutions. It includes an electoral political system that has been penetrated by big money that is suffused with propaganda. Where even the elemental feature of an electoral representative democracy - the vote - is constantly being challenged by voter ID laws, or shortening the early voter voting period, or by forms of voter harassment. Even the vote is not protected.

So, that's why we're at this conference. We have to study those relationships, those relationships that are hardened into institutions and what they have to do with poverty. So, what is the contemporary problem? Why is poverty increasing? Remember when we all had faith that over time poverty would be reduced, that the worst sorts of hardship would be reduced, that slums would be cleared? Not fast - some of us were very impatient - but we thought gradually the United States was joining what we thought of as the family of welfare states, and that progress would be made. But it's not. It's being reversed. So why is that? The reason for that is we're in a new phase of capitalism.

A kind of hyper-capitalism we call neoliberalism. Now this hyper-capitalism, it doesn't conform with the ideas about markets we associate with capitalism. Hyper-capitalism does not unleash the productive capacities of the United States. That is not what is happening. Maybe that's what is happening in China, but that is not what is happening here. What is happening is under the rubric of neoliberalism or hyper-capitalism we are in a period of vast redistribution of the accumulated assets of the United States. I think that's quite horrifying.

So let me try to explain. Well the most obvious kind of redistribution is the redistribution of the productivity generated by our factories and our trade, the redistribution from wages to profits. I said wages have been stagnant or falling, but profits have been steadily increasing. Even during the financial recession profits continued to increase, but wages fell dramatically during this period. Workers were terrified by the rise in unemployment and they accepted lower wages. Or think about the change in the way in which public activities funded. Government, even in the United States, plays a large role in the economy. Who pays for housing? Paid for by taxes.

Well, for quite a while after World War II the top marginal tax rate in the United States was 91%. That doesn't mean rich people paid 91% of their income, it means the top part of their earnings were taxed at the rate of 91%. Now the official top rate is 39%. But that's not what is significant, what is significant is that so many of the very wealthy pay very little taxes. They don't pay the legislative tax rate. They engage in manipulations such as the diversion of their profits to foreign subsidiaries, or they manipulate states and localities. For example locating a supermarket or locating some other kind of business enterprise, promising that so many people will be employed, however, those promises are rarely fulfilled, but they walk away with a share of the public sector in their pocket. Or think about what's happened to the public sector, some people call the public sector the commons. Think of the way in which the public sector has become a new landscape for entrepreneurial scavengers. It's become a kind of bazaar. As with arguments about efficiency, which are never realized, public and private enterprises, private businesses bid against each other to take over our welfare system, to take over our prison system, to take over the provision of public services for profit.

Or think about how over time we're not only redistributing current income, current wealth, we're also redistributing the wealth earned in the past and the wealth that will be earned in the future. What does it mean when people lose homes in which they've invested through years of mortgage payments? What are they losing? They're losing their past earnings. What does it mean when as a result of say the bankruptcy of Detroit the pensions earned by the workers in Detroit are slashed? Those are their past earnings. Or what does it mean when students go into debt in order to do what the American Dream says you should do: work hard, study hard, get a degree, and you'll be a success. They go into debt and they come out of school with a future that is indebted through wage garnishments. So past and future wealth is being redistributed.

Or think about the way in which the circumstances of women in the United States, and elsewhere, has changed. Well, women used to be confined to domestic roles. We had certain ideas about women that biologically they are just wives, and that was not good. Emancipation -- I'm in favor of emancipation. Emancipation has actually meant women have become wage laborers. Even though at the same time they are still mainly responsible for care work. To the extent that they cannot do that care work because they are already working, then no one is doing the care work.

Or think about the way in which our society has handled the problem of race in America. You know before the late 20th century African Americans had the lowest levels of unemployment of any human bracket group in the country. That's because they were working in the fields of the South, they were wage laborers or tenant farmers or whatever. Or because when they had already migrated to the cities, they were low-wage workers and they were in demand because they worked hard and had low wages. Well in the 1950s and 1960s African Americans rose up in a great movement or series of movements really. The Southern Civil Rights Movement and the Northern Economic Rights Movement - this was a great freedom movement among African Americans. The movement made African Americans rebellious about the conditions under which they lived. Especially black men were becoming rebellious. The way in which employers in the United States responded to this was to seek more emigrants as a work force, the fruit growers in Washington State, or the onion growers in New York State. Onion growers in New York state used to employ blacks as migrant workers but they didn't want them anymore because they were seen as surly and insolent and made demands and wanted housing and they wanted to be paid. So they hired Jamaicans and they hired Mexican immigrants. What did we do about African American men? Well we expanded prisons and the criminal justice system. That is the main institution that deals with an unregulated African American labor force.

Or since we're here we ought to think about what happened to Universities over this period. Mainly what happened is the corporate penetration of the universities, as public funding was slashed. University of Washington was a public university. Public universities used to be publicly funded, 7% is not publicly funded, 9% is not publicly funded. Universities have been privatized and at the same time as they've been privatized they have developed their own precariat - their own contingent work force - in the form of adjuncts who teach, in many universities, the majority of the courses. So right here at home we have a neoliberal transformation.

Well the United States is the leader in these developments but it really has occurred in Europe as well. The European welfare state has not been slashed as the American welfare state has been, but it has been whittled away. So, relational poverty means that there also are possibilities for the politics of the poor that do not exist when the poor are isolated in a barren village which no one cares about. No one cares about those villages in Somalia. But if you make them care, they will care about the poor in the United States. This poverty amidst plenty is also a poverty in the context of dense relationships, that's what we mean by relational poverty, isn't it? And those dense relationships are also opportunities for power, for power by all parties to those relationships. It's inherent in the fact of relationships. People are always forgetting this and then rediscovering it. Always. Relationships mean that people depend on each other. It means that they are interdependent.

It's a sort of 19th Century discovery that employers depend on workers and that the growth of industrial capitalism meant the growth of a kind of class power at the bottom because the workers could withdraw their labor. That's the power of independence. All workers have that power if they can figure out how to use it and how to defend themselves against the reprisals that will follow when they do try to use it. Students have that kind of power - try having a University of Washington when the students won't come to school,

just try. Or think about the urban masses – they use those relationships to create a series of movements. Remember the isolated village in Somalia, but the poor in Latin America are increasingly urbanized. They're absorbed into the economy in the informal sector. They use the fact of urbanization and the dense relationships associated with urbanization to create the movements of the 1990s and the 2010s which went pretty far towards transforming Latin America. They intimidated the United States; they intimidated the International Monetary Fund, which had been until then imposing structural adjustment policies. They forced presidents from power in one country after another. Well, how did they do this? They blocked highways. They made communication and transportation virtually impossible. You can't do that when you're isolated, you can only do that in the context of relational poverty.

Well, I think that a globalized neoliberal world is a world composed of dense and fragile relationships and that we've only begun to explore those relationships and the power of them. Think about outsourcing - the greatest threat to American workers, right? Outsourcing also creates extended chains of production, complicated pay patterns, dependent on complicated communications, and complicated transportation. All of which are very susceptible to disruption. The cooperation of everybody is not insured. So there are now powerful potentialities, also, even as new forms of aggression multiply. Or think about it in a more humble way. Think about the immigrant women who have come to cities like New York, or Chicago, or Seattle, left their own children in Guatemala or Mexico, to earn a living as nannies. Well, those women now have relationships with the middle class, and upper class women, those skirt-suited women who make their way to the big offices of Madison Avenue and Wall Street. They take care of their children and they cook their dinners. Supposing they don't come to work, those women have a kind of power. It's going to be hard for them to act on it - they feel vulnerable, they feel at risk. But, the power is there. People through history have found ways of acting on that kind of power. Thank you.