

SOCIO-ECONOMIC ROLE OF UNDERCLASS

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ABSTRACT

The purpose of this paper is to discuss underclass conception and related theories and to identify the factors that explain the role of underclass, which has become one of the important problems in capitalist societies in last three decades. Thus, this paper attempts to discuss the development of underclass conception in a historical perspective. Additionally this study includes a discussion of underclass definitions and tries to (re)-connect it to poverty conception. Moreover, a discussion of underclass and related theories (exchange theory, social control theory, structural theories, and conflict theory) is employed. The next part of the paper includes a short discussion of recent debates on the subject. Lastly, a discussion on the subject of the role of underclass in a "capitalist" society is taken place on the paper.

Key Words: Underclass, Poverty, Unemployment, Underclass Debate, Underclass Theories.

Sınıf-Altının Sosyo-Ekonomik Rolü

ÖZET

Bu yazının amacı son 30 yıldır özellikle kapitalist toplumlarda önemli bir sorun haline gelen sınıf altı (underclass) kavramını ve ilgili kuramları kısaca tartışmak ve sınıf altı'nın kapitalist sistem içerisindeki rolünü belirleyen faktörleri tanımlamaktır. Bu nedenle bu çalışma sınıf-altı kavramını tarihsel gelişimi içinde tartışma girişiminde bulunulacaktır. Ek olarak bu çalışma sınıf-altı tanımlarını tartışarak bu kavramın yoksulluklar ilgisini (yeniden) kurmaya çalışacaktır. Bunların dışında sınıf-altı ve ilgili kuramlar (alış-veriş kuramı, toplumsal kontrol kuramı, yapısal kuramlar ve çatışma kuramı) bu çalışmada yer almaktadır. Çalışmanın son bölümlerinde sınıf-altı'nın "kapitalist" bir toplumda oynadığı rolleri araştırmaya yönelik bir tartışma yer almaktadır.

Anahtar Kelimeler: Sınıf-Altı, Yoksulluk, İşsizlik, Sınıf-Altı Tartışması, Sınıf-Altı Kuramları.

INTRODUCTION

The underclass and/or poverty are an old historical phenomenon. Especially after the industrial revolution and rising urbanization, it became one of the concerns of philosophers. For example, Malthus (1809) defined underclass in terms of the "over-production and over-population of the lower classes". He thought that the solution was to encourage the lower class not to breed. According to Malthus, it was a moral problem so that they should be taught "self-reliance". Marx (1852) saw them as "lumpen proletariat". He defines them as a vast army of illiterate workers to hold down wages, and a "reserve army of the unemployed, and of industrial labor". He had a low opinion of them: "the scum of the deprived elements of all classes". In terms of class consciousness, he thought that they were too ignorant and un-organized to achieve a "class consciousness". Marx sees both proletariat and bourgeoisie as progressive, advancing the historical process by developing the labor-power of

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human being, and productive whereas the lumpen proletariat was marginal, unproductive, and regressive.

In mid of 19th century, Mayhew (1851) criticizes the state of the London poor, and the “Victorian Poor Laws”, which were designed to control what was seen as a "predisposition to idleness". Likewise, “The Eugenics Movement” of the early 20th century saw the poverty problem as a "moral" problem. Morality and culture cause the problem of the "undeserving poor" according to Morris (1993).

During the 20th century, the idea from laissez-faire towards welfare statism has shifted the emphasis onto the role of government to help the poor people. On this shift, poor people’s conditions and their environment was seen as the cause of their misery. During the prosperity of the post 1945 world, with very low unemployment and rising standard of living for all, the problem was considered to be solved especially in Western societies.

The conception of underclass was mostly related to the poverty before 1960s. On the other hand, after 1970s, it became relatively separated but still connected to it. On this study underclass and poverty is taken as interrelated and interconnected concepts.

Before discussing the underclass it is helpful to understand the necessity for the term and the definitions given to it. In its literal sense we have a group of people who do not belong to one of the established classifications of social class and/or social strata. This situation creates a need for an additional lower class on the classification of the social classes. Traditionally there were aristocracy and the rich as the 'upper-class', fairly well-to-do as the 'middle-class'; and manual laborers as the 'working-class'. The underclass fills the below this scale and we need to identify and classify them.

A simple but most generally used definition of the underclass is: “a group of people with a lower social and economic position than any of the other classes of society” (<http://www.freesearch.co.uk/dictionary>). Another similar definition is that, underclass people who belongs to the lowest and least privileged social stratum (<http://www.wordreference.com>).

In the literature there are several definitions of underclass. The term was first coined by Ken Auletta (1982-1999). He used underclass to include individuals with "behavioral and income deficiencies." Other definitions have been advanced by the influential works of some other thinkers. For example, William Julius Wilson (1987), Erol Ricketts and Isabel Sawhill (1994), Douglas Glasgow (1980), William Darity (1980), and Christopher Jencks (1992) studied underclass and extended its definition by classifying its members into various subgroups; impoverished underclass, jobless underclass, reproductive underclass, educational underclass and violent underclass. Some recent studies

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(Wilson 1990 and 1993, Cheal 1990) focused on the members of the underclass as individuals residing in urban centers, mostly in inner city areas. They studied their neighborhoods experience concentrated poverty and joblessness, and violence, and lack community supporting institutions.

The concept of underclass sometimes used as “a new working class”. For example according to Miller (1960) and Tourine (1971), the new working class includes ethnic groups at the bottom of a society’s class structure. They relate this new emerging class to poverty.

Some authors use cultural definitions to study underclass problems. For example, Oscar Lewis, in his culture of poverty theory, argues that people adapt to poverty and blocked opportunity by deflating their own aspirations and never planning for the future. If the system changes, the culture of poverty prevents people from taking advantage of opportunities because they don't know how. As Oscar Lewis discusses, the underclass consists of people who are poor in a “rich” country, but it's more than just poverty. Some inner city neighborhoods are characterized by crime, social disorganization, economic and social isolation, and hopelessness. Lewis defines underclass as a type of culture (Lewis 1959, 1968). Similar to Lewis, Giddens defines underclass as: “... is composed of people who are concentrated in the lowest-paid occupations, and are semi-employed or chronically unemployed, result of a disqualifying market capacity of a primarily cultural kind” (Giddens 1973:27).

On the other hand, instead of ‘cultural’ explanations, more structural approaches and terminologies are used to explain the reasons of the poverty and underclass conception. The distinguishing characteristic of underclass from the lower class is its lack of mobility, according to this type of studies.

Wilson refers to the urban poor as the "underclass". For Wilson, primary issue facing members of the underclass is that "joblessness reinforced by an increasing social isolation in an impoverished neighborhood" (1993:20). They do not only suffer from lower socioeconomic status, minimal education, and lack of opportunities, but they are also further victimized by a lack of community safeguards and resources. The underclass’s defining characteristic is the absence of job opportunities coupled with the absence of societal supports.

As it is seen, the definition of underclass conception changes according to theoretical orientation of the researchers. The next section discusses shortly the theories related to underclass and poverty and recent discussions of the issue.

THEORIES OF UNDERCLASS AND POVERTY

There are several theoretical perspectives on the literature used to explain underclass and poverty issues. This section of the paper includes short discussions and explanations of these theories related to underclass and poverty

problem. These approaches are namely exchange theory, social control theory, structural theory, and conflict theory.

Exchange Theory: Two different exchange theories can be identified in the literature: collectivist and individualistic exchange theories. Collective exchange approaches are associated with French anthropologists such as M. Mauss (1925-1954) and C. Lévi Strauss (1962). Their emphasis were on generalized exchange involving at least three actors, in which any individual participant may not receive from the person to whom he gave, rather than on mutually reciprocal exchange. According to collective exchange theorists, exchange involves shared values and trust, the expectation that others will fulfill their obligations to the group or society rather than pursue self interests. In Lévi Strauss's work exchange theory explains the development of these integrative cultural ties through the social networks.

The American individualistic approach, (which also can be named as rational choice theory) focuses on utilitarian perspective, which claims that individuals seek to maximize their own benefits. According to individualistic exchange theory the rewards can be found in social interaction and that people seek rewards in their interactions with each other. The most known individualistic exchange theorists are G. C. Homans (1961) and P. M. Blau (1964). Individualistic exchange theory assumes that individuals must constantly bargain with one another over how the benefits of society will be divided. For illustration, if one elects to have better education, then s/he will naturally be able to extract more generous wage concession from employees (Homans 1961, Blau 1964). Therefore, exchange theorists think that the willingness of the poor to become better depends on the economic returns of acquiring additional skills. Thus, this theoretical perspective defines poor as the people who are not motivated and the underclass is a rational response to limited work opportunities.

Individualistic exchange theories see similarities between social interactions and economic/market transactions. Therefore, there is an expectation that benefits will produce a return. Their main paradigm is a two-person interaction model. Exchange theorists are emphasizing on mutual reciprocity, even though the basis of exchange remains calculative and involves little trust or shared morality.

Recent studies of exchange theory try to connect rational choice framework with more sociological theoretical traditions. J. S. Coleman (1990) and K. Cook's (1992, 1995) studies can be shown example of these kinds of studies.

The main criticisms of the exchange theory are that it does not explain social processes such as domination and class structure. It can not go beyond the two-person reciprocity level to social behavior on a larger scale.

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Social Control Theory: According to control theorists, people are social and cultural beings. Behaviors of people are socially and culturally determined. Therefore, if there is an anomaly and lack of values occur, and if cultural values disorganized, then behavior of people may become uncontrollable or destructive. Control theory mainly focuses on the conception of social control in their explanations. Social control conception refers to the social processes by which individuals' behaviors or group's behaviors are regulated. One of the main assumptions of this approach is that since all societies have norms and rules, which are foremost conducts, all equally have some mechanisms for ensuring conformity to those norms and for dealing with deviance. Some of the best-known studies related to control theory are done by Stanley Cohen (1985) and Jack P. Gibbs (1989).

Social control is a persistent feature of society for a broad range of sociologists having different theoretical persuasions and substantive interests. Thus, the main sociological interest is to determine its precise nature and identifying the mechanisms at work in particular social context. Analyses of the main forms of social control differ. A common distinction is between repressive or coercive forms of control such as physical constraint and the ideological forms of control that operate through the shaping of ideas, values and attitudes.

Structural Theory: Roughly, structuralism seeks to examine the underlying relation of elements (the 'structure') rather than focusing on its content. According to structural theory, the well being of people is determined by institutional factors such as racism, sexism, and number of jobs available in the economy (Dosse 1998). Therefore, poverty is a structural problem, and the structure or the system creates it.

One of the important debates in sociological theory concerns with the relationship between individual and structure. The debates were concerning the problems of how structures determine what individuals do; how structures are created; and what are the limits on individuals' capacities to act independently of structural constraint. Thus we can identify different structural approaches in the literature. One of the best known is Lévi-Strauss's structural anthropology and semiotic analysis of cultural phenomena in general. The others are Michel Foucault's works on the history of ideas, the structural Marxism of Louis Althusser and Jacques Lacan's psychoanalysis.

During the 1940s and 1950s, existentialism (such as that practiced by Jean-Paul Sartre) was the dominant mood. Structuralism rejected existentialism's notion of radical human freedom and instead focused on the way that human behavior is determined by cultural, social, and psychological structures. The most important initial work on this score was Claude Lévi-Strauss's "Elementary Structures of Kinship". In "Elementary Structures" he examined kinship systems from a structural point of view and demonstrated

how apparently different social organizations were in fact different permutations of a few basic kinship structures. In the late 1950s, he published *Structural Anthropology*, a collection of essays outlining his program for structuralism.

By the early 1960s, structuralism as a movement was coming into its own and it offered more unified approach to human life that would involve all disciplines. Roland Barthes and Jacques Derrida focused on how structuralism could be applied to literature. Jacques Lacan applied structuralism to the study of psychology, blending Freud and Saussure. Michel Foucault's book "The Order of Things" examined the history of science to study how structures of epistemology, or episteme shaped how people imagined knowledge and knowing. Louis Althusser combined Marxism and structuralism to create his own brand of social analysis.

Conflict Theory:

In sociology, conflict theory states that the society functions so that each individual participant and its groups struggle to maximize their benefits, which inevitably contributes to social change such as political changes and revolutions. This theory is mostly applied to explain conflicts between social classes in ideologies, such as socialism and communism. The theory disproves functionalism, which considers that societies and organization function so that each individual and group plays a specific role, like organs in the body.

In general, according to conflict theory, individuals and groups within society have differing amounts of material and non-material resources and that the more powerful groups use their power in order to exploit groups with less power. The two methods by which this exploitation is done are through force and economics. And also it is argued that money is the mechanism, which creates social disorder. For example, according to Marx (1971), through a dialectic process, social evolution was directed by the result of class conflict. Marxism argues that human history is all about this conflict, a result of the strong-rich exploiting the poor-weak. From such a perspective, money is made through the exploitation of the worker. Thus, it is argued that, for example, for a factory owner to make money, he must pay his workers less than they deserve.

In conflict theory capitalist society depends on the exploitation of the working class. Capitalists try to divide and manipulate the working class rather than directly coerce it into accepting lower wages. Therefore, by keeping a large reserve army of poor people available in the underclass, corporations can regulate the wages of workers.

Although conflict has been central to sociological theory for a long time, after the II World War, conflict issues had been neglected in favor of a unitary conception of society and culture which emphasized social integration and the

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harmonious effect of common values mostly by functionalists. When they consider the issue they saw conflict as pathological rather than the normal state of a well social organism. However, conflict theorists gave different emphases to economic conflict and conflict about power. They also emphasized the importance of interest over norms and values and the ways, in which pursue of interest generated various types of conflict as normal aspects of social life, rather than abnormal occurrences. Some of the most known conflict theorists can be named as Max Gluckman, John Rex, Lewis A. Coser, and Ralf Dahrendorf.

Table 1: Changing Views of Poverty, 1960s-1990s¹.

LIBERALS			
Explanations	Human capital	Cyclical changes In the economy	The revamping of the economy
Assumptions	Exchange	Structural	Structural
CONSERVATIVES			
Explanations	Culture of poverty	Welfare disincentives	Anomie
Assumptions	Control	Exchange	Control
MARXIST			
Explanations	Exploitation	Exploitation	Exploitation
Assumptions	Conflict	Conflict	Conflict

All these theoretical approaches have different assumptions changing over times. Table 1 shows the changing views of poverty by the mainstream theoretical approaches between 1960s and 1990s. Liberal explanations of poverty have changed over time from human capital perspective of Exchange theory to cyclical changes in the economy and the revamping of the economy of structural perspective. Cultural explanations of conservatives have changed from assumptions of control theory to welfare disincentives explanations of exchange theory, and than explanations based on anomie by using social control theory. On the other side, Marxist explanations of the poverty and underclass problems based on exploitation of conflict theory remained the same over time contrary to changes on explanations and assumptions of the liberal and conservatives theories.

¹ Table is taken from William Kelso, "Poverty and Underclass" p. 42.

RECENT DEBATES ON UNDERCLASS AND POVERTY

After the 1960s, by the growth of unemployment, the problem of underclass and poverty became one of the central issues in social sciences. Especially, in the Western Europe and in the USA, there has been a problem with inner-city ghetto-like social conditions. High long-term unemployment, high criminality, and housing problems were on the center of the discussions concerning poverty. One of the well known names on this issue is Charles Murray, an American Sociologist. He built his theoretical framework for the underclass according to conditions in the USA. However he applied them into the conditions in the England. His works on underclass had played an important role on the sociological discussions, event though in a controversial manner.

Murray (1984, 1992) sees main causes of underclass as high unemployment and high single-parenthood. He thinks that welfare benefits for single-parents have encouraged the decline of the family. Consequently, this has encourages a "counter-culture" which devalues work, and encourages criminality, and a "dependency-culture". This situation is pushing socialization of children into counter-culture that undermines values of work and encourages dependency and criminality. A violent circle of high unemployment (and unwillingness to seek "a normal" work), crime, illegitimacy and dependency sets in it. Murray sees underclass problem as a cultural problem.

Another American sociologist, William Wilson uses a structural viewpoint on the underclass problem. Different than Murray, Wilson (1990) sees underclass as a problem generated by overall societal attitudes. He thinks the government has failed to generate jobs. Failure of governments on creating jobs, leads to the undermining of the nuclear family. He sees it as a class issue rather than a racial or cultural one. On this point it is important to remind that Wilson is a black American socialist. Therefore his standing point to the problem is totally different than that of Murray.

Wilson (1990) claims that, in the USA and Western Europe, the decline of manufacturing industry, and the rise of service industry, has led to a rise in non-white unemployment. Wilson questions if the conception of "underclass" is a "new-right" philosophical move. The debate on the issue is being conducted in terms of "dependency culture" and "amplified deprivation", and that the political left has tried to appropriate it. Leftist thinkers see the problem in terms of the failure of the "Welfare State" to create true equality.

On the other hand, Auletta (1994) defines the underclass as a group and has the one or more of the following characteristics: usually long term welfare recipients; the hostile street criminal, drop-outs and drug addicts; the hustlers, dependent on the underground economy but rarely involved in violent crime; and the traumatized drunks, drifters, homeless bag ladies and released mental patients (1982: xvi quoted in Morris, 1994: 81). In this grouping it could be

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argued that the underlying reason for the exclusion from society could be either pathological or structural. For example it could be argued that the 'passive poor' are so because they hold the attitude that there is no need for work. To criticize this grouping, the same group could also be said to exist because there are not enough jobs available in the economy for them to work.

Another most recent dimension of the debate is centered on the pathological explanations of the problem. The concept of nurture creating the criminal or other members of the underclass is one which should be closely examined and provides us with an interesting dilemma. The nurturing of an individual into the underclass can be explained both pathologically - that is through a cycle of depravation created by attitudes and behaviors within the family; or structurally - where it is a failing of the workings of the nation that enable the passing on of poverty from one generation to the next. Alcock (1997) deals with the pathological explanation, writing of a sense of 'cultural alienation' which is "transmitted within the underclass from generation to generation" (1997: 29). He argues that this implies a policy to focus on changing individual attitudes and behaviors.

In a discussion of the structural model, Alcock sees the underclass as a result of the complex operation of social forces (including classes, groups, agencies and institutions). The emphasis here should be on the complexity of the structural model in comparison with the pathological model. It is far simpler to say that the underclass cut themselves off from society through their behavior and attitudes than it is to argue that it is a tangled web of complexity at work across multiple levels of the structure of society.

There are various ways in which the underclass is defined as a threat to society and one of those is crime. Murray (1984) examines American social policy between 1950 and 1980 and accounts for the rapid rise in crime during this time for the existence of poverty in the underclass, and the fact that these "people survive" (1984: 113). This point of survival applies to both crime and state dependency: the underclass rely heavily upon these in order to prosper. Similarly, Morris writes that "dependence on welfare has become the major defining feature of the American 'underclass'" (1994: 3) and that the concept of the underclass is "a term applied to a group portrayed as living outside society's norms and values" (1994: 157).

However, an explanation for the existence of the street criminal (and related types) would be that they have such deviancies inbuilt into their mind, whether it be via nature or nurture. We can see a dilemma on this type of explanation. Is the criminal born with their attitudes or are they developed over time through contact with family and local society? If one is to believe that you can be born in such a disadvantaged way then the importance of self-responsibility is at question: the attitudes and behaviors of underclass may

indeed cut them off from society, but they are not seen to be responsible for the consequences.

Christopher Jencks (1992) agree with Charles Murray and Ken Auletta, and he thinks that social problems of the underclass are behavioral in nature, not just economic. Purely economic "solutions" may even make worse their tendencies to make poor choices; such as become addicted to drugs, commit crimes, and have children out of marriage. His main concern is what to do to change attitudes, beliefs, and behaviors that lead to these social pathologies.

Jencks (1992) divides underclass into four groups of which imply a different definition of the underclass: 1- Impoverished underclass: According to income level, underclass includes families whose poverty is attributable to violation of one or more widely shaved norms, such as the family head's failure to work regularly. 2- Jobless underclass: According to income sources, the assumption is that people in underclass get money from irregular works, crime, public assistance or/and handouts. 3- Educational underclass: This group is based on cultural skills. The underclass is composed of people who lack the basic skills required to deal with the way of talking, thinking, and acting like middle class people. 4- Fourth group is based on moral norms of middle class. Jencks sub-divides three underclasses based on three middle class values. The first one is jobless underclass; working-age men should have a steady job. Those who violate this norm constitute this type of underclass. The second one is reproductive underclass; women should postpone child bearing until they are married. Those who violate this norm constitute this type of underclass. The third one is violent underclass. Everyone should refrain from violence. Those who violate this norm constitute this type of underclass.

Jencks (1992) describes what happened in the sixties and seventies in terms of societies attitudes on sexual morality. He claims the upper and middle classes were more able to make adjustments to liberalizing attitudes than the lower classes, which were devastated by the "sexual revolution." He says that lower class individuals have a hard time maintaining the discipline and long term thinking required to manage stable family structures anyway. To take away the neighborhood, church, and social constraints on promiscuity and illegitimacy is to devastate the urban poor, and has led to the 70% illegitimacy rate that we are seeing.

On the other hand, Joan Brown (1999) criticizes Murray and she argues that the labeling of "dump estates" can cause the problem. She argues that the equation between single-parenthood and the underclass is false. What we are seeing is a challenge to marriage happening at all levels of society. Also, long-term single mothers are often divorced and not "unmarried" mothers. Brown sees a "cycle of deprivation", and she states that the poor are always with in the

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society, but the ending of full-employment has caused the old unskilled working class to fall off the bottom of the occupational ladder.

Gary Runcimon (1990) goes further, saying that we have "invented" the underclass as a response to the recession; and he defines underclass as a new class of long-term unemployed who are unable to work. He argues that even amongst the long-term unemployed, it is impossible to generalize and they are not a homogenous group. They may tend to be long-term unemployed and unskilled, but they have very little else in common.

Wilson believes that social isolationism, "the lack of contact or of sustained interaction with individuals and institutions that represent mainstream society", is a result of decreased employment opportunities (Wilson 1987:60). When joblessness becomes a way of life for a community, its citizens then "experience a social isolation that excludes them from the job network system that permeates other neighborhoods and is so important in learning about or being recommended for other jobs. ... Thus a vicious cycle is perpetuated through the family, through the community" (Wilson 1987:57). Wilson further argues that the problem of the underclass in society is not one of the cultures but one of the isolations from community and necessary resources:

"The key theoretical concept, therefore, is not culture of poverty but social isolation. Culture of poverty implies that basic values and attitudes of the ghetto subculture have been internalized and thereby influence behavior...Social isolation...implies that contact between groups of different class and/or racial backgrounds is either lacking or has become increasingly intermittent but that the nature of this contact enhances the effects of living in a highly concentrated poverty area...To emphasize the concept social isolation does not mean that cultural traits are irrelevant in understanding behavior...rather, it highlights the fact that culture is a response to social structural constraints and opportunities." (Wilson 1987:61).

The main argument pertaining to the underclass is that of blame. As it is discussed partially, there are two main schools of thought: that of the pathological explanation; and that of structural causation. In summary, part of the pathological explanation suggests that it is the behavior and attitudes of the underclass that have cut them off from 'normal' society. As we have seen above, Murray and his followers was strong advocate of this view. He argues that welfare dependency has created a counter-cultural attitude that there is no need to work if one can instead receive state benefits or turn to crime instead. In a capitalist economy, 'normal' people choose to work in order to fund their lives: buy food; housing; and various consumer items. The dependent underclass threatens the society by surviving even though they don't work. The consequence is that society funds the underclass through various taxes, and

hence real wages are reduced, especially at the lower end of the spectrum. It is the working class, in fact, who tend to despise the underclass the most, even as they work long hours for low wages, some members of the underclass 'scrounge' off their wages, doing no work of their own.

The opposing position suggests that the lack of full employment in the economy results in the unemployed and hence poverty. The failure of the structure is the cause of the emergence of an underclass rather than the individual themselves.

THE ROLE OF UNDERCLASS IN A CAPITALIST ECONOMY

The primary purpose of this study is to discuss the role of underclass in a capitalist society; either developed or developing. This part of the paper includes discussions of de-skilling, proletarianization, labor market, labor reserve army, unemployment, poverty, migration, home product industry, and part time jobs providing cheap and alternative labor force for the capitalist system in order to look for answers for the following problems: Underclass has a function in the capitalistic systems to be used as a reserve labor army to put down the wages (and cost of production) by of de-skillization since underclass mainly composed of relatively new migrated people to the industrial urban areas. There are important disqualifications causing the underclass to be in secondary employment such as skill, education, gender and ethnicity.

On the other side, inequality in the labor market has increased in recent years almost all over the world. A large group with an uncertain position on the labor market and poor terms of employment has emerged between the two extremes of the long-term unemployed and the full-time employed working excessively long hours (Lundgren 1999). Additionally, in many capitalist societies women and ethnic minorities are placed in the lowest-paid, least secure and most unpleasant. Status group characteristics (such as gender and ethnicity) are transformed into class attributes that consign these groups to the bottom of the class hierarchy (Sloane 1980).

There are several studies and theories focusing on this issue (Sloane 1980, Cain 1975, Bosanquet and Doeringer 1973, McNabb and Psacharopoulos 1982). One of them is dual labor market theory. According to this theory, labor market consists of two markets. First, the primary market composed of jobs that offer high wages, career structures, secure and stable jobs. Second one is secondary labor market offers insecure, low wages, and unstable jobs. In the developed countries, where the dual market is highly developed, certain groups of workers tend to get jobs in one market rather than another. For example, minorities and women are more likely to be selected for secondary jobs. The workers who find job in secondary markets tend to constitute underclass. This situation is persistence. In other words, people who have capacity to enter secondary labor market will continue but will not enter to primary labor market.

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Another similar theory is segmented labor market theory offered by M. Reich (1973). He prefers segmented instead dual since there are more than two markets. He suggests that segmentation is a managerial strategy of divide-and-rule. Therefore, working class divided into different subgroups.

Some authors concerned with the social impact of technological change in the second half of the 20th century. For example, D. Bell (1974) claims that the average skill requirements of industrial work were being upgraded by the transformation of the occupational structure and an expansion of the middle class. H. Braverman (1974) rejects this view. He suggests that, manual and lower-level non-manual jobs and middle class jobs were being de-skilled. He pointed out that the strategy of employers was to reduce the skills required in their production processes. This was done often by means of new technologies that simplified tasks. He suggests that, the possession of skills provides workers power to resist managerial domination at work, because skilled workers were scarce on the labor market and that production systems could not function without their expertise.

The main characteristics of the underclass came from differentiating from mainstream working class. This differentiation was the result of the emergence of dual labor market. Giddens (1973) states that dual labor market:

“... can be understood in terms of a distinction between ‘primary’ and ‘secondary’ markets. A primary market is one in which available occupations manifest the characteristics traditional associated with white-color jobs: a high and stable or progressive level of economic returns, security of employment, and some chance of career mobility. A secondary market is one in which these conditions are absent: where there is a low rate of economic return, poor job security, and low chances of career advancement (1973 p. 219).

This division in the labor market was based on the skill. In order to decrease costs of labor, employers, as Giddens says:

“... may be expected to attempt to isolate secondary occupations in such a way as to complement their long-term labor investment with a pool of highly ‘disposable’ labor, in which a marked degree of labor turnover may be tolerated or even encouraged. The underclass becomes a main repository of this supply of labor” (Giddens 1973: 220).

Therefore, it would not be wrong to say that the poor serve a vital role by keeping labor costs low for the industries. If labor strikes for higher wages, employers can use the threat of hiring the poor to neutralize the bargaining power of their unions. Thus, by putting one segment of the labor force against another, employees can use the “threat of hiring” to keep wages down, in other words to increase their profit. The existence of a large reserve army of poor

people (underclass) gives corporations chance to regulate the wages of working class. To reduce increasing costs of primary labor market, employers want to keep secondary labor market as a reserve labor. On this point, the underclass becomes a main resource for this supply of labor due to the fact that, underclass are usually less educated and less skilled, and they tend to accept secondary jobs easily with a lower wage.

There is another important role of underclass in industrial societies. The emergence of an underclass in a capitalist society has both a radical and a reactionary potential. Giddens explains two views of the role of underclass in social and political structure of the United States and in the other developed societies. First, there is a possibility that underclass may force for revolutionary changes. For example, according to Leggett (1986), African-American workers in Detroit show a high level of militant egalitarianism and militant radicalism. Second view is concerning with the role of the underclass in the social and political structure of developed countries is that underclass constitutes a potential force for surging class consciousness, which may at last activate the white working class by prevalence of conservative attitudes among the white workers. In general, as Leggett (1986) states revolutionary movements may begin with underclass either migrant and minority groups or white working people. Therefore, it can be said that underclass may play as a revolutionary role by rising class-consciousness in industrial capitalist societies.

Related to underclass conception 'pockets of poverty' were used to describe poor people residing the same area in big cities. The term 'pockets of poverty' was first used during 1960s, when, there were several programs to improve the conditions in those pockets of poverty but almost all of them failed and the number and size of pocket of poverty increased by the time in the USA. Glasgow (1980) tries to explain one of the reasons of the failure of attempts to improve the inner-city poor. According to him those programs had been aimed at correcting superficial factors that maintains such inequalities. In the 1980s, together with implications of neo-liberal policies, poverty became one of the major problems in the most of the world. According to Kelso: "... by the 1980s there was a growing consensus that poverty had become a more ineluctable problem because of the rise of a large underclass" (Kelso 1994:18).

On this issue, one of the strongest ideas came from Harrington (1984). He states that the programs to decrease poverty failed because governments were unwilling to spend enough resources to solve the problem. Marta Tienda's (1994) works support this idea. She states that despite the appreciable drop in poverty in the United States since 1960:

"Recent empirical work on the economic status of minorities has documented persisting and in some instances widening differentials in poverty and economic well-being according to race and national origin.

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Among Hispanics, between 1970 and 1985 Puerto Ricans experienced a sharp deterioration in economic well-being while Mexicans experienced modest, and Cubans substantial, improvement in economic status” (Tienda 1994:261).

Tienda’s findings showed that, in the case of the United States, a few indicators illustrate the extent to which economic disparities among the three major Hispanic populations have widened. For illustration, Puerto Rican family income declined by 7.4 percent in real terms during the 1970’s and by an additional 18.0 percent between 1979 and 1984. Mexican and Cuban real family incomes increased during the 1970s, and then fell after 1980. Unlike that of the Puerto Ricans, black real family income rose gradually during the 1970s, and then fell 14.0 percent following the recession of the early 1980s. While real family incomes of all population groups-minority and non-minority alike--fell between 1979 and 1984, the decline was steepest among minorities, Puerto Ricans in particular (Tienda 1994:262).

Race and ethnicity are other factors to determine the characteristics of underclass. Douglas G. Glasgow’s (1980) studied black underclass people who came from rural dough of the big cities for better life chances, but he states that they never had this chance to improve their life connotations. They could not find good jobs. In Glasgow’s own words: “Although they moved to surpass the social status of their parents ... no mobility was possible for them. A decade or so after their move to the city, having been repeatedly rejected by mainstream institutions, they remained without skills and without jobs. By 1965, they were the core of Watt’s youthful underclass” (Glasgow 1980: viii). Glasgow explains the reason of this situation as follows:

“Because the barriers to success in the mainstream are largely beyond their control, the frenzied search for ‘bread’. The struggle for survival is shifted to the street milieu, the environment which appears to the entrapped ghetto youths to be at least open to influence. This is their turf, their community. The people here are good, and, they hope, the games are many. But owing to the community’s meager resources, this turn is not likely to help them deal with their occupational obsolescence” (Glasgow 1980:85).

Glasgow (1980) thinks that the underclass entrapment of poor blacks is furthered by their lack of connections with standardized institutions that act as feeder systems to the primary labor market. That is, the lack of ties to unions, private industry, civil service or social agencies or sanctioning institutions results in the black poor having to negotiate the labor market as individuals, ones who at best receive only partial information about its operations or remaining. Table two shows that the percentage of African-Americans who

were in poverty was over 30 percent since 1967. This shows that there was no any significant improvement in African-Americans economic situation.

Another important characteristic of poverty and underclass is gender. Various research results showed that women especially non-white women-black women-constitute an important ratio of underclass (Themstrom 1997, Sloane 1980, Sawhill 1994, Glasgow 1980).

The last important issue is that, to decrease labor cost, capitalist system develops several employment strategies. Home product industry and part time jobs are only two of them. In both of these systems, employees pay low wages to workers. Additionally, employees do not pay social benefits of workers, such as social security contributions. Moreover Workers do not have job security. These kinds of jobs make up secondary labor market and workers in those jobs constitute mostly underclass people.

FINAL WORDS

To understand the underclass problem, it is imperative to understand poverty as a whole. Other than that, perhaps it is more important understanding that the underclass is simply a collective term used to refer to a group of individuals. By grouping these individuals together it is far too easy to make stereotypical judgments and statements' which certainly applying to various members of the group, by no means hold true for each individual within.

It is with little doubt that many members of the underclass isolate themselves from society due to their behaviors and attitudes, but there will be many who do not. Some people are born more disadvantaged than others, for example disabled people and elderly. Both of these groups can fall within a definition of the underclass and they are often dependent to the others and they are in many ways excluded from certain aspects of society. It it is definitely not true to suggest that either of these groups, and hence the whole of the underclass, are so due to their behavior and attitudes. The system must have some responsibility for that and the system must have some responsibility to improve those disadvantaged people's conditions and quality of life.

On the other hand, if it is accepted as a premise that the most governments' political and economic system treat all people equally, then poor people must be poor because of their own failure to save money, failure to work towards an education, failure to choose a safe neighborhood, failure to plan ahead and so on. In simple economic terms, poor people are poor because they choose to be poor. This perspective is associated with the ideological proponents of free market economics, such as Charles Murray and Milton Friedman.

In the last four decades, underclass and poverty has been growing in size by the time; even in the most developed countries and governments' aids has

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not been enough to solve underclass and poverty problems. If we remember that especially after 1980s neo-liberal economy policies and its doctrines states to reduce public aids and investments, it seems that, even in global level, it is not possible to solve the problem. Implication of free market economy programs has increased unemployment in all over the world. As a result the problem of poverty and underclass will not be diminished in the near future.

Furthermore, as we have seen in the previous parts of this paper, unemployment and poverty has important roles on keeping wages down and increase profitability of the capitalist system. Therefore, it seems to be naive to expect the system to solve underclass and poverty problems.

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