

Getting to the Root

By Fred E. Foldvary

From a forum on "Winning the War on Poverty," held 20 April, 2007

The American economist wrote back in 1883 in his book *Social Problems*, "There is in nature no reason for poverty."

The natural condition of human beings is to be wealthy. The reason is that the earth is abundant with natural resources, and technology makes these resources so productive that we could all be rich.

Therefore the cause of poverty is institutions which force folks to be poor, and the main agency of force is government. Poverty is created by denying people their natural opportunities.

Welfare aid has not eliminated poverty domestically or internationally. It can't work, because it does not eliminate the cause of poverty. Aid treats symptoms, not causes.

Governments forcibly take away wages and profits, and force people to pay more for goods with taxes. Restrictive regulations further decrease opportunities. Then folks have to pay again to be located somewhere, rent that has been pumped up by those government works that their taxes have paid for.

Taxes double bill the worker tenant, who pays both rent and taxes, while reducing production and investment. Rent goes up and wages go down.

The remedy is simple. Eliminate the barriers to labor and enterprise. Scrap all restrictions on peaceful and honest human action. Abolish all taxes on wages, goods, and enterprise.

Get public revenue from pollution levies, user fees, and the tapping of land value. Land does not flee, hide, or shrink when its rent is tapped for public revenue.

Nothing else will get to the root of poverty.

DEFINITIONS AND TYPES OF POVERTY

a response by John Watkins, your editor, to an earlier post by Robert Rector, PhD, senior research fellow for domestic policy at The Heritage Foundation

It is reasonable to begin with three different conceptions of poverty.

1) Income poverty - This means having an annual income below the government's official poverty thresholds (roughly \$20,000 per year for a family of four).

One concept I tend to support is payment of a Citizen's Dividend which has a different rationale than simple re-distribution. The proponents suggest that there is a COMMON wealth, essentially all the aspects of the universe which have not yet been converted by human effort. Building on this concept, the use of any part of the common wealth requires the payment of rent or user fees. Those fees should be collected and distributed to the owner, each of whom has an equal share. According to the Forum on Geonomics, a citizen's dividend for each family of four would range from \$24,000 to \$28,000 per year.

2) Material poverty - This means living without material necessities or experiencing significant material deprivation.

3) Behavioral poverty - Behavioral poverty involves a cluster of inter-related behaviors: (snip) Much of the debate over deep poverty in the U.S. revolves on the extent to which behavioral poverty causes material poverty or vice versa.

One of the things I hope we'll examine in these discussions is the degree to which we can reduce or eliminate the factors that lead to behavioral poverty.

The statement introducing this forum asserts that the war on poverty will not be won "until no willing person is without adequate nutrition, shelter, and reliable access to health care and education". In this sense, the war on poverty has already been won: poverty so described is very rare in the U.S.

In this sense, it has been won (almost), raising the question of why we still have such large programs and why there are cries for increasing and expanding them?

While real material hardship certainly does occur, it is limited in scope and severity. Most of America's "poor" live in material conditions that would be judged as comfortable or well-off just a few generations ago.

The following are facts about persons defined as "poor" by the

Census Bureau, taken from various government reports:

* Forty-three percent of all poor households actually own their own homes.

And the list goes on to describe lots of other things that people "own." Would the proper term be "possess" rather than "own." To what extent is "net worth" a description of poverty?

I wonder if there isn't another type of poverty called "attitudinal" poverty. We often see pictures of people who live in "desperate" conditions who nevertheless seem relatively content in their interactions with their families, their neighborhoods, and their proximate environment. Years ago, I brought together a group of experts to examine the question defining health. In the end, we agreed that attitude was the almost universal determinant. How did one respond to one's physical condition. Was FDR or Christopher Reeve or Helen Keller healthy?

Nevertheless, I doubt that we should spend any time on attitudinal poverty or such sub-topics as

greed, economic jealousy, etc.

Overall, the typical American (snip) family is not hungry and he had sufficient funds in the past year to meet his family's essential needs.

To what extent does "sufficient funds" include various forms of public assistance?

To return to the main forum topic, it is clear that the remaining poverty in this society is rooted in self-defeating human behavior.

If you accept this statement, what can be done to correct/overcome it?

There are three basic rules for escaping income poverty in the U.S.:

- 1) finish high school;
- 2) take a job (any job) and stick in the labor force;
- 3) do not have a child out of wedlock. If an individual follows these rules, his income may dip below poverty level temporarily but he will not be persistently poor. Poverty occurs primarily among individuals who have violated one or more of these rules.

It's hard to quibble with this. However, our society does tend to put much too emphasis on diplomas when the emphasis should instead be on having the right knowledge and we have serious deficiencies in our current education/preparation for life.

At the risk of alienating some, we have to change our notions of family and child-rearing. Mother and father have responsibilities for the well-being of all their progeny and for preparing them to fulfill obligations to the greater society.

There is a child care and acculturation problem that must be solved whether the lives in the traditional family structure exists or in another milieu.

To reduce poverty and raise incomes, we must change behaviors.

Yes, but incomes are relative to the cost of living and are there ways in which the cost of living can be reduced?

For example: the main causes of child poverty in the U.S. are low levels of parental work and high levels of single >parenthood.

Availability to care for minor children is related to the length of the work week and it may well be possible to reduce the work week so that two adult care-takers might divide their week so as to be available to the children at all times.

The decline in marriage is the second major cause of child poverty. Nearly two-thirds of poor children reside in single-parent homes; each year, an additional 1.3 million children are born out of wedlock.

I doubt that the trend will be reduced. We should probably reduce the number of children born each year. Our current support systems tend to encourage people to have additional children and

that's part of the problem. The stories about case workers suggesting that female clients have additional children is not an urban myth. It happened to my daughter. Occasionally, the system creates the need.

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