

The dichotomy of individual / case model versus the generic / aggregate model of economic change.

Basic Assumptions

Tussing in his course "Economics of U. S. Poverty and Discrimination" at Syracuse University identifies a triad of conditions that must exist (other than inherited wealth and compound interest) if an individual is to improve (indeed even to maintain) their socio-economic status:

- First, the individual must have the motivation and realization that their or their groups "standard-of-living" can and should be improved;
- Second, that the individual has the necessary skills, tools, and materials to do so; and
- Third, that the opportunity exists to apply those skills, tools, and materials.

This triad can perhaps be made more clear by using it to explore the famous adage frequently used to support vocational education, namely *if you give a man a fish you feed him for a day, but if you teach a man to fish you have fed him for a life time* .

Tussing's triad posits that three conditions are necessary for this aphorism to be correct and if any one is lacking, the statement while appealing on an aesthetic level is incorrect. When critically examined using Tussing's criteria this adage has the following implicit "assumptions:"

- First, the man must perceive a need to fish, that is he must experience (identify) hunger, and realize that fish are good to eat and will thus satisfy this need, that fish can be caught, and that he can catch fish.
- Second, the man must possess the necessary skills, knowledge, equipment, and so forth necessary to fish. Currently, this may include qualification for and possession of a fishing license.
- Third, the fish must exist, and exist in an area accessible to the man. No matter how motivated, how skilled and how well equipped a person may be to catch fish, if man is stranded in the middle of the Gobi desert 500 miles from any water, they will still be unable to feed themselves.
- Indeed, from a multi-cultural viewpoint, if fish are "taboo" to eat, it will make no difference even if all three conditions are satisfied, the man will still be hungry.

Thus one criterion is which element of the triad consisting of: (1) motive, (2) means, and (3) opportunity is a researcher addressing.

How this implies a dichotomy

The literature indicates two implicit and sometimes explicit assumptions, which seems to drive most education. Namely, when an individual is poor (ignorant):

- First, they are either un- or under- employed because they lack motivation or appreciation of what education can do for them; and
- When this condition is "corrected" and if they are still poor, they lack the necessary skills, knowledge and attitude.

The third requirement, the availability of non-poverty / above-subsistence employment is seldom considered, and when it is, it is classified as an economic development problem, and thus currently not a proper concern for VOTE policy makers and practitioners.

Tussing (Causes of Poverty) used the triad of assumptions discussed in the previous section to compare and contrast two incompatible but widely used models for the existence of low-income or poverty. The case (individual) model which focuses on factors one and two, and the aggregate (generic) model which emphasizes the third factor.

- The individual or case model posits that low-income or poverty is due to individual circumstances and/or characteristics such as: (1) Lack of education, skills, experience, and intelligence; (2) Ill-health or physical / mental handicaps, age; (3) Lack of work orientation, time horizon, motivation, culture of poverty; and (4) Discrimination on the basis of race, sex, age.
- The aggregate or generic model which posits that poverty or low-income is best explained by general, society/economy wide problems such as: (1) inadequate non-poverty employment opportunities; (2) Inadequate overall demand for (or equivalently an oversupply of) qualified labor in a particular category; and (3) Low national income (Less Developed and Low Income Countries).

As Tussing insightfully points out, the consequences and effects expected from given actions to reduce poverty or increase incomes differ greatly, even diametrically, between these two theories or models. For example, if we provide extensive vocation training to low income segments of the population, the individual or case theory predicts that overall income will rise because the individuals will then earn more, while the aggregate or generic model does not predict any rise in income but only the redistribution of poverty.

Indeed, a case can be made under the aggregate or generic model that overall income will fall with the increased availability of skilled labor because static demand for workers with an increased supply will increase the competition for the higher paying jobs thereby lowering wages, and dissipate capital for training with no return. An example may make this point clearer. An employment sector which has shown some increase in demand (and therefore wages) in the 4-state area¹ for the last few years has been business form and box printing. The individual or case model would suggest that people should be trained to take advantage of this opportunity and thus increase their incomes. The aggregate or generic model would suggest that the only effect that increased numbers of qualified printers and technicians will have is to depress the current level of wages in these areas because of the increased supply, and if income maintenance (and possibly improvement) is desired then the availability of qualified printers and technicians should be limited and if possible reduced, relative to the demand. The record over the last few years indicates that the aggregate or generic model seems to dominant in this case. Many area Vo-Tecs, Community Colleges and Universities increased or implemented printing programs which produced large numbers of highly qualified and motivated printers and technicians. Additional printing firms were founded or relocated into the area because of the increased supply of qualified labor so there was an increase in the absolute number of printing jobs available, but because of the over-supply relative to the demand, wages, working conditions and benefits fell². The generic model may help explain the phenomena of

¹ Many writers refer to NE Arkansas, SE Kansas, SW Missouri and NE Oklahoma collectively as the 4-state area as these tend to have many similarities, for example much more than NE Oklahoma has with the panhandle area.

² Personal observation at Allen County Community College, with communication from other areas schools such as Neosho County Community College, Labette County Community College, and Pittsburg State University at Pittsburg, KS.

simultaneous increases in 4-state economic activity and reduction in the average or median wage when adjusted for inflation and the large increase in the "working poor."

The reader is cautioned against unnecessarily assuming a dichotomy or an "either / or" situation. Both models may be operative, although to different degrees, at the same time. The simultaneous operation of these models would help "explain" the great degree of difficulty typically encountered in raising or improving the economic conditions³ or standard of living for statistically significant numbers of the population, especially those currently in the first or second (lowest) quintiles. It is apparent actions taken to assist these groups under one model simply increase their difficulties under the other model.

Tussing notes that both models appear to be consistent with the facts, that is the available statistics, and therefore it is very difficult to determine which, if either, is "correct." Tussing points out that some indirect evidence supports the generic or aggregate model. Both BLS and Census statistics indicate a failure of poverty to decrease or wages to rise during large and intensive training programs, and there does not appear to be a corresponding rise in the average or median income with a rise in the general education level of the population which can be statistically separated from the expected rise with increased levels of economic activity⁴, that is the "rising tides lifts all boats" model. There seems to be a general (and fervent) wish by social workers, educators, policy makers and the general public to believe the individual or case theory is correct. This apparently stems from: (1) The "Fallacy of Composition" error or their own micro experience -- that is assuming that what is true of a part must be true of the whole; (2)

³ That is increasing their Skills Premium.

Studies of poverty and low-income tend to concentrate on the poor rather than the economy, especially those conducted by social workers, educators, and educational policy makers⁵; (3) It is much easier to study the poor than the economy; and (4) An effective anti-poverty policy would be (too) difficult (expensive) to implement if the generic/aggregate theories were true.

⁴ Again, the "Accretion Model" indicates that very different results may be observed when extensive change occurs in the level or type of education among / between the different stages.

⁵ Which is highly reasonable because that is what they are trained in. This again indicates why a collegial and multi-disciplinary study is required.