
Udo Reifner

The Difficulties of Conducting Social Research With a Moral Commitment: In Memory of David Caplovitz

Professor David Caplovitz, a retired professor of sociology at the Graduate School of the New York City University, author of many books on poverty and in his last years a debt-counseling attorney at the Budget and Credit Counseling Office in New York, died of cancer on October 2, 1992 at the age of 64.

David Caplovitz was the outstanding proponent of social research dedicated to the causes of poverty in general and overindebtedness in particular. At a conference on "Money and the Consumer," held in London in 1987 five speakers from different European countries began with a homage to his research which has influenced most of us who work in this area. David Caplovitz, a former research assistant to the famous sociologist Robert Merton, of whom he always spoke with great admiration and dedication, was not only a researcher whose work met the strict standards of the scientific community. He pursued a humanistic goal in all his works. He wanted to ease the burden that modern capitalist society has put upon those whose work is not valued and sufficiently remunerated, such as single mothers and unskilled labour, and those whose purchasing power has sunk to nil due to a large burden of debts.

He started his career with the dissertation *The Poor Pay More: The Consumer Practices of Low Income Families* (1963), a book whose title alone has challenged more minds than many a sophisticated critique of Manchester liberalism. His study of *Consumers in Trouble – A Study on Debtors in Default* (1974) contains the basic findings on the evil of the consumer credit revolution. First and foremost, it is not the misuse of credit or a modern trend towards unconscionable spending. The main problems stem from the shortcomings of a system which makes money out of providing financial services for consumers but which never learned that there is a fundamental difference between consumer and business customers. Consumers are human beings. Up to the present time, banks have

not adapted their financial instruments to meet human needs, to pay heed to the unescapable turnabouts in human life such as unemployment, divorce, illness, and misfortune.

Caplovitz's findings have been confirmed by many European studies since then, such as the French government's study on consumer bankruptcy, Janet Ford's *Indebted Society*, the U.K. Policy Studies Institute's research on overindebtedness in England, and the studies of the Austrian Chamber of Labour. These are summarized in two recent volumes which were dedicated to David Caplovitz; see Reifner and Ford (1992). David Caplovitz's ideas are incorporated into nearly all of the studies of indebtedness carried out since the late seventies.

David Caplovitz was far too much of an American to be seduced by socialist models but neither was he a friend of social Darwinism leaving disadvantaged people to their fate. His dream of a society built on solidarity was expressed in his two latest proposals, a compulsory credit failure insurance for all debtors which would distribute social risks among consumers, and new tort holding banks liable for the destruction of families and personal well-being. Both proposals are not as utopian as they appear: French, Finnish, and Norwegian law knows similar responsibilities and a French bank has concluded an agreement with the consumer unions in Alsace-Lorraine to share such risks among all clients (see Reifner & Ford, 1992). These proposals bear evidence of his dedication to a liberal society where individuals (and not only the state, a party, a union, or a church) become jointly responsible for the consequences of the economic system.

This dedication to moral issues, which is visible also in the title of another publication, *Making Ends Meet: The Impact of Inflation and Recession on American Families* (1979), or *The Religious Dropouts: Apostasy Among College Graduates* (1977), deeply influenced the methodology of his research, too. Very close to Lewin's understanding of "action research," David Caplovitz held that empirical research could be fruitful only if the researcher had a fairly good idea of its outcome. He once showed me the table of contents of *The Poor Pay More* that he had set up before the study began and that then became the almost unchanged structure of the final publication.

As he expressed it, social problems could not be uncovered in computer outprints. In his last book *The Stages of Social Research*

(1983), a textbook for university students on empirical research, he introduced the “Caplovitz’s formula” to measure the quality of empirical research by the quotient of the pages of the computer out-prints divided by the number of pages of the final report. If this quotient was much higher than 1.0, it would be evidence of the (not uncommon) practice where the researcher starts to reflect on social relations only after the machine has found statistically significant correlations.

A closer look at David Caplovitz’s professional career shows that his large-scale studies from 1963 to 1978 were not followed by other empirical research projects although with his outstanding skill, he should have produced many more path-breaking works. This was not his fault. He used to comment on the discontinuance in his professional life with a laconic statement: “Reagan has put me out of work.” For David Caplovitz, poverty research was empirical research and good empirical research needed funding. He disliked the construction of theoretical edifices into which some of his like-minded friends had fled when grants for empirical research into poverty were curbed (whilst researchers were hired by banks to prove that even the small relief of bankruptcy for the poor was too much).

David Caplovitz remained stubborn and submitted several research proposals notably on “the causes and consequences of divorce” referred to in his book as “a losing proposal” as well as on the debt problems of drug addicts and the mentally ill. Nobody could pretend that those problems had become less important. But “they turned me down.” Without grants there could be no research, and without research to meet his moral and professional standards, David Caplovitz was indeed “jobless.” Although still a university professor engaged in teaching he was no longer certain that this was useful. He consequently gave up teaching and started his second professional career as a bankruptcy lawyer.

For his own part, David Caplovitz attempted what he had always propagated as an American ideal: a “fresh start.” He began to study law when he was already in his late fifties. His idea was that he might be able to combine two skills, those of a social researcher and those of a lawyer. He wanted to found an institute of empirical research that could support class actions and individual law suits for damages against economic wrongdoers, but he never had the time or opportunity to turn this idea into practice.

After his admission to the bar, David Caplovitz worked in the last

phase of his life as a bankruptcy lawyer with the Budget and Credit Counseling Office in Manhattan, an office that had been founded by one of his faithful friends for many years, Luther Gatling. Here, Caplovitz had to confine himself to using all the files as an individual adviser rather than as a researcher singling out the general message from a mass of data.

A Lesson to Learn

The United States and Great Britain, joined by Germany especially after reunification, have developed a new form of social policy in a two thirds society: Social problems are solved by ignoring them, statistics especially on unemployment and its effects are smoothed over, and research which could have given us early warnings of what is happening to our “advanced” societies is made financially impossible. Reaganomics, Thatcherism, and Lambsdorff liberalism have led to a warfare society which, while successfully defeating the corrupt regimes of nominal socialism, also quashes its own underprivileged classes.

What happened to David Caplovitz in the United States is an example of how societies in trouble renounce the contributions of their best people when they most need it. While billions are spent in Bolivia to fight drug traffic, research on the conditions in the drug-consuming countries that keep people addicted did not get a cent. Europe is now at the same point as the United States was twelve years ago. This is evidenced, for example, by the German government turning down a tender for a government research grant on overindebtedness co-signed by David Caplovitz as a major adviser. Instead, the grant was given to a non-partisan psychological institute whose findings could be expected basically to be restricted to those problems that the government was willing to cope with. Information to the poor about the dangers of their life is the only oblation the present remains of the welfare state are willing to offer on the altar of the common market.

David Caplovitz started his research as part of the “war on poverty” under Lyndon B. Johnson. He stayed faithful to its moral implications and has set standards of social responsibility for the scientific community of law scholars and sociologists. With the breakdown of the Eastern European economies, with the state bankruptcies in many Western economies, and with the transition towards a greedy two-thirds society threatening much of what makes this planet liveable, we

need the likes of David Caplovitz more than ever before. Poverty, consumer credit, overindebtedness, bankruptcy, drug problems, irresponsible handling of drug money by banks, and many other issues cried for investigation, while twelve years of his research capacity remained unused! We can still learn from him. His books and especially his biographical summary in *The Stages of Social Research* are a heritage to those who share his vision. We lost a great researcher and a dear friend.

REFERENCE

Reifner, U., & Ford, J. (Eds.) (1992). *Banking for people*. Volumes I and II. Berlin and New York: De Gruyter.

THE AUTHOR

Udo Reifner is Professor of Commercial Law at the Hamburg School of Economics and Politics, and Director of the Institute for Financial Services and Consumer Protection, Grosse Bleichen 23, D-2000 Hamburg 36, Germany.