Persistent poverty in the Netherlands
Noordhoff, F.J.

Citation for published version (APA):

General rights
It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

Disclaimer/Complaints regulations
If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please Ask the Library: http://uba.uva.nl/en/contact, or a letter to: Library of the University of Amsterdam, Secretariat, Singel 425, 1012 WP Amsterdam, The Netherlands. You will be contacted as soon as possible.
3. Conversion strategies to conquer labor market positions

3.1. Introduction: Labor market exclusion

In the Dutch welfare state, people in poverty are often but not always excluded from the labor market. To regain self-sufficiency, to evade welfare dependency, and to participate in society, they want to have or have to get a job in the labor market. But to enter the labor market is easier said than done. People in poverty often face many obstacles. These obstacles are ranging from disability, lack of access to flexible day care arrangements, a decline of their qualifications’ value, old age, disappearance of traditional labor, to competition, discrimination, and stigmatization. These obstacles are numerous. Moreover, it is often an interplay between individuals’ capabilities and labor market demands. Accordingly, this chapter illuminates how people in poverty vigorously, using their resources (which can be social, cultural, and economic), attempt to reenter the labor market.

3.2. The three forms of capital

Social, cultural, and economic capital seem to play a vital part. What are these resources? Moreover, why are they useful to understand labor market integration? Pierre Bourdieu (1986) identifies these forms of capital: first [1], capital exists as economic or financial capital that corresponds to material wealth, second [2], as cultural capital which – in turn – can exist in three forms: a) “in the embodied state, i.e., in the form of long-lasting dispositions of the mind and the body; b) in the objectified state, in the form of cultural goods (pictures, books, dictionaries, instruments, machines, etc.); and c) in the institutionalized state, i.e. educational qualifications (diplomas)” (ibid. p. 243). Third [3], as social capital, which is the capital of social relationships, that will provide, if necessary, useful supports (Bourdieu, 1977b; p. 503). For people in poverty these forms of capital are essential to gain entry into the labor market. With the help of educational qualifications (cultural capital), they can access the labor market – so the theory goes. With the help of social connections (social capital) they might get a job (or information on
jobs) via a friend. Moreover, with the help of economic capital, they can invest in their educational qualifications. Therefore, capital is fuel for social mobility and a resource for strategic action. People in poverty can acquire and employ these resources in their efforts to secure future desires, in allowing them to gain advantage in society; capital simply yields power (cf. Peillon, 1998; p. 216; Young, 1999; p. 203; Svendsen & Svendsen, 2003; p. 616; Savage et al., 2005; p. 39). The different forms of capital are acquired, accumulated, and of value in certain situations or are of worth in the labor market (cf. Spillane et al., 2003; p. 3). Relatively unknown is what people in poverty precisely do with their forms of capital to enter the labor market. The concept of conversion may help.

### 3.3. Conversion of capital

Capital does not do anything; people make use of it. The question is, what do people do with their forms of capital? As a rule, people try to transform one form of capital into another in order to improve their impoverished situation, to enter a particular market, to (maybe) achieve upward mobility, and to maintain social standing. When Bourdieu defines the different forms of capital, he immediately addresses the conversion of capital: “Social capital is made up of social obligations (‘connections’), which is convertible, in certain conditions, into economic capital (Bourdieu, 1986; p. 243, my emphasis), and in certain conditions, cultural capital is convertible, into economic capital and is institutionalized in the forms of educational qualifications” (ibid.). For example, when people invest in educational qualifications with the help of economic capital, with these educational qualifications they can enter a particular labor market. This is how their educational qualifications are converted into economic capital in this labor market. They can get an income in exchange for their effort. If they have cultural capital, their income will rise simultaneously. Moreover, with the use of economic capital – money – they can enter particular social networks – for example an expensive golf club. In addition, with the help of these social networks, they can strengthen their position in the labor market, since this new social network provides access to high paid jobs. Along these lines, it seems that the possession of any form can reinforce the power of another or the capacity to acquire another (Young, 1999; p. 204). The forms of capital are closely and inextricably interlinked (cf. Fuchs, 2003; p. 392). They interact in different ways, diversely affecting social positions. Moreover, if people successfully use these forms of capital (when capitals are
converted, they may be able to achieve upward mobility or maintain their social position.

Several studies have shown how people invest one form of capital to strengthen another (cf. Borocz & Southworth, 1996). For instance, Pat Allatt has shown (in a study of middle-class families in Britain, which drew on Bourdieu’s model of social capital) how parents tried to teach their children to acquire a high level of social literacy, and encouraged them to access critical networks (Allatt, 1993; p. 154-7, cited in Field, 2003; p. 81). In addition, Bourdieu (1984) has shown how the ability of the bourgeoisie to reproduce their social position is not a result simply of their possession of economic capital, but is reinforced by their investment in cultural practices and in the education of their children (cf. Smart, 1993; p. 390). These studies show how the bourgeoisie tried to achieve upward mobility.

How (and if) people in poverty convert one form of capital into another is relatively unknown. However, I assume that people in poverty – with the help of money commodities, and other material assets – try to increase their opportunities by investing in schooling. If they invest in job training, their cultural capital expands, and a position in the labor market might more easily be accessible. Referring to specific skills or abilities that people in poverty may acquire, cultural capital increases their personal efficacy in the labor market. Further, social capital can be vital achieving upward mobility: the possession of this capital increases opportunities for their provision of information to individuals, which can subsequently enhance their chance in the labor market (cf. Young, 1999; p. 204). For example, Mark Granovetter’s study (1974) made clear how and why social connections are vital in “getting a job.” People can acquire information on jobs via their social connections, and via this route take part in the labor market. Consequently, I assume that people in poverty in modern society commonly strive for upward mobility and, if it becomes necessary, they struggle against downward mobility. The latter is probably more relevant. Presumably, they employ reconversion strategies to improve or to maintain their position, or to enter the labor market. However, how people in poverty use their forms of capital to reenter the labor market is relatively unknown. If people in poverty cannot make use of their forms of capital, they become durably excluded from the labor market. This enduring exclusion might contribute to the perpetuation of poverty. It is therefore this chapter’s purpose to shed light on the conversion strategies of people in poverty.
3.4. Packages of capital

It would be useless to study conversion strategies if people in poverty have absolutely no cultural, economic, and social capital. They cannot convert anything in the first place. However, numerous studies have shown that practically all individuals have some amount of resources. Yet, the distribution of these resources differs enormously. For example, studies have shown that people can be high on cultural capital and low on economic capital (teachers, artists), or low on cultural capital and high on economic capital (the self-made entrepreneur), or high on all three forms of capital (aristocracy). As a general rule, various scholars suggest that individuals have *packages of capital* rather than having or not having a certain type of another. For example, Anheier et al. (1995; p. 862-3) suggest that “positions are characterized by high volumes of economic capital, yet lower volumes of cultural and social capital; others will rank high in terms of cultural capital, yet somewhat lower in other forms.” Referring to Bourdieu’s (1984) seminal work on reconversion strategies, Bourdieu and Wacquant (1992; p. 99) argue that “some hold a lot of economic capital and little cultural capital while others have little economic capital and large cultural assets.” The question emerges as to what the distribution of the resources is among the research group.

I reaffirm the findings of other studies that show how individuals, rather than having or not having a certain type of capital, have *packages of capital*. On page 49, Table 2.2 shows the distribution of the respondents’ social, economic, and cultural resources. The *elderly* are generally low educated, low on social resources, but relatively high on economic resources. *Subsidized workers* have relatively much cultural capital, are relatively high on economic capital, and average on social capital. *Single parents with children over five* are relatively well educated but low on social capital, and low on economic capital. *Single parents with children under five* have relatively much social capital, are relatively well educated, and average on economic resources. *Working poor* have relatively much social capital and have moderate economic capital. Although I do not want to illustrate all the different possible varieties of the *packages of capital*, I do demonstrate that people in poverty are not low on each and every form of capital, and that not all people in poverty lack all forms of capital. If this were the case, it would be unproblematic to show why poverty is perpetuated: the lack of capital. But this is clearly not the case. Instead, they seem to evaluate their “capabilities,” and more or less unconsciously choose which form of capital they wish. Conse-
sequently they convert one of their existing forms of capital to strengthen their desired form of capital. However, for reasons to be uncovered they fail.

Table 3.1 Labor market position

<table>
<thead>
<tr>
<th>Obligated to work</th>
<th>N</th>
<th>%</th>
<th>Cum%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Couple available labor market (kids and no kids) Yes</td>
<td>21</td>
<td>9.7</td>
<td>10.0</td>
</tr>
<tr>
<td>2. Single parent (kids over five) available labor market Yes</td>
<td>20</td>
<td>9.3</td>
<td>19.4</td>
</tr>
<tr>
<td>3. Single available for the labor market (no kids) Yes</td>
<td>16</td>
<td>7.4</td>
<td>27.0</td>
</tr>
<tr>
<td>4. Subsidized job, trainee, job training NA</td>
<td>23</td>
<td>10.6</td>
<td>37.9</td>
</tr>
<tr>
<td>5. Working poor, part-timers, entrepreneur NA</td>
<td>21</td>
<td>9.7</td>
<td>47.9</td>
</tr>
<tr>
<td>6. Medically unfit: full &amp; partially, handicapped, temp ill No</td>
<td>66</td>
<td>30.6</td>
<td>79.1</td>
</tr>
<tr>
<td>7. Single parent (kids under five) No</td>
<td>16</td>
<td>7.4</td>
<td>86.7</td>
</tr>
<tr>
<td>8. Elderly No</td>
<td>26</td>
<td>12.0</td>
<td>99.1</td>
</tr>
<tr>
<td>9. Illegal Immigrant NA</td>
<td>2</td>
<td>0.9</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>211</strong></td>
<td><strong>97.7</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td><strong>Missing</strong></td>
<td><strong>5</strong></td>
<td><strong>2.3</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Analyzing the transcriptions, I concentrated on the first five categories (see Table 3.1): the couples available labor market (kids and no kids), single parents (kids over five) available for the labor market, singles available for the labor market (no kids), and subsidized workers (those who have some sort of job training, the working poor, part-timers, and the entrepreneurs). The seventh category is also included; the single parents who are not obliged to work. However, some of them want to work. All these people have to go back to the labor market, would like either to enter the labor market, or want to strengthen their position in the labor market. It is difficult to compare these groups because not all the interviews contain information on conversion strategies. Focusing at the conversion strategies of people in poverty, I am particularly interested what gets in the way to change one form of capital into another.

The question is, given that the respondents have resources, why cannot they get access to the labor market? What strategies do they employ to increase their efficacy and to increase their chances in the labor market? Do they succeed in transforming their capital, or why do they fail to employ conversion strategies? I want “to uncover the principles that regulate their conversion from one into another” (Bourdieu & Wacquant, 1992; p. 118).
Reading all the transcriptions, five themes emerged. These themes reflect why people in poverty cannot convert their capital and reenter the labor market. First, people in poverty lack economic resources and, therefore, they are unable to invest in other forms of capital. Second, because these respondents depend often on welfare, they have to deal with the state regulations. These regulations obstruct capital conversion and investments. Third, people in poverty do convert forms of capital, but in the long run, these investments hardly have any pay-off. Fourth, there are strong relationships between the forms of capital: the loss of one form of capital coincides with the loss of another, resulting in a multiple loss. In the end, it becomes difficult to convert capital. Consequentially, the respondents face a vicious cycle of poverty. Fifth, it seems that they need all three forms of capital to maintain a position in the labor market. In the next subsections, I elaborate on these themes. The interplay between the three forms of capital is central.

3.4.1. Cultural capital investments and the lack of economic resources

For people in poverty, one of the major difficulties is the lack of financial resources. Another is their weak labor market position – another truism. To strengthen their labor market position, they have to use certain forms of capital (economic) to help to compensate for shortfalls in respect to other resources (such as cultural). With money, they can attend a course or job training. They are, however, often trapped in a vicious circle, that starts with having no money to compensate for shortcomings in cultural capital. Therefore, they are unable to strengthen their labor market position. For people in poverty, it seems that economic capital is the root of all other types of capital (Bourdieu, 1986; p. 252). Precisely, this kind of capital – which they lack – might help them to increase their chances in the labor market. The next cases show how this process operates.

Melanie [346], a Dutch 45 years-old single mother, lives on welfare. She is tested partly medically unfit, has sometimes a regular job, works off the books, and does some voluntary work. Her position in the labor market is far from secure. From her perspective, if she wants more security in the labor market, she has to have more money. She says that financial resources make social connections and investments in education reachable: “I can get by, but only if I don’t do anything, like going to the museum, and my son does not do anything and I do not make any phone-calls. But then I do not have a social life. Therefore, if you want some friends, if you want to develop yourself mentally, and if you want to conquer a job in the labor market, you have to have more money. In my current situation, I can-
not attend any courses. I can attend a course via the employment agency. But then I have to deal with their restrictions.”

Migrants often accumulated cultural capital in their home country. Although they have cultural resources, sometimes these resources only have value in their home country. Their cultural capital devalued (after migration) and it can only be revitalized upon economic investments. However, having few economic resources, they often fail to rejuvenate their socio-economic position. Guhan [207], a 36 years-old single man has lived in the Netherlands for ten years. He migrated because he could not get a job in his home country Cape Verde. He has lived on welfare for two years. “I am a chauffeur. In Cape Verde I drove a truck.” He does not have an official license to acquire a job in the Netherlands. “I live on welfare at the moment, and I need suitable schooling. The employers always ask for an official truck driver’s license. However, that costs a lot of money, which I do not have. If I go back to school, I cannot buy food. I asked the employment agency [for money], but then I have to wait so long and nothing happens.” To get by, he worked on the side, but was caught by the welfare agency, and his benefit has been ever since curtailed. To get by, he has severe debts, which further undermine his financial position. His network members are in a similar position, so they cannot support him. Thus, on the one hand, he needs more cultural capital to get a job, but on the other hand, he lacks the financial resources to invest in this cultural capital. It becomes clear that his poverty status obstructs capital investments and, consequently, upward mobility, self-sufficiency, and economic independency.

Some know well what their position is in the labor market, and they know that they have to invest economic capital in cultural capital. They want to try to compensate one form of capital for another, to convert one form of capital into another – economic capital into cultural capital. However, because they lack financial resources, investments are hard to make, and conversion fails.

3.4.2. Cultural capital investments and institutional barriers

Those who are excluded from the labor market often receive a state benefit. About 70% of the respondents receives some kind of benefit. In exchange for a benefit, they are restricted to state regulations. For example, they are obliged to apply for jobs, have to be available for the labor market, are only allowed for job training under certain conditions, and have to account for holidays. People who
receive a benefit have less freedom, are controlled, and feel that they cannot do everything with the money they receive. Oftentimes, they are restricted from investing in cultural capital. They are not always allowed to go to college. But people in poverty have to compete for jobs in the labor market, and therefore must have a good deal of cultural capital. People in poverty are thereby restricted from investing in cultural capital, but to compete for jobs they have to invest in cultural capital. This inconsistency causes tensions among people in poverty.

Since her divorce seventeen years ago, Jessica [104] lives on welfare. She is low educated, 52 years-old, and she wants to invest in cultural capital in order to improve her position in the labor market. In the end, she wants to gain more economic capital and to achieve financial independence: “Sometimes I wonder, should I attend a course in computers, because I will become as stupid as a rock”. Interviewer: did you ever ask permission at the welfare agency to attend a course? Jessica: Yes, but I am not allowed. Interviewer: What is the reason? Jessica: You have to be available for the labor market. It is a peculiar line of reasoning. If you attend a course and you do not inform the welfare agency, they curtail your benefit.”

Monica [313] is a 56 years-old highly-educated woman. She is, formerly, a single mother. Single parents receive child support until their children are eighteen years old. After a child’s 18th birthday, the child support stops. From the moment Monica’s son became eighteen years old (financially an independent adult), her child support ended. As a consequence, her income declined dramatically, and ever since she cannot get by. She started to look for a job, but her cultural capital – in the form of a diploma – had lost its value in the labor market: “his 18th birthday ruined my welfare! I will tell you. Factually, I lost my child support benefit and my son’s schooling assistance. I lost about 300 Euros a month...cut off from my welfare benefit! His birthday meant a big problem. I panicked, can you imagine? From that moment, I started to look for a job very fast. Being outside the labor market for many years, I did not find anything in nursing. My diploma lost its value. Therefore, I wanted to attend a course, but nothing was available at that moment. And I could only attend a course after living six years on welfare.”

Thomas [317] a 62 years-old single man went through a similar situation. As opposed to Jessica, he was allowed to attend a course. He invested in cultural capital and this course was financed by the employment agency (an institution that nego-
iates between employers and unemployed), but the employment agency shifted the expenditures to the welfare agency (an institution that organizes benefits to the unemployed): “One time, I was busy attending a course to become a social worker. The employment agency told me that they did not want to pay for it, but the welfare agency would pay for it. I was attending the course for half a year, and then I received a letter from the welfare agency. The welfare agency did not want to pay for it either. The reason: the course would take two years and they do not finance a two-year course. Therefore, I had to quit the course. And after that, we were in conflict. I said to them: ‘well, if you do that, I will stay on welfare for the rest of my life’. I want to go to work, and I expect them to offer me help.”

Kevin [175], his wife and their kids have lived on welfare for ten years. He is 32 years-old, and is very low on cultural capital. He says that if you do not have any diplomas, your chances in the labor market are nil. He also says that it does not make any sense to apply for jobs. It is of no use. He is curtailed on his benefit because he committed fraud. “Every year I become poorer.” He invested his own money in a course to become a fully licensed taxi driver. Because he received a disability benefit, having been freed from the obligation to work, he was allowed to take a course. He obtained the diploma, and to buy himself in he needed money. He asked the welfare agency if he could borrow some money, but his request was rejected: “I am on welfare for about ten years. I saved some money and attended a course. I succeeded. If you get the taxi diploma, you have to have a job within a year. I could have started easily. However, I had to pay 1500 Euros car rental and insurance. Because you rent a car from the taxi company, you have to pay money in advance. I wanted to work so I went to the welfare office and asked them to lend me some money. But they rejected my request!”

Accordingly, the respondents do want to invest in cultural capital and get a job in the labor market. But besides their lack of financial resources, they are also restricted by state regulations. From doing so, these regulations obstruct investments in cultural capital as in the cases of Monica and Jessica. Since they are not able to gain more cultural capital, their chance in the labor market decreases. In the case of Thomas, organizations tried to reduce the costs of reintegration (the unemployment agency), or tried to live up to the rules (the welfare agency). But the result was that Thomas could not attend his job training any longer and his investments in cultural capital stopped. Nor did Kevin’s investments have a pay off. His economic capital enabled investments in cultural capital. However, to
convert his recently-acquired cultural capital, more money was necessary. He asked the welfare agency, but it denied access to additional financial resources, so that finally his cultural capital could not be used to get a job. These cases make clear that investment and conversion of capital depends partly on the state regulations and legislation. The respondents face investment barriers and, as time goes by, their cultural capital will only lose its value in the labor market. The relationships between the fields become evident: there seems to be a strong relationship between the state and the formal labor market, and there is a lack of “coordination between agencies” (cf. Wacquant, 1998; p. 31). Moreover, as a result of this lack of coordination, some people retreat from attempts to improve their position.

3.4.3. The investments’ symbolic and economic pay-off

The long term unemployed can, under certain conditions, acquire a subsidized job. For example, they can work in the urban security force or as school janitors. These jobs are subsidized and created by the state. The policy design is as follows: the unemployed can accumulate their cultural capital (in the form of work experience) while they are employed. In the future, it would be easier to get a job in the (official) labor market. Hence, cultural capital investment coincides with economic self-sufficiency and, probably, an increase in social capital.

However, these jobs are low paid, and hardly provide more income than would a benefit: the loss of means-tested welfare benefits and/or new income tax payments is equal to, or even exceed additional earnings (the poverty trap), in this case the subsidized job (the poverty trap exists because people – after accepting a job – lose part of their rental subsidy and their health care compensation changes; these grants are distributed, among others, via the ministry of housing and tax institutions and not always via the welfare office). Rebecca [201] is a Cape Verodian 50 years-old mother and lives on a disability benefit. Because of her father’s health situation – he already lived in the Netherlands – she migrated to the Netherlands 21 years ago. She was a teacher in Cape Verde and, after arriving in the Netherlands, she worked as a cleaner. After a while, she was tested medically unfit, and after a couple years re-tested. The employment agency offered her a subsidized job and told her that her income would increase after a couple of years. This was not the case: “I never would have accepted this job, if I knew beforehand that my income would be the same. Compared to the welfare benefit, I receive almost the same amount of money.” Besides that, she will never earn more than her benefit, but she also has to compete with others in the labor market.
“If you look at all the job applications, they only want people not older than 25 years old.” For her, this subsidized job is the only way out of her dependent position.

A 26 years-old averagely educated Cape Verdian woman explains that her welfare benefit was financially better than her subsidized job. She receives less income since she works, and lost her financially profitable health care insurance. Interviewer: “did you know beforehand that your income would not improve?”

“They told me, if you accept the job, you will receive more money. They said, you will improve, not lose, and after two years, you will get a regular job. They promised me a high salary. The improvement in salary is not true and the real job is not true. I think they lied to me. I do not want to live on welfare. I want a better job with a future. They [her colleagues] treat you badly. Having such a subsidized job, you have this negative mark. I do not belong to the real colleagues. They see us as good-for-nothings.” Since she does not belong to the “real” co-workers, in all probability, her social network will not get bigger, and she will not accumulate social capital.

They know that these subsidized jobs are oftentimes their only escape (from welfare dependency). In spite of this, with reference to the subsidized jobs, many respondents show their discontents. For example, these subsidized jobs suffer from a bad reputation: [105] “Interviewer: did you hear about these jobs? Respondent: Yes, but how can they think up something that ridiculous? I think it is terrible.” [154] “I do not want a subsidized job. I have this [negative] image of these street guards. I think it is so funny.” From their viewpoint, the personal gain is absent: [111] “They created all these jobs. They [the government] take advantage of it, we do not.” There seems to be a mismatch between what they have to do in a subsidized job and that which they are actually capable of: [121] “They offered me a subsidized job. It was an invented job. I had to do several minor chores in a company. Well, I refused. I can do more than that... bad job.” What is more important is the stigma (an attribute that is deeply discrediting (Goffman, 1963, p. 5)) that goes along with the subsidized job: [170] “You are branded too. Everybody knows that you have a subsidized job.” As a consequence, many respondents do not want to get a subsidized job: [142] “I see all these colored people and losers walking down the street in their uniforms [as street guards in subsidized jobs]. I cannot imagine myself doing that.” The media intensify all these images and labeling processes: [156] “In the Netherlands, they put you in a cate-
gory. I saw a television broadcasting. They interviewed three subsidized workers. Then you see somebody picking up garbage in the park. You also notice how bad they are paid.” As a result, the respondents distance themselves from the subsidized workers: [136] “with all respect to these people [subsidized workers], I am not going to be among them.” Another outcome: they resist it: [351] “I want to work, but I won’t contribute to this fucking system.” However, the mixture of the job’s reputation and the job’s payment intensifies the refusal to take up these subsidized jobs: [348] “I think it is a little embarrassing. I would rather have a job without the state [governmental interference]. This job gives me the feeling of being a loser, and the financial compensation is pathetic.” The last quote reflects both the economic and the symbolic exchange. If they take up a subsidized job, they think they lose both financial capital and their self-worth.

If people in poverty invest in their cultural capital, these investments not have an instantaneous pay-off. Moreover, from their perspective, there will be no financial compensation in the future either. Besides the impression that the investment does not have a pay-off, they also do not earn more than an average welfare benefit. Finally, the respondents experience these jobs often as stigmatizing. These subsidized jobs suffer from deplorable connotations, and those who occupy such a position feel marked as secondary. From the respondents’ perspective, these jobs fail to provide sufficient economic capital, cannot guarantee cultural capital, and even their social capital will not accumulate. In sum, although people in poverty do convert cultural capital in the labor market, it does not have a pay-off in the short run59.

3.4.4. The marriage of economic and social capital

Scholars often have a positive view on resources and capital. As mentioned before, people can use their social, cultural, and economic capital to get a regular job in the labor market. As Granovetter (1974) shows, jobs are oftentimes found via informal information channels. So you have to have social capital to get job. However, for people in poverty, the situation is more complex. They have few economic resources, which has many consequences. These consequences shed light on the interplay between the forms of capital; the forms of capital are strongly interlinked60. If people lose financial capital, they cannot maintain social connections61. When their social capital drops, the likelihood to find a job via social connections (through conversion) also declines. The next cases show the relationship between social capital and financial capital.
Some examples: “I used to have some real good friends. But with no money, it is becoming incredibly difficult (to stay in touch). If somebody earns much money, and you do not... you cannot buy a round of drinks in the bar.” “We do not go to birthday parties, and we do not visit friends anymore. You have to bring presents. I do not want to visit them empty handed.” “At the time I had a job, many friends came to my house. But now I do not have any money to buy beer and whiskey for them, so they do not come over.” The relationship is simple: without money, they cannot have a social life. Moreover, it becomes notoriously complicated to find a job without these social connections. Getting out of this vicious cycle is even more difficult.

Table 3.2 shows the relationship between social capital and economic capital. The interviewers asked the respondents whether their social network increased or decreased in size. The interviewers also asked whether their income changed over the past five years – their financial capital. If we look at the relationship between the change in financial and social capital, we see that a strong decline in income often coincides with less social contacts. Fewer economic assets often goes hand-in-hand with less social connections. This is also shown by Gonzalez de la Rocha (2006; p. 69). She argues that rising poverty has had serious effects on poor people’s capacity to maintain networks of social exchange. She, furthermore, suggests that as economic uncertainty stretches on, apparently indefinitely, a social and cultural context of radical exclusion has emerged.
Table 3.2 Correspondence between economic capital and social capital

<table>
<thead>
<tr>
<th>Change social capital [past five years]</th>
<th>Improve</th>
<th>Steady</th>
<th>Decline</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decline</td>
<td>5</td>
<td>23</td>
<td>57</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>29%</td>
<td>45%</td>
<td>58%</td>
<td>51%</td>
</tr>
<tr>
<td>Stable</td>
<td>3</td>
<td>20</td>
<td>23</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>18%</td>
<td>39%</td>
<td>23%</td>
<td>28%</td>
</tr>
<tr>
<td>Improve</td>
<td>9</td>
<td>8</td>
<td>19</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>53%</td>
<td>16%</td>
<td>19%</td>
<td>21%</td>
</tr>
<tr>
<td>Total</td>
<td>17</td>
<td>51</td>
<td>99</td>
<td>167</td>
</tr>
<tr>
<td>Sign. p &lt; .05</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The process of the reduction of social capital and economic capital can be illuminated. Nicole [141] possesses relatively much social and cultural capital, but has few economic assets. Her friends are amazed that she does not possess a color television and other electronic devices: “Don’t you have a VCR?” She received an old VCR from her friends. Since she is living on welfare, she did not accumulate financial resources. However, her working friends’ capital did expand: “At a certain age, you have a number of friends. My contemporaries have work, they have built up something. But I did not build up anything during the past ten years. I lived on welfare for the last decade. If something breaks down, I cannot replace it. So I lost a large amount of stuff. People around me expand their possessions. Their [clothing] closet gets bigger, mine shrinks. Differences between us are getting bigger.” The bond between economic and social capital becomes visible. The non-accumulation of financial resources happens together with the loss of social capital. She gives an example of how this process operates: “Lately, a friend told me that I should do something with my hair. But I choose to have long hair, so I do not have to go to the hairdresser [to save money]. That is what I told her. She responded that long hair is out of fashion. I laughed my head off! Like I care! I cannot buy fashionable clothing for many years62. Therefore, I do not want to be involved with this friend any longer. I will ditch her.” Her friend was condescending towards her life style63. In addition, her lack of financial resources blocked an “adequate life-style and taste” (cultural capital), and in the end, her social capital declined. In this process, social, cultural, and economic capital are strongly interrelated, and influence the social position of Nicole.
According to Alyssa [223], her friends accumulated more cultural capital than she did and, as a consequence, more economic capital. Finally, her friends chose a social network that was appropriate to their life-style and taste: “Some of my old friends wanted to hang out with me. Because of my financial situation, I could not. They went to college and acquired good jobs. I did not. I always thought they were good friends. But they blamed me for lacking financial wellbeing. They do not want friends with problems. Instead, they want a friend with whom they can go out every week.”

These cases and Table 3.2 show the relationship between several forms of capital. These respondents often lost financial capital, and this loss has severe consequences for the possession of other forms of capital. The strongest relationship exists between social and economic capital. Social capital needs continuously to be refilled with financial capital – which they do not have. Precisely this social capital might be the key to the labor market. Another relationship exists between financial capital and a certain life style (cultural capital). Financial capital makes an appropriate life-style possible (going out with your friends), and this life-style is heavily merged with social connections (social capital). Consequentially, financial resources make a life-style possible, and a life-style can be a key to social capital. In any case, the respondents face difficulties maintaining their social relations and, hypothetically these social connections should offer entrance to the labor market. In this manner, the exclusion from the labor market results in fewer financial resources. Less financial resources results in less social capital. Then again, this social capital is necessary to get access to the labor market. These people face a vicious cycle of social exclusion: the exclusion from the labor market results in exclusion from social networks, and the field of social networks is strongly related to the labor market.

3.4.5. To maintain a position in the labor market

Among the respondents, many single parents have to or want to work (see Table 3.1). They are often outside the labor market for many years. The first years of their parenthood, they were not obliged to work. During that time, first, they lost work experience (cultural capital). They hardly worked and therefore lost qualifications (not all, there is still something left of it). Furthermore, because parenting is a busy job, they did not have the time and the money to maintain all the social connections. So they lost social capital. Enduringly outside the labor market, they ended up with debts losing economic capital. Even if they can get access to the
labor market, they hardly profit from the job financially – the previous benefit often exceed the job income. They also have few opportunities to get flexible day care for their children. Even if they do, day care costs a lot of money. These single parents lost practically all forms of capital, and face many obstacles reentering the labor market. To maintain a position in the labor market, single parents oftentimes have to have all three forms of capital: social capital\textsuperscript{64} to provide for flexible cheap day care, sufficient cultural capital to get a job which secures an income more than the average welfare benefit, and economic capital to pay for the day care. But precisely people in poverty do not have all forms of capital. If they lack any one of the forms of capital, their chance to maintain a position in the labor market becomes small.

Jennifer [121], a 32 years-old single parent, had a job. At the time she worked, compared to the welfare benefit, she received five Euros per month more. She does not have any friends to baby-sit for her baby girl. She also does not have much money, nor did she finish her schooling: “I started to work in the kindergarten. I worked five days a week. I went to my work at half past six in the morning. My child was still a baby. In the afternoon, I came home. So many things were involved: taking care of my kid and going back to work. I could not handle it. In the evening, I was still making phone calls for my work. I went nuts. In the bus in the morning, I started to get very uneasy. Then I thought, I want quit my job, what am I doing? I earned five Euros per month more. Then I made a decision and quit the job.”

Katelyn [348] is a Dutch single parent and is 35 years old. She has two children. One kid is three years old so Katelyn is not obliged to work. She attended college, but never got a degree. After that, she had many minor jobs. Her financial situation is not very good. She quit her job: “it was too intense. First, my child went to the kindergarten, but my ex-husband disagreed. In his opinion, it was too expensive. Therefore, I acquired a child-minder, prearranged. However, she lived miles away. I had two jobs, a baby-sitter out of town, and I was biking through the entire city taking care of everything. I tolerated it for one year. I received less money. I had to take care of my child support, I lost my tax exemptions, and I sacrificed so much for a job I disliked.”

If people in poverty have sufficient social capital, they can arrange flexible day care. If they have sufficient economic capital, they can pay for flexible day care
in the first place. If they have sufficient *cultural capital*, they can likely get a high paid job. However, people in poverty sometimes do not have all three forms of capital in their possession. This comes on top of labor market demands, which seems to request cultural capital. Jobs may offer fewer financial resources than an average welfare benefit. Endowed with all forms of capital, people in poverty might overcome these problems. Along these lines, there seems to be a severe disparity between the respondents’ cultural capital, labor market demands, financial earnings, and the availability of flexible day care. As a final point, to maintain a position in the labor market, they have to have all three forms of capital.

### 3.5. Conclusion: Conversion Obstacles

In conclusion, first of all, respondents can only access the labor market with sufficient cultural resources. They know this, and therefore try to invest in cultural capital to increase their chances. However, they have little financial resources and therefore investments in cultural capital are hard to make. They are trapped in a vicious cycle of poverty. Finally, as time goes by, this circle further reduces their chances in the labor market. Second, state regulations make investments in cultural capital difficult. People in poverty depend on state benefits, have to deal with the state regulations, and have to conform to the state rules. However, they face the contradictions of the state. From their perspective, there are frictions between labor market demands and the welfare regulations. For example, the labor market requests that people have educational qualifications; without diplomas you are not much of anything. Nevertheless, people in poverty are not always allowed to invest in cultural capital, because they have to be available for the labor market. This contradiction makes it difficult to increase their chances in the labor market. Third, the only entrance to the labor market is often getting a subsidized job. People in poverty can get a subsidized job, which is available to them and is often the only entrance to the labor market. However, compared to the welfare benefit, these jobs often do not result in more economic capital. To make it even worse, these jobs suffer from deplorable connotations. Besides the absence of the economic gain, there is also a symbolic loss – a loss of social status. Because these jobs are stigmatizing, people in poverty have a hard time accepting these jobs. This double loss makes it difficult for people in poverty to accept a subsidized job and to enter the labor market. Fourth, they need all three forms of capital to maintain a position in the labor market. One form of capital can compensate for shortcomings of the other. For example, social capital can provide for
flexible day care, and this day care can facilitate people staying in the labor mar-
ket. Nevertheless, since people in poverty hardly ever have sufficient capital in all
ranges, it becomes difficult for them to maintain a position the labor market.

Several fields are interrelated (which has effects). First, the field of social net-
works is related to the labor market. We saw that the loss of income often coin-
cides with the loss of social contacts. Alternatively, in the capital lingo, the loss
of economic capital often means a loss of social capital. Second, the state and the
labor market are solidly interconnected. Whether people in poverty are able to
convert one form of capital into another depends on state regulations. What we
also observed is that people in poverty stop attempting to reenter the labor mar-
ket. Their conversion strategies did not have any effect, they faced so many state
regulations, or their economic gain was not compelling enough. The ultimate
consequence of the poor relationship between the fields: they stop applying for
jobs, do not start looking for jobs, or resign from social life. People in poverty
actively retreat themselves – as a kind of self-exclusion – from the labor market.
The final effect is that their position as impoverished is perpetuated.

Two elements are neglected in this chapter. First, I did not elaborate on the role of
social capital. Social capital was hardly used to enter the labor market. This raises
a question: Why didn’t they use their social connections to access the labor mar-
ket? Second, another factor is the position of the state, which seems to play a vital
role in the life world of people in poverty. The respondents experienced many
institutional barriers reentering the labor market. These barriers and state restric-
tions need more attention, which I will elaborate on in the forthcoming chapters.
Social capital will be discussed in chapter 6, and the role of the state will be dis-
cussed in the next one.
Notes

50 Social capital is productive, making possible the achievement of certain ends that in its absence would not be possible (Coleman, 1988; p. 98).

51 The concept of convertibility between various forms of capital is important; “It is a basis for strategies ensuring the reproduction of capital, and the establishment and maintenance of individual’s social standing” (Mateju & Lim, 1995; p. 121). The theme of convertibility is frequently referred to, but never systematically elaborated (Peillon, 1998; p. 219). Bourdieu readily admits his dissatisfaction with his treatment of the “conversion problem” (cf. Johnston & Percy-Smith, 2003; p. 323). “I constantly raise the problem of conversion of one kind of capital into another, in terms that do not completely satisfy even me… What are the laws governing that conversion? What defines the exchange rate at which one kind of capital is converted into another (Bourdieu, 1993; p. 33-34)?” The quest for such general laws is bound to remain elusive (Peillon, 1998; p. 219).

52 See also, for example, Robson and Butler (2001), and Blokland and Savage (2001).

53 Strategies for preservation and upward mobility that Bourdieu outlines are e.g. the re-conversion of economic into educational capital by the business bourgeoisie, protectionism, segregation, discrimination, pretension, and imitation (Fuchs, 2003; p. 399-400).

54 Using the forms-of-capital model, Nee and Sanders (2001) argue, that the supply of social, financial and human-cultural capital possessed by immigrant families shaped the mode of incorporation in a given societal context.

55 Although some scholars suggest this is not the case: those who are relatively high on financial and cultural capital also tend to be high on social capital (cf. Field, 2003; p. 75).

56 A similar line of reasoning can be found in Savage et al. (2005; p. 40). They write that “there can be more or less (volume), and more or less different types (composition), which works in different ways in various fields, and which has varying potential for accumulations and convertibility.”

57 The most difficult aspect to explore is how people accumulated certain types of capitals, while they do not accumulate others. Probably, the amount of capital largely depends on the individual life-trajectories. For example Young (1999; p. 202) has shown how low-income African American men have accumulated certain kinds of capital throughout their lives.

58 Kolankiewicz (1996; p. 436) writes that “the ability to translate … educational attainment into entrepreneurial opportunity depends upon both individual and systematic factors. It also depends on factors such as the speed of transformation which can render certain assets obsolete or redundant.” As time goes by, cultural capital (diplomas) will become worth less in the market. The respondent blamed herself for being “stupid,” but actually did not take the “systematic factors” into account.

59 It seems that these people do not understand the deferred gratification principle; a principle which encourages individuals and groups to postpone immediate consumption in order to work, train, invest or gain in some other way an enhanced return at a future date (cf. Schneider & Lysgaard, 1953; Marshall, 1998). They can invest in a new job, even when this job is low-paid, so in the end they will get a better job. However, since they often need money right now, it is difficult to postpone their ‘gratification’. They immediately have to have money: to buy food, clothing, pay for education, their bills, the rent etc. They cannot accept less income, since they are forced to think about today. Understanding the deferred gratification principle, they have little space to maneuver.

60 Bourdieu emphasizes the interdependency between social and economic capital. According to him (1986; p. 249) the volume of the social capital possessed by any given agent
depends on the volume of economic capital possessed in his own right, and therefore social capital is never completely independent of other forms of capital.

61 “The reproduction of social capital presupposes an unceasing effort of sociability, a continuous series of exchanges in which recognition is endlessly affirmed and reaffirmed” (Bourdieu, 1986; p. 250).

62 According to Bauman “the poor of a consumer society are socially defined, and self-defined, first and foremost as blemished, defective, faulty and deficient – in other words, inadequate – consumers” (1998; p. 38).

63 According to Lamont and Lareau (1988, p. 158), Bourdieu argues that cultural capital is used by dominant groups to mark cultural distance and proximity, monopolize privileges, and exclude and recruit new occupants of high status positions. Bourdieu adopts a more Durkheimian approach and focuses on the necessary classificatory effects of cultural practices. Cultural capital is used to exclude and unify people, not only lower status groups, but equals as well.

64 Social capital according to Bourdieu is in its own right directly useful to network members and, additionally, might help to compensate for shortfalls in respect to other resources (cf. Field, 2003; p. 74).