Persistent poverty in the Netherlands
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8. Persistent poverty in the Netherlands: summary and conclusion

This study is about poverty in the Netherlands during the late 1990s. I made use of the “Landscapes of Poverty”-project database (1997-1999). In this study, I analytically divided society into various fields, i.e. the neighborhood, the labor market, the state bureaucracy, the social networks, and the informal labor market. Each field can be an opportunity structure. For people in poverty, a field might provide resources for everyday survival, helping them to move upwardly. The best examples are the field of education and the labor market. However, fields can also constrain people in poverty from escaping their position. If people in poverty are excluded or they are not able to obtain resources from a particular field, it prevents them from pursuing their ambitions. It was this study’s main concern to disentangle whether these fields enable or constrain people in poverty to change their position. I tried to explain why poverty is perpetuated. To grasp the structure of the fields, I focused on the manner in which people cooperate, the symbolic and material struggles, and the unintended consequences of their actions. Furthermore, I illustrated the relationships between the fields and especially the effects of these relationships. In this concluding chapter, I draw together the chapters’ central arguments; I then summarize the symbolic and material struggles within each field, followed by the interrelation between the fields (and its effects).

8.1. The conclusion for each field

8.1.1. The labor market

In chapter 3, I explored the attempts of people in poverty, using multiple forms of capital, to increase their chances in the labor market. This chapter developed the concept of the forms of capital as the basis of a model of labor market incorporation. Inductively, during the transcription analysis, several themes emerged. First, to strengthen their position in the labor market, poor people have to have cultural capital (often in the form of diplomas). Nevertheless, to invest in cultural capital,
they have to have financial resources. The respondents faced difficulties investing in cultural capital, simply because they lack these financial resources. Second, due also to institutional barriers, investments in cultural capital were often difficult to make. People do want to invest in cultural capital, but they are often not supported by the state. They also face the contradictions of the state. That is, the way state benefits have contradictory incentives. They have to be available for the labor market and are therefore not allowed to attend courses (thereby investing in cultural capital). However, to increase their chances in the labor market, they need to have sufficient cultural capital. Third, if investments in cultural capital are made, they do not always seem to have a pay off. The job they acquire offered little financial progress. If people in poverty convert their cultural capital in the labor market, they hardly obtain more financial capital than a welfare benefit. Fourth, a strong relationship between social, cultural and economic capital reveals that the loss of one form of capital often means the loss of another. For example, the loss of financial capital resulted in a decline in social capital. The lack of social capital again makes it difficult to gain access to the labor market and thus to gain economic capital. In addition, the loss of financial capital resulted in few opportunities to invest in cultural capital. Furthermore, this cultural capital is necessary in order to enter the labor market and to access critical social networks. Eventually, people in poverty faced a vicious cycle of disintegration. Fifth, this chapter showed that if people in poverty want to maintain a position in the labor market, they have to have all three forms of capital. They need to have sufficient cultural capital to overcome the poverty trap, enough social capital to provide for flexible day care, and economic capital to, e.g., pay for flexible day care and additional investments in cultural capital to strengthen their labor market position. The data showed that the respondents oftentimes are short of one of the forms of capital. When respondents plan to enter the labor market, they tried to strengthen one of their forms of capital, but fail because of institutional barriers, the contradictions of the state, or their bad position (poverty, and thus few economic resources). Though it seems that it is all about economic gain, getting ahead, investments, conversion, and gaining more money, the symbolic aspects were found also to be very compelling. People in poverty can get a subsidized job, which might offer an escape out of poverty in the long run, but these jobs suffer from deplorable connotations, and are often stigmatizing. Because these jobs do not have much of an economic pay-off and are stigmatizing, there was a strong disincentive from getting such a job. Without doubt, what we saw is a connection between symbolic aspects (negative connotations), and economic aspects (hardly
any financial improvement). In this way, labor market reintegration is not as straightforward as it may seem. The respondents face many barriers, both economic and symbolic, to improve their position.

8.1.2. The bureaucracy

In chapter 4, I explored how people in poverty experience the relationship with welfare officials and how they react to the quality of the relationship. Because the bureaucratic encounters are largely about symbolic classifications (to distinguish between the deserving and undeserving poor), the transcriptions were analyzed for how the respondents dealt with these classifications. First of all, the respondents experienced the welfare officials’ informal classifications. According to the respondents, the welfare officials are condescending, make pessimistic distinctions, are unfriendly, and not willing to help them. Second, the welfare office employed several formal classifications; one of them is the distance to the labor market taxonomy. These formal classifications are experienced as stigmatizing, incorrect, and often lead to indignation. Third, the welfare office controls and oversees whether the respondents are entitled to benefits. These controlling mechanisms, both formal and informal practices, are again often experienced as negatively. Because respondents, from their viewpoint, are incorrectly classified they react to these practices and symbolic classifications: sometimes as cunning, prudent, provocative; alternatively, often as passive, avoiding communication, even refusing to take up welfare. However, they are often obstinate, and thus reaffirm the image of the undeserving poor. In this fashion, the classifications and the respondents’ self-image seem to interact (a relational difference that is unproductive) and unintentionally contributes to welfare dependency.

8.1.3. The neighborhood

In chapter 5, I explored how place might affect the life chances of people in poverty and how they deal with their social environment. Assuming that the neighborhoods under study are stigmatized, the respondents react to this bad reputation. To understand the mechanisms behind neighborhood reputation and stigma, the “boundary work approach” is used. That is, analyzing the transcriptions, I looked at who the respondents defined as a morally worthy or unworthy person in the neighborhood. Doing this, the internal differentiation of the neighborhood can be observed and, consequentially, knowledge is produced as to whether the neighborhood is a fruitful ground for urban dwellers to create enduring social ties. This chapter distinguished three manners dealing with the
neighborhood stigma: first of all, the respondents distance themselves from those who undeservingly profit from social assistance programs. The distinction is based on the distribution of economic resources – often by the state. Second, respondents make distinctions based on life-style. They blame urban dwellers who make a mess of the neighborhood and are impure, noisy, and untidy. The distinction they make is based on others’ behavior. The third manner to deal with neighborhood stigma is to understand others’ position and to take up a positive connotation of the neighborhood. They show their sympathy for others and thereby try to neutralize a discrediting mark. Two remarkable points can be made. First of all, almost all ethnic groups practice similar strategies of distancing. There are hardly any differences between the native Dutch and migrants. Second, there are hardly any differences between the neighborhoods. Within all three neighborhoods, these strategies are practiced – although in the Bijlmermeer “sympathizing with others” is more often practiced. Hence, we need to put the neighborhood in perspective. It does not really seem to matter where the respondents live: they always distance themselves from others, and blame others for their own misery. Perhaps as long as their position does not change, their viewpoint will not change accordingly. Again, we saw a firm tie between symbolic and economic aspects. Many respondents feel economically underprivileged, and think they have to compete with others in the neighborhood. To gain their self-worth, these respondents symbolically distance themselves from others by referring to their undisciplined behavior. Consequently, the neighborhood offers few social resources. People in poverty have few productive bonds within the neighborhood, and few bonds for social support and / or social advantage. To conclude, the neighborhood is not a fruitful ground to move upwardly, but a symbolic space which fortifies the sense of being underprivileged.

8.1.4. The social networks

In chapter 6, I explored the productiveness of the so-called weak ties (less intimate bonds) of people in poverty. Scholars argue that these ties are productive, even necessary to change one’s opportunity structure. People in poverty can use these ties to find job information outside their immediate social network, consequently, ending their underprivileged position. The respondents informed the interviewers that they possess these weak ties. However, why are they still in their underprivileged position? To answer this question, I observed how the respondents dealt with their social ties, what has been exchanged, and how these exchanges are channeled. First of all, honor and status are decisive concepts to un-
derstand the exchange within the urban environment. Because these respondents live in poverty, they are constantly reminded of their low status during these exchanges. They either cannot give back what has been given, alternatively, when given goods, this reminds them of being poor. In order to avoid being labeled as helpless, they avoid receiving goods. Second, an important norm is being self-sufficient. Many respondents so want to be self-sufficient. They try to optimize their social standing instead of gaining as much as possible. Third, community enforcement (in the form of gossip) is one central reason why the respondents do not want to exchange goods. Because they cannot always give back what has been given, they might become the talk of the town. Fourth, past experiences mold future transactions. Many respondents exchanged goods and services in the past. However, because their expectations were disappointed, they lost from the exchange, so that their social capital disintegrated. The result is that they have become more careful with whom to cooperate. They will not have dealings with all and sundry; hence trust is often absent in the urban environment. This suggests that even when the poor are provided with more weak ties via social mixing in the neighborhood, they still would like to maintain their honor, avoid being reminded of their poverty position, prefer to be self-sufficient, do not want to be the gossiped about, and are reluctant to trust just everyone. This is also why these weak ties are not very productive. It hardly comes to mind to make use of their weak ties to find a job. Here again, we see the connection between economic and symbolic aspects, for respondents do not want to gain the maximum amount of financial resources, but rather optimize their symbolic universe.

8.1.5. The informal labor market

In chapter 7, I explored the informal work activities of people in poverty, whether they are related to ethnic communities and network types, and what the conditions are to work in the informal economy. I outlined several self-reported reasons why they work in the informal economy. First, their regular income is often too low and therefore they work off the books. The respondents suffer from debts, state retrenchments, and are durably excluded from the regular labor market. Their financial resources ran dry and they are often rejected for regular employment. They have few options to maintain their income. Their only option is to work in the informal labor market. Second, state regulations make it difficult to take up regular employment. Regular employment brings about risks, because people in poverty can lose their new job during the first couple of months. After being fired, it takes months before the new benefit is deposited. They run the risk
of ending up with severe debts. It is safer to merge an irregular income with a benefit.

In addition, informal work is often more compatible with parenting. Because day care is not flexible, expensive or not available, some single parents prefer to work informally at home. Third, in line with the last finding, the reciprocity expectations are more articulated in the informal economy, and less in the formal economy. When welfare clients take up regular employment, they might lose part of their tax exemptions, health care compensation and rental subsidies. They do not know what their future (regular) income will be. However, if they take up an irregular job, they do not lose all these subsidies, and they know exactly what their future income will be. It is safer to take up an odd job; they know what their income will be in the informal labor market, and this information is not available to them in the regular economy. Informal work is merely the result of the failure of other markets, contradictory state regulations, unpredictable changes in subsidies, and risk adverse behavior. Moreover, if we take all the constraints of the other fields into consideration, informal work seems to be the most reasonable option to get by in daily life.

8.2. The symbolic and economic struggle

In almost every field, the material struggle was juxtaposed with the symbolic struggle. In the labor market, people in poverty tried to get a job in order to improve their situation financially. However, this was not the only condition they tried to improve. They also wanted to improve their status in the labor market. For example, the subsidized jobs, which were often the only option to enter the labor market, suffered from deplorable connotations, and were often experienced as stigmatizing. If the respondents take these jobs, they lose status; the symbolic dimension in the labor market is often just as important as by the financial dimension. Negotiation with officials during the bureaucratic encounters in the welfare office, people in poverty can obtain benefits and other services. This negotiation is nothing less than a material struggle. To obtain these benefits, they must present themselves as deserving, which is nothing less than a symbolic classification. The client must present himself as deserving, but the welfare official can always reject her or him as undeserving for social assistance. For the beneficiary, this has severe economic consequences. In the neighborhood, there seems to be a competition between urban dwellers. The respondents feel economically deprived with
reference to other urban dwellers. They see others as securing scarce resources more easily and as others deteriorating the neighborhood. Consequentially, the respondents symbolically distance themselves from those who seem to be welfare frauds and make a mess out of the neighborhood. They distance themselves to regain their self-worth, and to avoid being labeled as good-for-nothings. The economic competition is often symbolically negotiated. For, during the transactions in the social networks, it was clear that maintenance of social status, trust, and honor are more important than financial profit. And although people in poverty have few economic resources, they still want to overcome the symbolic disparagement. In the informal labor market, people in poverty seem to be more appreciated than in the formal labor market. They know what their future income will be, have direct contact with their employers, can decide what they will do, and therefore can maintain their honor and optimize both the symbolic dimension and the economic dimension. Consequently, my analysis shows that to understand the life-world of people in poverty, the symbolic dimension needs to be acknowledged together with the economic dimension. Hence, the symbolic struggle has often consequences for the duration of their poverty spell and the social exclusion from various fields; due to this, people refuse to take up additional welfare, do not build up fruitful bonds in the neighborhood and hardly benefit from their friendships, lowering the chance of escaping their impoverished position.

8.3. The unintended consequences of social action

In each field, people cooperated with each other. The choices, interferences, and actions of people often had unbeneﬁcial consequences. Short-term decisions have long-term consequences. For example, if people in poverty opt for subsidized jobs, they lose their status in the short term, but they might well consolidate their position in the labor market in the long run. Except for the subsidized workers, many respondents usually did not want a subsidized job, consequentially reducing their prospects in the labor market. During the bureaucratic encounters, the state categorizes people in poverty, and people in poverty react to these classifications in such ways, that they might harm themselves economically. They avoided going to the welfare office, thereby forfeiting any additional welfare. Or they reacted negatively to the manner in which they were treated, for by being annoyed, thereby reducing the chance that they will be chosen for job training. These reactions have consequences for the duration of their poverty spell. In the neighborhood, it was quite common to shift off the neighborhood stigma by blaming oth-
ers. However, by doing this, they reduced the opportunity to build up fruitful social connections. They even harmed the neighborhood’s reputation reaffirming the neighborhood stigma. The neighborhood image might have consequences for whether they are able to take up employment, for employers do not want people from the wrong side of the tracks. During the transactions in their social networks, people in poverty optimized their social standing. Due to the fact that each time they ask their friends if they have information for job opportunities, they are reminded of their poverty status; they might opt not to use their social ties to get ahead. Again, the consequence of this behavior is that they will not profit from the exchange and in the long run may never find a job via their social ties. Finally, people in poverty might opt to work in the informal labor market, a legitimate decision if they want enough money to get by. However, in the long run, they do not build up any formal work experience and, unintendedly, expand their distance to the labor market. All these decisions depend heavily on the structure of the particular field, their future prospects, and their significant others. These decisions often come about relationally, and these decisions are understandable because people in poverty have little space to maneuver. However, after a while, the consequences of these decisions might be counterproductive and might prolong their poverty spells.

8.4. The interrelation of the fields

All fields were relevant in understanding poverty. Most of the time, these fields were treated independently, but there are relationships between them. The existence and perpetuation of poverty might be the product of the poor interrelation between the different fields. If the educational system is poorly connected with the labor market, youngsters will have a hard time to find a job. When the employment agency does not function properly (failing to connect with the labor market), the unemployed will face the difficulties of getting a job. Thus, poor connections between fields may have consequences for people in poverty: their poverty spell might be prolonged.

First, there is a relationship between the labor market and the welfare bureaucracy (which has certain consequences). In both chapter 3 and chapter 4, this interrelation became visible. For people in poverty, this bureaucracy is the entrance through which the labor market must be accessed. The welfare officials should support the respondents’ efforts to get a job, but often the relationship between
officials and recipients is a barrier to the labor market. The effect of the deficient connection between the welfare bureaucracy and the labor market is that the unemployment duration may be prolonged. In chapter 3, we saw that people in poverty have a hard time investing in cultural capital because they are restricted to welfare regulations. Because they cannot invest in their cultural capital, they have difficulties entering the labor market. In part, this is because these contradictory incentives of the state have severe consequences for people in poverty.

Second, there is a relationship between the formal and the informal labor market. The informal labor market might be the result of the formal labor market malfunctioning. If the formal labor market is easily accessible, and work offers an economic and symbolic pay-off, individuals do not need to work off the books. It became evident that the informal labor market offered more security, economic gain, and flexibility than the formal labor market. This comes on top of the relationship between the state and the informal labor market. Due to many state regulations, tax exemptions, rules, difficult labor market reentry, income insecurity, and welfare retrenchments, people in poverty would rather work in the informal economy. Poor relationships between various fields create an informal market. People in poverty become trapped in a vicious cycle, and this is driven by state regulations.

Third, there is a (weak) relationship between the state and the neighborhood. According to many respondents, the state and its bureaucracies (the housing associations, the welfare office) distribute scarce resources wrongly, discriminate among the urban dwellers, and are responsible for what is happening in the neighborhood. People in poverty experience a disproportionately greater distribution of social problems in the neighborhood. These experiences fortify resentment and reaffirm their poor position. The respondents blamed not only other urban dwellers, but also the institutions for the neighborhood deterioration. Fourth, the social networks and the informal labor market are weakly connected. Since there are no formal institutions, the informal labor market must be accessed via social connections. The respondents’ informal ties are vital in accessing the informal labor market. However, as argued in chapter 7, informal activities are the result of other processes, that is the mixture of the state and formal labor market malfunctioning engendering the informal labor market. Fifth, there is a relationship between social networks and the labor market. Social networks and the labor market are connected in such way that exclusion from the labor market often results in fewer
social ties. But then again, exclusion from the labor market affects all fields; people in poverty have to go to the welfare office, feel stigmatized in the neighborhood, have fewer social connections, and have to look for an informal job. Along these lines, we saw that the primary fields are in some way connected and that the social exclusion from one field often results in the social exclusion from other fields. The poor relationships between the different fields, correspondingly, shed light on how poverty is perpetuated. People in poverty often face a vicious circle of poverty, in which the exclusion from one field results in the exclusion from other fields, so that everything seems inevitably to fall apart.

8.5. Persistent poverty in the Netherlands

Beginning with the concept of social exclusion, I tried to illustrate why people in poverty did not profit from the booming economy during the second half of the 1990s. The answer is as follows. The structure of the field itself, i.e. how people cooperated, how people collaborated with each other; how people in poverty dealt with the welfare officials, the urban dwellers, their friends; how they dealt with the conflicting incentive structures of the state, how they met head on with labor market demands and state regulations; how they struggled to get by with their resources; tried to maintain or to improve their position, the conversion obstacles, their material and symbolic struggles and the unintended consequences of social action, determined whether the particular field was enabling or constraining. Most of the time, the particular field constrained people in poverty from escaping their position. They were not able to profit from a particular field. Even so, people in poverty were incapable securing sufficient resources from the various fields to get and stay of poverty. From this viewpoint, poverty is the product of enduring exclusion from the primary interrelated fields, resulting in cumulative disadvantage among those it concerns.