

# Exploring the efficacy of African-Americans' job referral networks: A study of the obligations of exchange around job information and influence

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## Abstract

Although the work of William Julius Wilson has done much to shed light on the role that social capital, or the lack thereof, has played in perpetuating joblessness among the urban poor, major gaps remain. Specifically, research in the urban poverty literature has almost exclusively theorized and measured social capital in terms of the poor's network structure and composition. Thus, it is widely believed that the paucity of social capital among the urban poor is simply a function of having few contacts with job information and influence. Few have taken into account the conditions considered necessary to promote the type of personal relationships required for the informal transmission of valued resources; namely, networks of relations in which norms have been created, effective sanctions in place, expectations established, and trust bred. My work contributes to William Julius Wilson's scholarly tradition by unpacking this primary source of the urban poor's social capital deficiency.

**Keywords:** Urban poverty; social capital; social isolation; obligations of exchange.

## Introduction

In his pathbreaking work, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (1987), William Julius Wilson argues that as a result of macrostructural and demographic changes, including urban economic restructuring, declining median age of minority youth, and the flight of black, middle- and working-class residents from once

vertically-integrated, black, urban communities, there has been an overall decline in the sheer number of people to which the urban poor are connected. Also, the connections they do have are disadvantaged, as reflected in their depressed levels of educational attainment and weak labour market attachments. Consequently, the urban poor tend to be socially isolated from mainstream individuals who in previous generations may have provided them with the job information and influence they needed to stave off long spells of unemployment.

With this assertion, Wilson inspired a growing body of research devoted to examining the social isolation of the urban poor to better understand the relationship between social capital and poor labour market outcomes (Wacquant and Wilson 1989; Fernandez and Harris 1992; Green, Tigges, and Browne 1995; Kasinitz and Rosenberg 1996; Wilson 1996; Briggs 1998; Hurlbert, Beggs, and Haines 1998; Tigges, Browne, and Green 1998; Elliot 1999; Green, Hammer, and Tigges 2000). From this literature, researchers maintain that the urban poor do suffer socio-economically from a dearth of social capital. They are less likely than the nonpoor to have any friends or partners, and the friends and family members they do report are less likely to have completed high school, less likely to be steadily employed, and more likely to receive public assistance (Wacquant and Wilson 1989; Fernandez and Harris 1992).

Although previous research has done much to shed light on the role that social capital, or the lack of it, has played in perpetuating joblessness among the urban poor, major gaps in our understanding remain. These gaps stem from methodological and theoretical concerns that challenge conventional wisdom within the urban poverty literature that the urban poor simply lack mainstream contacts. Drawing from emerging research, I argue that although the networks of the urban poor are not as resource rich as those of the nonpoor, that the urban poor appear to lack contacts who provide information and influence to stave off long spells of unemployment has less to do with an actual dearth of job contacts than is commonly believed; in other words, the extent of their social isolation has been exaggerated. It is my contention that macrostructural changes affecting urban America may also have led to a deterioration of *obligations of exchange*. As resources become scarce and trust declines, residents of poor, urban communities become especially protective of the few resources they do have, including job information and influence, altering the extent and conditions under which they feel obligated to exchange. My work advances William Julius Wilson's scholarly tradition by unpacking this primary source of the urban poor's social capital deficiency. The following review briefly outlines the methodological and theoretical concerns leading to my call for a more careful examination of the efficacy of African-Americans' job referral networks.

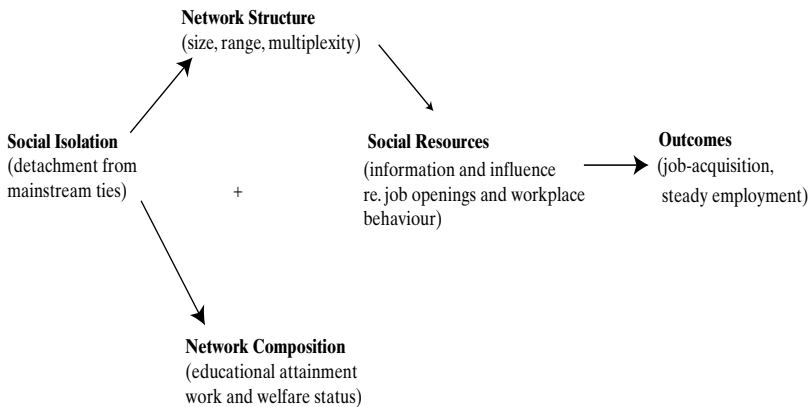
### Measuring social capital: Mainstream embeddedness and the urban poor

In most major surveys in which questions of social capital and urban poverty are posed, such as the Urban Poverty and Family Life Survey [UPFLS] and the Multi-City Study of Urban Inequality [MCSUI], respondents are asked to list no more than three ties, or alters (those to whom we are connected). They are then queried about these alters' sociodemographic characteristics, including their race, marital status, educational attainment, and employment status. However, because respondents are asked to limit their alters, and because the name generators employed to elicit information about alters often specify that respondents identify alters from a context in which trust is essential, the extent of their connections are underestimated, and they are also very likely reporting relations with whom they are close.

For instance, employing the UPFLS, Fernandez and Harris (1992) contrasted the extent of social isolation between the nonworking poor, the working poor, and the nonpoor. The UPFLS employed three name generators. Respondents were asked to report up to three friends,<sup>1</sup> up to six individuals they depend on for everyday favours, and up to six individuals they would turn to in a major crisis.<sup>2</sup> From this list, the authors constructed measures of their networks' volume (number of contacts in individuals' networks), range (the number of individuals named at least once across the three domains), and multiplexity (the number of times a person is named in more than one domain) of individuals' networks of ties. In addition, they calculated the average years of education friends attained as well as the percentage of these friends who were employed and/or on public assistance. As shown in Figure 1, the assumption here is that if the urban poor's ties were structurally well-placed and greater in number, these connections would promote employment.

Their examination revealed that relative to the working poor and the nonpoor, nonworking poor *women* had fewer ties, less range, and less multiplexity.<sup>3</sup> Furthermore, a significantly higher percentage of the poor, nonworking and working alike, had friends on public assistance, a lower percentage had friends who were employed, and their average years of education were lower as well. They concluded that, overall, the nonworking poor were more isolated from the mainstream than their more affluent counterparts. The concern: Like others (Wacquant and Wilson 1989), Fernandez and Harris only analysed the network structure and composition of individuals' *strong* ties but generalized their findings to the extended network. Furthermore, by disallowing more than three ties, their analysis obscured those who, with four or more nonkin ties, are theoretically more likely to be connected to the mainstream. It is from analyses such as these that claims about the poor's disconnect from the mainstream have become pervasive.

**Figure 1.** Flow Chart of Social Capital Theoretical Framework Typically Employed in Urban Poverty Research



Evidence suggests, however, that when the extended network of relations is considered, the extent of the poor's detachment from the mainstream has been overestimated. Oliver (1988) investigated the network structure of residents of three economically distinct black communities in Los Angeles: Watts, Crenshaw-Baldwin Hills, and Carson. Examining associational, emotional, and material support, he found that Watts residents, the poorest of the three, had no fewer ties than either Crenshaw-Baldwin Hills or Carson residents, their ties were no more dense, and although Watts' social ties were less spatially distributed, fully one-half of their social ties lived extralocally, either in other neighbourhoods in Los Angeles or outside of the City. Hurlbert, Beggs, and Haines (1998) constructed measures of social capital using multiple name generators that identified strong ties, regular associates, *and* weak ties, producing a maximum of fifteen nonredundant ties for each respondent. The authors found that a *higher* proportion of individuals residing in the 'core' of the underclass neighbourhood reported weak ties than did those residing in the 'transitional ring' surrounding the core or those residing in the middle-class neighbourhood located nearby. Furthermore, residents of the core were no *less* likely to have contact with black middle-class areas than were residents of the ring and the middle-class neighbourhood. Finally, in her study of Harlem's low-wage service workers, Newman (1999) found that while the working poor's networks include individuals with weak labour force attachments, embedded as well were ties who were stably employed. These studies suggest that the networks of the urban poor are larger, more diverse and wide-ranging, and less detached from the mainstream than conventional wisdom indicates. Thus, the paucity of social capital among the poor blacks is likely not a primary result of their isolation from the mainstream. I suggest that the roots of this particular

deficiency can be found by examining obligations, expectations, and issues of trust within poor, black communities.

### **Conceptualizing social capital: Obligations of exchange and the urban poor**

Within the urban poverty literature, social capital has typically been defined in terms of the social positions of individuals' network of relations and measured using indicators of network structure and composition (Wacquant and Wilson 1989; Fernandez and Harris 1992; Briggs 1998; Hurlbert, Beggs and Haines 1998; Tigges, Browne and Green 1998; Green, Hammer, and Tigges 2000). For instance, Wacquant and Wilson define social capital as 'the resources [individuals] have access to by virtue of being socially integrated into solidary groups, networks, or organizations' (1989, p. 22), and they operationalize it in terms of the size of the poor's network as well as the extent of their connection to those in the mainstream, e.g. high-school graduates who work steadily and who do not receive public assistance.

However, urban poverty researchers have generally overlooked critical components of the concept; specifically, one's connection to well-placed others does not guarantee resources. What promotes the transmission of valued resources are obligations of exchange, shared expectations, and mutual trust, key ingredients of collective efficacy (Sampson, Raudenbush, and Earls 1997). James Coleman, who defined social capital as 'some aspect of social structures [that] facilitate certain actions of actors – whether persons or corporate actors – within the social structure' (1988, p. S98), theorized that more social capital exists among those embedded in networks in which a high level of obligations exist. This is especially true within closed social networks, which facilitate the development of social capital by providing an environment in which norms and effective sanctions are in place such that individuals trust others in their collective to behave according to existing norms, increasing the possibility that members are willing to partake in obligations of exchange.

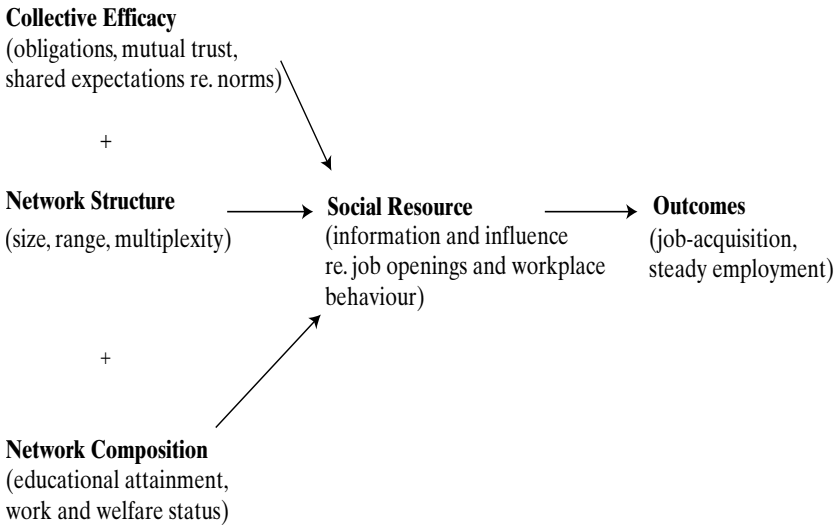
Others have extended Coleman's idea. Defining social capital as 'those expectations for action within a collectivity that affect the economic goals and goal-seeking behaviour of its members' (1993, p. 1323), Portes and Sensenbrenner advance Coleman's discussion of social closure's role in the facilitation of social capital with the concept, enforceable trust. Enforceable trust becomes a source of social capital when the internal sanctioning capacity of the community is great enough to bring about fear of punishment or anticipation of rewards. The greater the group's sanctioning capacity, the greater the likelihood that members will adhere to group norms. The result is what Coleman refers to as 'trustworthiness in structures', a social structure within which group members can partake

in high levels of obligations of exchange without concern that their obligations will go unfulfilled.

However, the capacity of a community to sanction effectively, and thus create enforceable trust, is contingent on several interrelated factors. These include discrimination, the structure of socio-economic opportunities, the extent to which the community has unique rewards to offer members who adhere to norms, and the extent of external sources of assistance or support. As discrimination increases against members and they must rely heavily on their community for status and rewards, sanctioning capacities increase as well. However, if members can achieve status and secure rewards externally, if the community lacks unique rewards, or, as Coleman indicates, if members can rely on external sources of support, such as governmental assistance, sanctioning capacities weaken, enforceable trust declines, and obligations of exchange become infrequent. Figure 2 displays a revised flow chart in which I highlight collective efficacy as an important factor leading to the transmission of social resources.

Trust, then, has become central to discussions of social capital accumulation (Granovetter 1985, 1986; Paxton 1999; Cook 2001). Indeed, many studies of immigrant and ethnic communities highlight the wealth of social capital that exists because of the trust that is created, enabling members to succeed socio-economically (Portes 1987; Coleman 1988, 1990; Light and Bonacich 1988; Zhou 1992; Portes and Stepick 1993; Waldinger 1996; Zhou and Bankston 1996, 1998; Nee and Sanders 2001). In contrast, however, research has found trust to be lacking among residents of poor black communities. With persistent joblessness, the community has little to withhold from those who do not abide by norms and even less to offer to members who do. Thus, sanctions for noncompliance are ineffective. Crime and deviance proliferate. Neighbours become predator and prey. The ever-present fear of victimization leads to constant wariness, and so few are willing to assist others in need, and few relate amicably. Public trust disappears. As a result, informal mechanisms of social control deteriorate leading to what Anderson (1990, 1999) has termed 'the code of the street'. Often described as disorganized (Glazer and Moynihan 1963; Coleman 1971), these communities have most recently been assessed as anything but (Oliver 1988; Pattillo 1998; Anderson 1999). What is lacking, however, is collective efficacy (Sampson, Raudenbush, and Earls 1997; Morenoff, Sampson, and Raudenbush 2001). Social norms privileging the collective over the individual are ignored, and have to be ignored, for individual survival. And while the erosion of collective efficacy is not particular to the black urban poor, over the past three decades, with the restructuring of urban economies in favour of a highly skilled and educated workforce (Kasarda 1995), black urban communities have been disproportionately affected (Wilson 1987).

**Figure 2.** *Flow Chart of How Social Capital Theoretical Framework Might Be Reconceptualized Within Urban Poverty Research*



Thus, despite research of the 1970s describing strong obligations of exchange within poor, black communities (Stack 1974; McAdoo 1980), it should come as no surprise that recent inquiries find that African Americans' social support networks often lag behind those of other racial and ethnic groups in terms of expressive aid, such as advice-giving, and instrumental aid, such as money lending/giving (Morgan 1982; Hofferth 1984; Eggebeen and Hogan 1990; Parish, Hao and Hogan 1991; Eggebeen 1992; Green, Hammer and Tigges 2000). For instance, examining intergenerational support between parents and their adult children, Eggebeen and Hogan (1990) found that African Americans were consistently less likely than both Mexican Americans and whites to receive money, advice, assistance, and childcare from parents, less likely to give advice and assistance to parents, and less likely to be highly involved in giving and receiving generally. Given the possibility of multiple interpretations, however, these findings are only suggestive of deteriorating obligations of exchange within poor, black communities.

Less suggestive are findings emerging from research examining the racial differences in job search strategies. In many ways, blacks do not differ dramatically from whites in job search methods used, source of their current or last job, or characteristics of their job contacts (Holzer 1987; Falcon 1995; Green, Tigges and Diaz 1999; Smith 2000). Although blacks are more likely to use state employment agencies, help-wanted signs, temporary employment agencies, and walk-in strategies of job search, similar percentages of blacks and whites search for jobs through friends, relatives, and newspaper advertisements, and find their jobs



through informal contacts who work for the firm and are same-race/ethnicity. Blacks and whites tend to differ significantly from Latinos in search strategies and methods of job finding with Latinos relying much more heavily on informal contacts, particularly strong ties, to search for and find employment.

Blacks diverge from whites and Latinos in at least one important respect, however: how their job contact aided in the matching process. Research examining racial differences in job search strategies finds that the job contacts of whites and Latinos are far more likely than those of blacks to use 'proactive' matching methods. Green, Tigges and Diaz (1999) compared the methods of assistance employed by job contacts, identifying three major categories. Job contacts could have assisted by informing the job seeker about the vacancy, by talking to the employer on the job seeker's behalf, or by hiring the job seeker. They found that whereas roughly 61 per cent of blacks reported that their contact told them about the position, the least proactive of informal job matching methods, only 44 and 41 per cent of whites' and Latinos' contacts, respectively, did the same. A significantly higher percentage of whites reported having been hired by their contacts (18 vs. 8 per cent), and a significantly higher percentage of Latinos reported that their contacts talked to the employer on their behalf (37 vs. 25 per cent). Using the same dataset, I find that net of important controls, the significance of these relationships persists in multivariate analysis (Smith 2002).

Especially in low-wage labour markets where employers rely heavily on job referral networks for recruitment *and* screening, these distinctions are vitally important. Job seekers with contacts willing to aid by hiring, speaking directly to the employer, or acting as a reference are at a considerable advantage over those without such contacts. Proactive contacts provide employers with information about job seekers, at the very least, verifying their reliability and capacity to work well with others. Without brokers to vouch for their reliability, job seekers are less competitive against those whose contacts are willing or able to extend themselves. In this regard, lacking proactivity, job contacts may be no more useful than direct application and walk-in strategies of job search. Indeed, in a study of informal search methods among black and white youth, Holzer (1987) found that roughly one-fifth of the racial difference in the probability of gaining employment could be explained by differences in receiving offers after having searched through friends and relatives. When black youths searched through friends and relatives, they were less likely to be offered employment than were whites. While employers, practising statistical discrimination, would much prefer to hire the referrals of other racial and ethnic groups (Neckerman and Kirschenman 1991; Waldinger 1997; Newman 1999), it may also be the case that the generally less proactive strategies employed by blacks' job contacts may be further disadvantaging them.



What might account for this relatively detached approach to job matching assistance? First, blacks in possession of employment information may be reluctant to be more proactive for fear that their referrals might prove unreliable, thus compromising their own reputation in the eyes of their employers and co-workers. Newman found that her low-wage workers were often reluctant to produce referrals, usually after having been burned by previous bad referrals (1999). Waters' (1999) study of West Indian immigrants in New York found that the predominantly black, immigrant workforce at 'American Food' appeared to have more efficacious job referral networks than those of the native-born blacks employed there. Of the small proportion of native blacks who were employed, then, the overwhelming majority had been hired before the company began using employee referrals as their primary source of applicant recruitment. After informally institutionalizing employee referrals for recruitment, native blacks were largely excluded from the hiring process, while the proportion of West Indian workers at the firm soared.

Waters suggests that this pattern emerged because foreign-born blacks aggressively informed and recruited their ties whereas native-born blacks were considerably less likely to do so. It is unclear why the native-born were reluctant to recruit co-ethnics. However, employers often complained that the latter's recruits were less likely to accept low wages, to perform tasks outside their job description, and to remain on the job. As a result, employers were disinclined to hire native black referrals, and when they did, scepticism pervaded their interactions and expectations. Thus, job contacts may be unwilling to proactively engage in obligations of exchange because the potential cost of more proactive assistance – what Newman (1999) terms 'losing face' in the workplace – may exceed the benefits of doing so.

This brief review emphasizes that by focusing exclusively on network structure and composition, few studies have taken into account the conditions considered necessary to promote the type of personal relationships required for the informal transmission of valued resources; namely, networks of relations in which norms have been created, effective sanctions in place, expectations established, and trust bred. The result: It is widely believed that the paucity of social capital among the urban poor is simply a function of having few contacts with job information and influence.

My research agenda seeks to advance Wilson's discussion of the importance of social capital in the context of urban poverty by exploring the efficacy of low-income, African-American's job referral networks. To begin this process, I pose three sets of research questions. First, because most studies examining the social capital of the urban poor have only investigated the network structure and composition of their strong ties, the full extent to which mainstream ties are embedded in the poor's

network of relations is likely unknown. Thus, if we look beyond the poor's core network of strong ties, how wide does their range of embeddedness extend? Specifically, how many ties are in their network, where are these ties structurally located, and what is the range of occupations to which they have connection? Furthermore, how does their range of embeddedness influence, or is influenced by their attachment to the labour market?

To address this first set of research questions, I propose that surveys be employed to gather information about the black urban poor's network structure and composition. However, to deal with concerns that past studies have likely obscured the poor's connection to the mainstream by disallowing reports of more than three ties and by focusing on individual connections to strong ties, I recommend three changes to the structure and content of instruments used to elicit information about alters. First, name generators employed for the purpose of determining the extent of one's connection to others should not unreasonably limit the number of alters that respondents can report. By disallowing more than three ties, we make obscure those who, with four or more nonkin ties, are theoretically more likely to be connected to the mainstream. However, by expanding the number of ties that the poor can and likely would report if given time and space, we more accurately measure the extent of their connection, and we likely improve the chances that more diverse ties – those who have achieved educational and labour market 'success' – are not obscured.

But we must take it one step further. Whereas most studies of this type have only examined whether or not the poor have working ties and assumed that their working ties are similarly situated in dead-end, low-wage jobs, future research should examine the occupational attainment of their network of ties. This is my second suggestion, which is consistent with Lin's conceptualization of social capital, a conceptualization that must take into consideration the structural location that alters have in the social structure as well as the resources that are inherent to those positions (2001). Thus, not only do we determine the extent to which the black urban poor have workers embedded in their networks, we also document the types of jobs that they have connection to, providing further evidence of the extent and nature of their isolation from the mainstream.

Name generators, however, are inadequate for the specific task of identifying one's connection to mainstream others because they are relational in character. Not only are they biased towards the reporting of strong ties, but the information gleaned about ties' social structural location is biased as well. To address this concern, my third suggestion is that future studies employ some type of position generator. Noting the limitations of name generators, Lin, Fu, and Hsung (2001) conceived of the position generator as an instrument to elicit information about

respondents' direct connections to labour market participants. This is achieved by taking a random sample of occupations, or structural positions, and asking whether any person in their network occupies these positions. Those who report having a direct tie occupying one of the listed positions can then be queried about whether the association is professional, personal, or both; if the relationship is personal, the nature of the relationship; and the frequency of contact. Because the position generator is not content bound and biased towards strong ties, respondents are able to identify their weak as well as their strong ties, providing a more comprehensive sketch of their network of ties. More importantly, however, by asking respondents about the extent and nature of their relations to ties within the labour market context, this instrument permits a direct assessment of the black urban poor's connection to mainstream contacts, thereby allowing us to determine the extent and nature of linkages to mainstream ties. Using the position generator, my own examination of the black urban poor's connection to random social positions within the social structure reveals fairly strong connection to mainstream ties, specifically those steadily employed in noteworthy occupations (Smith 2002a). This is true even among the most disadvantaged, the nonworking poor. I found that over half of their ties are to individuals occupying semi-professional/skilled and professional positions.

My second set of research questions are in regard to obligations of exchange. That obligations of exchange appear to be relatively infrequent within poor, black communities suggests a social structure in which opportunities are constrained not just by a lack of job contacts, but also, and more importantly, by a lack of enforceable trust within the community. Within poor black communities, it may be that the norms that do exist around appropriate workplace behaviour are not adhered to because sanctions are ineffective at discouraging or preventing conduct deemed unacceptable, such as frequent absences, tardiness, and lackluster job performance; furthermore, status and rewards may not be sufficiently unique to encourage adherence. If job contacts have little faith that their referrals will go to job interviews, and if hired, that referrals will show up to work punctually and perform job tasks satisfactorily, contacts will likely be wary of assisting. The chances of proactive job matching decline even further if contacts perceive as weak the capacity of the community to sanction deviant members or reward those who adhere to the norms. As a result, unable to predict how others in the collective will behave, trust declines, and members withdraw from obligations of exchange. Thus, my second set of questions are as follows: what is the extent and nature of obligations of exchange around job information and influence, and what reasons do the urban poor give for their level of proactivity, or lack thereof? To the extent that they may be reluctant to offer direct assistance, do they provide indirect job matching

assistance, such as transportation to or caring for children during job interviews?

To address this second set of questions, I suggest qualitative methods of data collection. Specifically, in-depth interviews would be appropriate to assess the extent to which respondents engage in obligations, have expectations, and experience issues of trust around the informal job matching process, as well as to determine the nature of these exchanges and their outcomes. First, respondents might be queried about the obstacles they have encountered in the job search process and the extent to which friends, relatives, and acquaintances are important in this process. They may be asked about prior experiences assisting others in job searches. Questions in this category may include the extent to which they extend themselves to others when they learn about employment opportunities as well as the nature of their outreach, who and how they have assisted, for what types of jobs, the outcome of their assistance, whether they would assist again, and the positive and negative aspects of helping others to find work. In addition, they may be queried about their experiences as job seekers, including whether they have ever asked for assistance, from whom, the job contact's occupation as well as the types of jobs to which s/he could route the job seeker, the contact's level of influence or power on the job, how the contact aided, the outcome of the search, and the seeker's willingness to ask for assistance in the future.

My own pursuit of these issues has revealed much (Smith 2003). Overwhelmingly, respondents in my study expressed the importance of helping family members, friends, and even acquaintances with the job search process. Indeed, roughly 79 per cent have described the satisfaction that comes from helping others. As important as job-finding assistance is to my respondents, however, whether as job seekers or job contacts, assistance predominated in the realm of information exchange. Typical of respondents were statements such as, '... I'll tell them about the job, [but] I won't tell them to go say my name', or 'I won't put my name on it'. Two major reasons stand out for their reluctance to assist more directly. First, respondents expressed a lack of trust. They were uncertain as to whether their referrals would turn up for interviews, turn up for work, or remain committed to the job after the first paycheck, and they feared poor outcomes would reflect badly on them, negatively affecting their standing on the job.

Consistent with the dominant American value of individualism, reluctance also stemmed from respondents' belief that much of the work of job finding should be done by the job seeker. Many argued that if a job seeker really wanted and deserved employment, he or she should take the primary responsibility, or 'make the initiative', as one respondent stated. These expressions of individualism, while consistent with recent evidence indicating that African Americans score higher than members of other major racial and ethnic groups in the United States (Coon and

Kemmelmeier 2001), are likely a function of the erosion of trust within poor black communities and/or a desire to distance oneself from the stigma of being black and poor, as suggested by Newman (1999) and Waters (1999). Future research should pursue this line of inquiry further as individualism produced and expressed within a context of disadvantage is likely only to exacerbate that disadvantage.

Third, drawing from Coleman (1988) and Portes and Sensenbrenner (1993), obligations of exchange resulting from the extent of enforceable trust within poor, black communities is a likely contingent on several interrelated factors. To the extent that poor black communities have weak internal sanctioning capacities, this weakness may have its roots in the few unique rewards and status poor, black communities have to offer their members (at least in the legitimate economy), the reliance among members on outside sources of assistance or support, such as public assistance, and the perception among members that while structural obstacles to upward mobility exist for them, with increased human capital and much resolve, members of their group should be able to overcome them. To better understand this interplay between obligations of exchange and internal and external sources of status and support, I ask the following questions: With regard to enforceable trust, how strong are internal sanctioning capacities of poor, urban black communities? Specifically, to what extent do internal institutions and organizations (such as neighbourhood churches, community centres, and the underground economy) and external institutions and organizations (such as public assistance programmes, the criminal justice system, and the legal economy) influence internal sanctioning capacities and impact enforceable trust. Finally, how do these mechanisms mediate the relationship between obligations of exchange and the job matching process?

Given how little is currently known about the interplay between obligations of exchange and internal and external sources of status and support, to best address this set of research questions, I propose an ethnographic study of a poor black community. The ethnographic method here is key because it allows the examination of this interplay within the context of the community, in the process, elucidating not only what the obligations of exchange are around the transmission of job information and influence, but how these obligations come about, or not, as a result of the meaning that individuals attribute to it. To date, this is poorly understood.

By addressing each set of questions employing a mixed-methods approach, we will arrive at a fuller understanding of the role that social capital plays in perpetuating joblessness among the truly disadvantaged, further elucidating how and why poor, urban blacks have been unable to mobilize resources by virtue of their embeddedness. However, in addition to these empirical contributions, this research agenda has important theoretical implications as well for urban poverty research. To

date, the social isolation thesis is the basis upon which the black urban poor are presumed to lack social capital. If their isolation has been exaggerated, then the source of their social capital deficiency lies elsewhere. I argue that the source can be found in the networks of relations by examining the extent to which norms have been created, effective sanctions are in place, expectations shared, and trust has been bred. Without this examination, a complete study of the social capital of the urban poor has not been undertaken.

This research agenda also has important public policy implications. Policies aimed at eliminating social isolation (and its corollary, joblessness) by increasing interclass interaction through such mechanisms as mixed-income housing developments will likely bring about no profound changes in the circumstances of the urban poor if those with resources, the social buffers, refuse or are reluctant to take part in obligations of exchange. Indeed, short of the eradication of an exploitive capitalist system, joblessness will not abate. However, if a social capital theoretical framework is to inform public policy, then programmes that combine unique rewards (such as a foothold into jobs offering a living wage, health and retirement benefits, and opportunities for advancement) and effective sanctions (inability to participate in said programme for an extended period of time for noncompliance) will likely promote behaviours consistent with expectations, engender trust, and lead to a high level of obligations of exchange. Otherwise, social capital will not be the route by which the problems of joblessness will be resolved.

### **Acknowledgements**

This research was supported in part by a grant from the Ford Foundation to the Program on Poverty, the Underclass, and Public Policy at the University of Michigan.

### **Notes**

1. About friends, respondents were also asked their race and ethnicity, levels of educational attainment, work status, occupational attainment, partner status, and public aid receipt status.
2. Besides their relationship to respondent, no other information was collected of these last two sets of alters.
3. It should be noted that no statistically significant differences in network structure were found among men by class status.

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