

IN DIRE STRAITS

Multidimensional Household Debt in the Netherlands

Henry van der Burgt



Radboud Social
Cultural Research

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Multidimensional Household Debt in the Netherlands

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In Dire Straits
Multidimensional Household Debt in the Netherlands

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Chapter 1

Introduction

Introduction

When studying the topic of debt, one finds that it does not take too long before it starts taking on the nebulous appearance of air. At times it appears inconspicuous, made seemingly invisible by layers of bureaucracy, narratives of self-improvement, or notions of shame. At other times, it appears to be everywhere, affecting individuals, markets, governments, and economies, almost like a natural force rather than a manmade creation. Contributing to the research field on such an all-encompassing topic requires a clear focus. Central to this study is therefore debts' ability to provide, but also to restrict, for lack of a better word, a form of everyday respiration, which guides people's choices as they become aware of the possibilities provided by credit and, often simultaneously, the weight of indebtedness. Whereas credit can provide air, for example because one can maintain a standard of living or invest with the possibility of a future return, debt can have a choking effect, restricting the possibilities in day-to-day experiences. It is mainly in this latter capacity that indebtedness becomes a concern for people in debt, creditors, debt counsellors, politicians, policymakers, and academics alike, who each, albeit for different reasons, desire to make sense of this leveraging force that, on the one hand, can power growth and development, yet, on the other hand, can bring everyday lives to ruin – often in the form of problem debts that people struggle to repay.

In this regard, the Netherlands follows much of the financialised world, with a pervasive presence of credit in various shapes, including student loans, mortgages, consumer credit and instalment plans. The Netherlands ranks among the European countries with the most household debt, predominantly mortgages, and more than 7.6 million Dutch people have some form of consumer credit (Stichting BKR, 2023). The Netherlands is also affected by a concerning occurrence of problem debts, which were estimated to affect around 720,000 households (8.8 per cent of all households) at the start of 2023 (Centraal Bureau voor de Statistiek, 2023). Despite the best efforts of an advanced welfare state that seeks to help people with financial difficulties, to date these problem debts have been a challenging problem for which people often delay the request for assistance, often resulting in problems that are increasingly more difficult to resolve (Keizer, 2016; Schonewille & Weijers, 2019).

In line with the global trends towards globalisation and financialisation, developments such as the global financial crisis, the coronavirus pandemic, or the economic impact of the Russian invasion of Ukraine each introduced new financial risks in people's lives, expanding the demographics who are at risk of encountering poverty, financial hardship, and ultimately problem debts. Although historically associated with

low-income households, increasingly attention is drawn to the experiences and needs of newly emerging vulnerable groups such as youngsters (Bouterse & van Waveren, 2019; Westhof, de Ruig, and Tom, 2015), students (Groen & Houtsma, 2021) and migrants (Van Paaschen et al., 2022). At the same time problem debts have also become a risk for self-employed professionals and entrepreneurs (Blunt 2018; Bokhorst et al., 2022) and regularly employed people (Oomkens et al., 2020), suggesting an expansion towards less vulnerable groups. Furthermore, problem debts are considered closely related to other welfare concerns, such as poor health (Hojman et al., 2016; Roos et al., 2021) and illiteracy (Keizer 2018; Madern et al., 2016).

In light of this shifting debt landscape, it can appear difficult to define what a problem debt experience truly is (Betti et al., 2007, p. 138). One common ground is perhaps the extent to which people deal with objectively measurable financial challenges such as a mismatch between income and expenditure or pressing financial obligations towards creditors. At the other extreme, commonalities can be found in a rather abstract perspective where a problem debt describes non-specific challenges, conforming to, and complicated by, a range of personal circumstances, some of which are financial in nature. Both of these are seen as unhelpful; the first because it is too narrow to fully encompass a rich experience of indebtedness, the second because it is too broad, describing the human condition as it applies to effectively everyone.

Instead, this study reveals an experiential understanding of a problem debt. As can be seen in Figure 1.1, this perspective can be found in between the financial and the generic perspective, capturing a common experience of a problem debt that addresses the primary financial concerns of indebtedness, while also accounting for the rich variety of contexts and meanings that are part of the debt experience. This is achieved by getting close to people with debt and their understanding of their finances, allowing for an analysis of the broader impact of debt on many other aspects of everyday life. The main contribution of this study is a detailed and rich analysis of this experiential understanding, based on a newly developed theoretical framework that makes it possible to detect some of the mechanisms that influence the debt experience. This is accomplished on the foundation of a series of in-depth interviews discussing a broad scope of topics with a diverse range of people in debt. The choice of such a broad perspective, which was initially made for pragmatic reasons, ultimately shifted the perspective of this study away from the level of individual narratives or particular indebted subgroups. In its place it opened up a new discussion about indebtedness at a more fundamental level, answering the question of what it is that brings these seemingly different people together under the banner of indebtedness. At its core, the contribution of this study is concerned with the analysis of the mutual experience of

distinctly different people, which in this study is used to uncover the building blocks of a problem debt and to theorise debt in a new light.

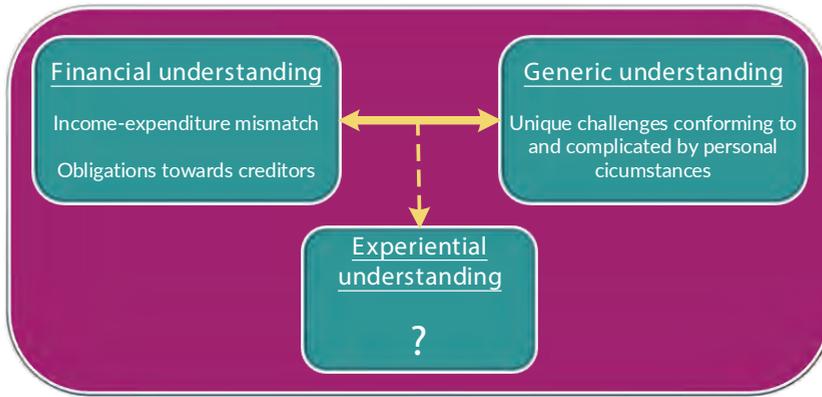


Figure 1.1 - Positioning the research objective: defining problem debt at the experiential level

Theoretical framework

In order to arrive at this experiential understanding of indebtedness, this study brings together two contrasting strands of thought. On the one hand, this is a theoretical narrative of a self-reliant agent. On the other hand, this study finds its inspiration in economic anthropology, which reveals that agents are rarely, if ever, completely self-reliant and are instead affected by a range of overarching structures. The link between these two realms is found in the much-debated field of practice theory. Practice theory came into existence as a countermovement that responded to the structural anthropology that is closely associated with the work of Claude Lévi-Strauss. He suggested that human behaviour, cultural practices, and social organisation are shaped by universal structures, such as contradictory binary oppositions in which cultural practices can serve as the resolution between them. In opposition to these ideas, Pierre Bourdieu proposed what would become the foundation of practice theory, based on a more fluid interaction between the individual agent and the structures of the social world. For Bourdieu (1977/2013, p. 83), the individual is on the one hand shaped by their social surroundings, but on the other hand also the director in charge of shaping, and ultimately reshaping, the social world around them. According to Bourdieu (1977/2013, pp. 72–76), what people do and the patterns along which they think and act are guided by conventions, rules, and values, but while in the act of doing so the individual agent influences their performance, and through that the social world.

By choosing this route, the study challenges the more prevalent understanding of problem debt in the Netherlands, which, in line with the debates surrounding the Dutch welfare state in general, has long been steeped in strong convictions about a self-reliant citizen. This hypothetical citizen is expected to be empowered, responsible, and capable of solving many of their own problems, creating a narrative in which the welfare state serves to help only those who fail to meet these requirements. One early example of this can be found in the 2007 Social Support Act (*Wet maatschappelijke ondersteuning, Wmo*). This legislation decentralised the care for people with a disability, chronic mental illness, or psychosocial problem to the municipal level and tasked municipalities with “compensating the limitations that a person experiences in their self-reliance and societal participation”¹. It was the beginning of a new era, often labelled the *participation society*, in which citizens were made responsible for the well-being of themselves and of the people surrounding them². In this society, increasingly more welfare responsibilities were tasked to the municipal level, culminating in a 2015 Social Support Act that decentralised a wide range of welfare services. Parallel to this development, the self-reliant citizen was also increasingly made responsible for their own finances – a development that was reflected in new forms of decentralised municipal debt counselling³ but for example also embodied by the National Institute for Family Finance Information (*Nationaal Instituut voor Budgetvoorlichting, Nibud*), which in this era considered improving financial self-reliance as its core task (Van der Schors et al., 2009)⁴.

The introduction of this self-reliance narrative was followed by sharp criticism, the most dominant of which addressed the growing awareness that citizens were rarely as self-reliant as previously imagined, leaving certain citizens without much-needed assistance. There were also criticisms about the implementation of the participation society, with an evaluation of the 2015 Social Support Act showing, for example, that the

¹ See Article 4 of the 2007 Social Support Act.

² The participation society (*participatiesamenleving*) was introduced during the 2013 throne speech as a replacement for the traditional welfare state. The throne speech is delivered by the monarch of the Netherlands to the Dutch parliament each year to lay out the government’s proposed policies for the upcoming parliamentary year; King Willem-Alexander is the current monarch. Speaking on behalf of the Second Rutte cabinet, the king stated that citizens were deemed “more empowered and self-reliant”, while the government felt that it had to reduce the government budget deficit. Everyone capable was thus asked to “take responsibility for their own life and environment.” Although internationally received as a radical break, the call for such a transition was not new and had already been voiced by various government ministers as early as the 1980s (Van der Lans, 2014).

³ See Chapter 2 for a historical overview of this development.

⁴ Nibud considers someone financially self-reliant when that person “makes thought-out choices to the extent that his or her finances are in balance, in both the short and the long term” (Nationaal Instituut voor Budgetvoorlichting, 2012, p. 7; Van der Werf, Blanken, and Schonewille, 2016, p. 4).

initial expectations of more accessible and affordable welfare assistance or increased citizen participation had not materialised. This evaluation found no meaningful improvements in the areas of employment participation or caregiving and encountered even worse waiting times for child welfare services (Kromhout et al., 2020). This gradually building pushback against the participation society led to a gradual shift away from the narrative of the self-reliant citizen towards a new narrative that instead addresses the resilient citizen (Wetenschappelijke Raad voor het Regeringsbeleid, 2017). Inspired by new insights from the behavioural sciences (Jungmann & Madern, 2016; Tiemeijer, 2016), self-reliance was increasingly deemed to be an unattainable goal, not just for vulnerable groups, but society-wide, as everyone seemed to some extent at risk of losing control over their finances during times of hardship.

The objective of this study is to document this shifting narrative in the context of household debt in the Netherlands; it does so by taking a page from the field of economic anthropology. Unlike the self-reliant citizen, who is often seen as a capable and rational agent, this study strikes a balance between the restrained but real capabilities of people with problem debt and the numerous external forces that are applied to them as a result of their indebted status. After all, in the everyday experience of indebtedness, people are beholden to a wide range of externalities, meaning that being in debt can, in extreme cases, be considered the antithesis of being self-reliant. Understanding the experience of people in debt thus requires one to recognise not only the choices that they make, but also the conditions in which these decisions are made. This is by no means an original idea but, rather, an understanding of material exchange that leads back to the early anthropology of Bronisław Malinowski's *Argonauts of the Western Pacific* (1922/2005), in which he sought to understand the motivations for the intricate trading of trinkets with a nominal economic value that he encountered in the Kula ring of the Tobriand Islands. Similarly, this study reveals that non-economic values can also drive the numerous decisions that are part of living with a problem debt. This creates a new understanding of household economics that goes beyond the economic focus on rational, market-based decision making. To a certain degree, this study thus returns to the formalist-substantivist debate first introduced by Karl Polanyi (1944/2001). For Polanyi, the formalist model of the economy – based on neoclassic economics, in which individuals make rational choices based on market characteristics, scarcity, and certain highly valued goals – offered unsatisfactory explanations for the economies of non-capitalist, pre-industrial societies. The alternative, substantivist position instead saw how “man's economy, as a rule, is submerged in his social relationships. He does not act so as to safeguard his individual interest in the possession of material goods; he acts so as to safeguard his social standing, his social claims, his social assets. He values material goods only in so far as they serve this end” (Polanyi, 1944/2001, p. 45).

Polanyi reasoned that, during these times, the need for survival prioritised the interests of the community over those of the individual, resulting in an economy based on bonds of reciprocity and redistribution, often closely tied to a network of social relationships and a set of cultural values and moral principles.

This study rekindles the substantivist position in the 21st century by positing that people with a problem debt engage with both of these positions. A problem debt, by its very nature, makes the formalist conceptualisation of economics a luxury that a person with a debt cannot always afford. Rational, self-interested choices tend to break down when money itself becomes scarce as a result of the pressures of indebtedness. With the limited money that is available, difficult choices must be made, sometimes as basic as choosing between debt repayments, feeding the family, or buying a birthday present for a friend. Where the formalist position becomes unattainable, it seems that the substantivist point of view takes over. Decision making shifts to value registers other than the market economy, such as the navigation of several social networks in which people in debt have obligations but also find a level of support and solace (Gudeman, 2001). Moreover, people in debt aspire for some level of social mobility, at the very least to an extent that it might pull them out of their state of indebtedness, but often also with a long-term future beyond their debt in mind. People in debt also maintain their own set of morals, allowing them to make decisions between what they regard as right and wrong. The same, however, can be said about personal health, which this study considers another area affected by, and in turn also affects, financial concerns.

With some imagination, these different value registers of everyday life could be considered 21st century spheres of exchange, dimensions in which people balance different interests, measured with different units of account. Paul Bohannan (1959) described these spheres among the Tiv in Nigeria as discretely separated exchanges, where goods were traded within, but not between, three distinct spheres of exchange. It is generally assumed that the introduction of general-purpose money undermined the strict boundaries between these separate spheres of exchange, but the relevance of thinking in terms of different value registers was firmly established. For people in debt, this shifting between spheres is part of everyday life, as they, for example, rely on the social backing of their network to support their financial household, while also leveraging new career opportunities as a durable pathway out of debt. Thus, a more dedicated understanding of the varied internalised negotiations of people in debt is needed to comprehend this day-to-day experience of indebtedness.

What follows should be read against the background of this continuous interaction between the individual choices and motivations of people in debt and the often

highly controlling structures that govern them, precisely because they are indebted. Being in debt constrains people not just because of their limited financial means, but also through regimes of care and control, strained relations with social networks, and challenged prospects for the future. Far from being passive, in response to these conditions, people in debt must seek solutions, alternatives, and distractions, sometimes quite literally to survive with some level of comfort and dignity. What this thesis presents is a window on some of these interactions; it does so by shedding light on the origins, developments, and outcomes of various experiences of indebtedness.

Studying debt

As already mentioned, the primary subject of this study is not indebtedness itself, but rather the social practices that surround indebtedness, including the experiences associated with it. Having a problem debt might be the defining influence on this experience, but it is certainly not the only one. A debt, in particular one that cannot be repaid, quickly becomes little more than a steadily increasing number on a piece of paper. Yet it is also a number that, over time, sets in motion regimes of debt enforcement and modes of debt counselling, in turn introducing dependencies and restraining the agency of people in debt. This study aims to explore this point of view, by looking at how a life in debt is experienced, and enacted upon, by people most affected by it. Before it can do so however, the next section addresses the research process and the methodology used to achieve this, outlining various impactful decisions and their consequences for the course of the study. The first of these is the interpretation of the problem debt concept, which in itself is open to multiple interpretations.

Under normal circumstances, a debt refers to an agreement between a person in debt and a creditor, who, by agreeing to certain terms, commit to certain obligations. However, a problem can occur, when these normal circumstances change, often unexpectedly, in turn making past agreements no longer sustainable in the present day. The mediation provided by debt counsellors and debt enforcement can sometimes resolve these problems, but this is not always the case. When that happens, a problem debt is born, referring to a situation in which repayment of the debt is either increasingly unlikely or entirely impossible. Determining what is and what is not a problem debt in the Dutch context is not straightforward, as the definition has seen gradual changes over the years⁵. Betti et al. (2007) described three types of measurements used for over-indebtedness in Europe: an objective model based on quantitative metrics; a subjective

⁵ The lack of a clear definition and the differences between existing definitions have on occasion been criticised, as they make it difficult to draw comparisons and to quantify the number of problem debts in the Netherlands (Posthumus et al., 2019, p. 2; Hoeve et al., 2011, p. 77; Serail, 2004, pp. 7–9).

model based on the self-reported personal experience of indebtedness, for example when it jeopardises the indebted person's standard of living; and an administrative model based on cases officially registered in a court system. Dutch interpretations of problem debts most commonly follow the objective model, referring to an “unsustainable level of debt in terms of inability to service or repay the debt with reference to a defined critical level” (Betti et al., 2007, p. 138). Historically, a common definition of a problem debt was a total amount of debts and payment arrears exceeding the total repayment capacity. Sometimes this measurement was combined with other critical indicators such as payment arrears in essential services such as rent, mortgage, energy, or insurance for more than two months, creditors who refuse a repayment plan, or the absence of the means for refinancing and liquidating wealth (Serail & von Berg, 2007). The legal definition, found in article 284 of the Bankruptcy Law (*Faillissementswet*), is fairly similar, describing how a person can request debt rescheduling if it is “reasonably foreseeable that he will be unable to continue to pay his debts or if he is in a situation where he has ceased to pay”. The NVVK (2023⁵) uses a similar definition for its code of conduct, specifying that a problem debt refers to a situation in which it is “foreseeable that a person will not be able to keep paying or already stopped paying”, in particular when someone is unable to repay all outstanding debts within a 36-month timeframe. Betti et al.'s (2007) subjective model is less commonly used in the Netherlands, but not absent either (EIM, 2007)⁶. Problem debts have been described as treacherous, because an unexpected change in living conditions can tip over what used to be sustainable household debts and suddenly turn them into problem debts. The point at which this tipping occurs is different for each individual and depends on their capability to manage household finances (Tiemeijer, 2016, p. 15). It is thus quite possible for a person to experience a financial problem without actually being in debt, and it is also possible to have a problem debt without experiencing it as a problem, or even as a debt (Van der Schors et al., 2016). This latter, more subjective perspective is used in this study, meaning that this study is less interested in problem debt from a financial perspective and instead takes a more subjective approach in which a person's experience with indebtedness is the key variable.

⁶ Madern et al. (2015) opposes this model because it excludes people in debt who have a problem debt by quantifiable standards, but do not experience it as such. According to this study, people in debt tend to experience the consequences of indebtedness as a problem, but not the indebtedness itself.

Research Process

When one first decides to study the topics of poverty and household debt, the notions of taboo, shame, rejection, and humiliation are difficult to avoid⁷. Studies have observed them around the world and in a variety of contexts (Plantinga, 2019; Purdam & Prattley, 2021; Sutton et al., 2014; Walker, 2014; Walker et al., 2013), including the Netherlands (Prins & Vrieselaar, 2020). This taboo is seen as one of the reasons why people tend to avoid their debt problems in an early phase, as people in debt remain in denial about the scope of their financial difficulties and hide their debts from their social network out of shame, sometimes socially isolating themselves in the process (Tyler, 2020). Feelings of shame and rejection are reinforced when social networks fail to understand financial hardship or fail to respond in a supportive manner when a person in debt opens up (Hayes, 2000, p. 32). Similarly, shame is influential in people's decision to avoid their debt collectors (Odekerken, 2017, p. 253) and in their choice to seek professional assistance (Keizer, 2016, p. 16; Purdam & Prattley, 2021; Tiemeijer, 2016, p. 36), and it also causes people in debt to drop out of ongoing debt-counselling programmes. The consequences of this can be dire, not just delaying the search for professional assistance (Keizer, 2016, p. 17), but also resulting in higher debts as people in debt fill financial holes with other sources of credit (Guérin, 2014).

This strong and persistent taboo involved with the topic of indebtedness presented a challenge from a methodological point of view, meaning that, in Kaplan's terms (1998), it affected its logic-in-use from an early onset. It raised questions on how to approach people in debt, in particular the extent to which it is possible to include the group of *invisible people in debt*⁸, a subset of indebted households that remains outside the purview of municipal welfare services and thus has no contact with formal debt counselling services (Westhof, de Ruig, and Kerckhaert, 2015). Insight gained from past debt research – which revealed a consensus that approaches that can, at least partially, mitigate the feelings of stigma and taboo are approaches based on trust, understanding, and respect – could be harnessed in choosing an approach that would suit this sensitive context.

⁷ Shame and stigma are also seen in the experience of people dependent on government welfare (Tempelman et al., 2011, p. 62) or food banks (Van der Horst et al., 2014) and people affected by mental health concerns (Andelic et al., 2018). The role of (functional) illiteracy – which can result in feelings of shame and is also known to cause financial problems – is also relevant (Jungmann et al., 2020; Keizer, 2019; Madern et al., 2016).

⁸ This distinction between visible and invisible indebted households was introduced in Dutch debt-related research around 2000 (Janssen et al., 1999). Another term introduced in 1995 is silent poverty, by which the government acknowledged the existence of social exclusion. This notion of silent poverty expressed an awareness that improving economic conditions such as employment rate or household income does not help people who are held back by a lack of education, language skills, or social networks and that improvements to education and healthcare are effective only if they are accessible for everyone (Tweede Kamer der Staten-Generaal, 1995).

Debt counsellors are known to be most effective when the support that they provide is sensitive to personal and financial backgrounds (Wang, 2010, p. 67), whereas disinterested, insensitive, or stigmatising counsellors can cause people to drop out of debt counselling (Jungmann et al., 2020). Mutual trust is also considered important when Dutch volunteers and their clients discuss the debt counselling process (Van Middendorp, 2022, p. 129), and acceptance by the social network is also considered valuable, as it can lower feelings of shame; this in turn increases the chance of debt counselling accomplishing its goals (Van Middendorp, 2022, pp. 131–34). These findings suggest that personal trust is vital when it concerns a topic as sensitive as indebtedness, not just in practical applications such as debt counselling, but also for researchers who seek a better theoretical understanding of the topic. To achieve this interpersonal trust, this study selected a qualitative research approach, combining fieldwork observations at debt counselling organisations with open-ended interviews with people in debt. These methods allowed for flexible and personal engagement between the researcher and the participating people in debt, allowing the latter to describe their experiences in great detail in a manner and environment that felt safe to them.

This study is situated in two municipal debt counselling services, for both ethical and pragmatic reasons. People in debt find themselves in dependent relations (Lazzarato, 2012; Thorgeirsdottir, 2015) towards creditors, debt collectors, the legal system, government services, and a personal social network, establishing a vulnerability that needs to be considered for debt research. From an early stage onwards, it was necessary to establish the boundaries of this study in relation to this vulnerable position, as, even though this study seeks to advance a comprehensive understanding of indebtedness, participation in this study would not substantially help people with their problem debt on a personal level, other than perhaps by providing an outlet where informants could speak out about their own experience. Explaining this critical difference in roles to informants was made easier by the decision to approach people in debt who had already established a relationship with debt counselling. This made it possible to clarify the expectations that informants could have about participation in this study, whose outcomes would naturally differ from the goals of the ongoing assistance provided by debt counsellors. Furthermore, it enabled participating people in debt to speak freely on a wide range of topics, including those topics about which they might feel uneasy in a formal setting, such as their negative experiences with professional assistance or the range of formal and informal strategies by which they acquired an income. Pragmatically, the decision to approach people who were assisted by debt counselling also served as a fruitful point of entry to the research population, as people in debt tend to approach these organisations of their own accord in the search for assistance. As a result, participating debt counsellors served as key informants in various ways,

firstly by providing context for the often complex bureaucratic and legal background of debt problems, but secondly also as brokers, in which they extended the level of trust that they had built over the course of their debt counselling practice to me as an independent researcher. Sometimes this meant that they could ask their clients if they wanted to participate in an interview, and at other times this meant that it was possible to observe debt counselling practices over time in order to build a level of informal rapport with the informants of this study.

The decision to follow this approach has had far-reaching consequences for the proceedings of this study. At one end of the scale, this meant that there was no short supply of people with a problem debt who could be considered for participation. Although not everyone was asked to partake in this study – for example when debt counsellors felt that this would impede their counselling process – and although not everyone who was asked agreed to participate, having access to a diverse network of people with a wide range of experiences of indebtedness provided access to unique perspectives that most likely would not have been perceived with other, more indirect means of approaching people in debt. This approach also significantly lowered the aforementioned barrier of shame, allowing most informants to participate in a relatively familiar setting and always from an empowered position in which they knew that their debt problems were recognised and formally addressed by debt counselling. At the other end of the scale, this approach almost completely excluded the invisible group of indebted people from this study, limiting the understanding of the early experiences of a problem debt, during the phase in which being in debt is still veiled in taboo. Often this study could only approach this phase from a retrospective point of view, in which a person in debt reflected on their past experience of being invisible. At the same time however, this study found that the duality between invisible and visible indebtedness was often rather ambiguous. One could formally belong to the visible category, but still face the challenges of being invisible, because one could not be helped, encountered long delays as one was being helped, refused certain solutions, or found that suggested solutions proved inadequate. Thus, although debt counselling most certainly had an impactful influence on the participating informants, many of them still found themselves confronted with a level of uncertainty that was reminiscent of their lives before they became visible.

Methodology

The interview data collected as part of this study are the outcome of a substantial number of fully open-ended interviews with a variety of informants. This open-ended approach was preferred over structured or semi-structured alternatives, as the experiences of people in debt were in many ways highly diverse. Informants sometimes shared similar contexts, for example in the severity of their financial problems, their demographic background, or the causes of their financial distress, but what stood out were the differences and unique ways in which they tried to come to terms with their indebtedness. By using open-ended interviews, this experience could be documented in full, even when this compromised a straightforward comparison between informants. Open-ended interviews were also preferred with the intent of making informants comfortable to talk about such a personal and often emotional subject – a subject that often had come to dominate a substantial part of their lives. For this reason, informants were given a choice in the location of interviews, for example in the privacy of the consulting rooms located in the building of the debt counselling organisation, the comfort of their own home, or a convenient public space. Informants were also allowed to schedule the interview at a time that was convenient to them, for example after an appointment with a debt counsellor or after work. In this way, the inconvenience of participating was kept to a minimal level – an approach that made it possible to often have multiple in-depth interviews with the same informants. Two urban fieldwork settings were selected, located in comparable neighbourhoods of two different Dutch cities. In total, 58 interviews took place between May 2018 and August 2019, roughly equally distributed between both neighbourhoods. Depending on the personal preferences of informants, approximately half of the interviews took place at the same location as the debt counselling service visited by informants, and the other half occurred in people's homes. Only a few interviews happened in other public spaces at the request of the informant. The interviews varied in length, although most commonly lasted 60 to 90 minutes. They were recorded with the permission of the informants and then transcribed.

What these interviews effectively tried to achieve was to get a sense of both the debt spatiality and the debt temporality in the experience of each informant. The *temporality of debt* has been part of an ongoing discussion surrounding debt relations, aimed at capturing the ways in which debts transform experiences of time. Peebles (2010) identified various strands of such transformations, considering for example how credit serves as a material resource in the present, but also contains a promise or indeed a demand for debt repayment in the future. Likewise, a person in debt borrows speculative resources from the future in order to acquire readily available resources

in the present, often based on actions in the past which left a lasting reflection on the debt relation. This coupling between past, present, and future has been described in a variety of settings where it has changed the way in which people perceive time. Han (2012, pp. 38–43) studied low-income groups in a Chilean context in which buying on credit is intrinsically tied to ideas about dignified living, a precarious lifestyle whose upkeep takes on a monthly rhythm under the pressures of credit registration and threats of repossession. This monthly maintenance of the “loaned life” has far-reaching consequences, affecting food expenditures, relations with neighbours, friends, and family, and employment decisions. James’s (2015) analysis of South African credit unions reveals how members engage with a wide range of saving and loan schemes in the expectation of this making it possible to access consumer goods and fulfil aspirations of upward mobility at a future date. A study by Storms and Verschraegen (2018) addresses how debt collectors in Belgium impose their own time regimes on people in debt, disrupting everyday economic schedules, and debt counsellors seek to negotiate payment plans that better align in time. This emphasis on temporality is also what has instigated an interest in the *spatiality of debt*, which refers to the networks, geographies, and topologies of material goods as they move along the lines of social relationships. Harker (2017) developed a theoretical framework for this spatiality, based on the geographical characteristics of mobility, place, distribution, and the boundaries of debt relationships, each helping to locate a person in debt in relation to others. In an ethnographic setting, Kirwan (2019) describes how debt advice services in the United Kingdom map the relations between creditors, people in debt, and their social network with the aim of disrupting the idea that a problem debt is an individual moral failure. Davey (2019) locates an over-indebted optimism in a similar British setting, in which people in debt take control of the intimate space in their homes to avoid or ignore the looming threat of debt enforcement. Montgomerie and Tepe-Belfrage (2019) instead address spaces of resistance, where people in debt can speak out about their financial hardship and question the merits of meeting the moral demand for repayment.

The open-ended nature of the interviews and the diversity of informants meant that the topics discussed covered a broad range. Although there were some common themes, such as the origin of the debt problems, their development over time, past efforts to get rid of the debts, and the ongoing experience of debt counselling, these topics fanned out in many different directions. Central to all the interviews were the lived experiences of being in debt and the practices that people in debt pursued to navigate these experiences. Thus, this study tried to make a clear distinction between the opinions that people might have about debt and poverty in general terms and their own personal experiences leading up to the interview. Temporality and spatiality each became part of this conversation, as people in debt increasingly not just spoke of

their individual and present-day circumstances, but frequently contextualised this with past experiences, future aspirations, and ties to multiple social relations. The focus remained on the problem debt, but this observation led to two choices with regard to the data collection process. The first decision was to maintain the broad diversity of informants, rather than to reduce the scope of the study to a more bounded demographic of people in debt. Although this decision prevented direct, empirical comparisons between indebted subgroups, it did allow for a comparison at the theoretical level of the problem debt itself, including its tangents of temporality and spatiality. A problem debt became no longer a *financial* problem, but rather the everyday reality that was threaded through time and existed as a shared experience between the person in debt and a variety of network members. The second decision was to follow the informants over time, aiming for multiple interviews as the circumstances of people in debt changed. Besides providing a level of reliability for the data collection, this time-sensitive view with multiple interviews made it possible to account for not just the present, but also new and ongoing developments that sometimes changed the entire outlook for informants. Because of this decision, it was possible to develop multiple perspectives on informants' debt experiences, separated over time. Future chapters try to account for this by providing different windows into various eras in the informants' lives, sometimes even including the same informant in multiple chapters because a distinct transition between eras caused them to have an entirely new perspective on their indebtedness.

One challenging aspect of this approach was the question of how to interpret the information collected through these interviews. It was, after all, a largely personal viewpoint, based on retellings of experiences that had occurred sometimes years earlier. It covered exclusively the singular viewpoint of the person in debt, thus missing the context of creditors, debt collectors, debt counsellors, or other people in informants' social network, who might have an entirely different perspective on the same experience of indebtedness. This limitation – combined with a selection of informants who were willing, and sometimes perhaps even eager, to participate – gave informants a high degree of freedom over their own narrative. These narratives, while assuredly grounded in factual information and real experiences, nonetheless told the story that informants wanted to tell, possibly omitting uncomfortable facts, or introducing some degree of sensemaking, in which the experience of indebtedness is given a purpose or meaning that goes beyond just financial distress. It is well known that narratives help people make sense of their world (Cortazzi, 2001). It is beyond the scope of this study to investigate this from a psychological perspective, but it does warrant caution and encourages an understanding of these retellings as personal narratives rather than detached statements of fact.

The informants of this study were storytellers, sharing part of the story of their own lives, often without yet knowing what the end of the story would be. They employed this storytelling in a manner described by Michael Jackson (2002, p. 15) as a “vital human strategy for sustaining a sense of agency in the face of disempowering circumstances. To reconstitute events in a story is no longer to live those events in passivity, but to actively rework them, both in dialogue with others and within one’s own imagination”. People in debt, when describing their financial difficulties and the accompanying hardship, reconstruct what was once reality in a way that at times bestows them with agency, while at other times depicts them as victims of happenstance and misfortune. For many informants, the combination of these events and the choices that they made along the way formed the plot of their own life history, often told chronologically, to some extent rationalised through its retelling and shaped by means of causality (Cortazzi, 2001, p. 388; Sandelowski, 1991). The events that set the problem debt in motion – which would start when the first (financial) misfortune occurred and often continued up to the present day, either because the debt remained unresolved or because the long-term consequences were still making themselves known – were central. In line with the aforementioned temporal viewpoint, informants also diverged from this path, looking back to experiences that occurred earlier in their lives, for example their childhood, while also anticipating a particular future, made up of hopes and expectations. As illustrated in Figure 1.2, these narratives became more than a retelling of the experiences with problem debt by also going into detail about the experience of earlier events, which were reframed and bestowed with new meaning over time because of the present-day debt experience. At other times, the narratives looked forward, describing expectations for uncertain futures that were heavily influenced by the present-day perspective on the ongoing debt situation. Thus, while the lived experience of the informants concerns an actual past and uncertain future, the experience of the problem debt changes this perspective into a differently shaped, reframed past and expected future, both of which are influencing and themselves influenced by the present-day experience of the problem debt.

From an analytical perspective, these narratives contain a warning against Gluckman’s views (1965, p. 177) on the “method of apt and isolated illustration”, meaning that these narratives are ill-suited as examples that support sweeping general statements about the experience of indebtedness. Instead, the goal of this study is to come to terms with some of the mechanisms shared between these retellings of the debt experience, thus indirectly deciphering the experience of indebtedness itself (Kapferer, 2010). Despite the unique backgrounds of the informants, the events that they experienced as part of their problem debt and the meaning that they gave to these, in particular when involving an internal struggle or contrasting interests, allow for a comprehensive

understanding of the inner workings of indebtedness. The analysis of the informants' narratives informs a more detailed look at the individual building blocks that together make up a problem debt, while also accounting for various ways in which the debt experience can develop over time. The result of this effort is not so much an understanding of the everyday lives of *debtors*, but rather the lives of *people who happen to have a problem debt*, or who are living in a (temporary) state of indebtedness. Although seemingly a minor linguistic preference, these perceptions do matter. The informants who became part of this study live a life that is, at least to some extent, fulfilling, regardless of the burden of their financial troubles. They improvise and adapt to their circumstances; this certainly does not normalise their indebtedness, but it does allow them to prioritise between their problem debt and other goals and aspirations in life. Thus, this is a study about *people in debt* rather than a study about *debtors*.

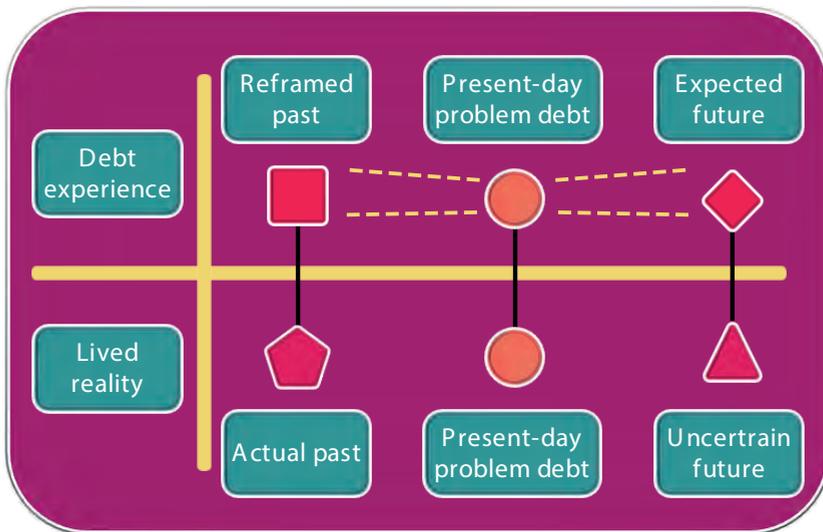


Figure 1.2 - Influence of the present problem debt on the past and future of the debt experience

Chapters

The key points discussed here are further investigated throughout several chapters that divide this dissertation into two parts. The first part engages with the context of problem debts in the Netherlands, which serves as the foundation on which the theoretical framework is based. Chapter 2 presents a historical overview of the debt infrastructure in the Netherlands. Besides providing a logical starting point for the analysis of problem debt in the Netherlands, this also serves as an introduction to the Dutch debt infrastructure, on both the debt collection side and the debt counselling side. As far back as the 1930s, both of these areas saw an increased presence in legislation that sought to balance the interests of people in debt, their creditors, and the intermediaries. Chapter 3 builds on this historical timeline with a detailed overview of the present-day debt infrastructure in the Netherlands. Starting with the Dutch welfare state, this chapter addresses how both debt collection and debt counselling practices have relatively well-developed and effective means to negotiate on behalf of either people in debt or their creditors. Special attention is paid to the role of government, which maintains a rather ambiguous position that emphasises both care and control in the management of household debts, as the government acts as a major debt collector while also dedicating itself to professional assistance for people in debt. Based on these contextual chapters, Chapter 4 proceeds to address a noticeable shortcoming of this advanced debt infrastructure – its emphasis on the financial dimension of a problem debt. Although by no means exclusive to the Dutch context, this observation serves as the starting point for the main theoretical contribution of this study, in which Bourdieu's views (1986) of the various forms of economic, cultural, social, and symbolic capital are instrumental. Rather than addressing the more durable accumulation of capital however, this dissertation aims to account for the more flexible and ad-hoc deployment of capital in the lives of people with a problem debt. To achieve this, the theoretical framework of this study replaces the notion of accumulation with the more fluid conversions of “assets” and “liabilities”. As a result of these conversions people in debt come to rely on certain assets but also face new liabilities in a range of different dimensions of their lives, of which the economic dimension, in which problem debts are most commonly located, is only one. These assets and liabilities are captured in a “debt maelstrom”, a visual representation that captures Bourdieu's notion of a life trajectory by showing the turmoil, challenges, and conflicting interests in the lives of people in debt, while still affording them the agency to influence certain outcomes, even if only to a small degree (Bourdieu, 1979/1984).

The second part of this study proceeds to apply this theoretical framework to the large variety of narratives collected through interviews with informants. Each of the three empirical chapters addresses one phase of indebtedness. Chapter 5 addresses the

phase in which a problem debt is introduced into the informants' lives. Applying the theoretical framework makes it possible to see the influence of the aforementioned assets and liabilities on the actual events that resulted in a problem debt. The diversity of people in debt does not allow for an exhaustive analysis of each of these experiences, but the informants' narratives are presented in pairs to allow a limited, micro-level comparison, describing individual experiences of a similar kind. This comparison serves as the foundation for a macro-level comparison which addresses the broader phase of indebtedness. Following this, Chapter 6 addresses a second phase, in which debt problems show signs of escalation, interacting between the various dimensions and turning small financial concerns into overpowering problem debts. The focus here is predominantly on liabilities, which seem to feed off one another as people in debt incur new or worsening obligations in some dimensions as they try to pay down liabilities elsewhere. Chapter 7 shifts into an opposite perspective, with a focus on a third phase of indebtedness, which covers attempts to get out of debt. Here, the focus is on assets rather than on liabilities, illustrating the numerous ways in which people in debt adapt to, and sometimes recover from, the experience of indebtedness. Building upon this, Chapter 8 serves as a synthesis that reins in the three empirical chapters in order to form an overall understanding of how people in debt navigate their indebtedness, addressing both the external conditions affecting them and the individual agency at their disposal. Lastly, chapter 9 formulates a conclusion to this study in which the findings of the previous chapters are addressed as possible starting points for future debt-related research and for welfare policies that are looking towards a multidimensional solution for problematic forms of indebtedness.



Chapter 2

History of Debt

Introduction

For this study of debt, the starting point is a historical overview of the continuous developments in the relation between people in debt and creditors in the Netherlands. The reason for this is twofold. Firstly, this chapter aims to highlight how the structures of household debts in the Netherlands have changed over time, showing a historical trend in which the relation between these two parties became increasingly regulated, more professional, and to some extent also impersonal. After the Second World War, a growing awareness of the risks of over-indebtedness led to cumulative efforts to manage this relationship through various laws and policies. This growing awareness led to a shifting balance between creditors and people in debt that was entrenched in various policies and legal frameworks. The resulting equilibrium between the financial interests of creditors and the welfare of people in debt provides the context required to understand subsequent chapters. Secondly, by doing so, this chapter sets the stage for an analysis of household debt in the specific context of the Netherlands, which is comparable and yet also different from other countries that can be found in the existing body of debt literature. Debt collection practices, which are relatively advanced and can be quick to collect outstanding debts where these are left unpaid, are a comparable example. Rather different from most countries around the world, the Netherlands has an advanced debt counselling infrastructure, involving both state and non-state actors, that has the goals of preventing early financial problems and mitigating problem debt, that is, forms of indebtedness that are exceptionally difficult or impossible to repay.

The historical overview provided in this chapter is broken down into several eras of growing debt awareness, starting in the late 19th century and leading up to the Second World War, when credit adaptation had a limited but successful take-off among consumers. A second phase followed on the post-war recovery, resulting in an explosive expansion of credit in the 1970s, accompanied by the first efforts to protect people in debt. The crisis years of the 1980s make up a third phase, during which debt counselling was formalised, resulting in a legal framework in 1998 that is still in use today. With the new millennium, new challenges arose, starting with the 2007–2009 economic crisis, which consequently led to a decentralisation of many government tasks, including debt counselling. To this day, this decentralisation still greatly affects the forms of assistance available to people in debt. These different windows on the history of credit and debt are chosen because they show a growing awareness of the negative social consequences of excessive household debt and a gradual development of policies, tools, and strategies to reduce risks and protect consumers, without making it impossible to have access to credit. The chapter following this continues where this chapter ends,

analysing the topic of household debt in the Netherlands not from an economic, but from a welfare-based point of view by addressing how this changing awareness has affected both debt collection and debt counselling practices.

Credit as a growing scourge

A full history of debt is closely aligned with the history of mankind itself (Graeber, 2011), but, for this chapter, it suffices to start in the second half of the 19th century¹. Although this starting date could be debated, it seems that consumer credit first became available around 1857, when the de Koning van Zweeden mail-order company started selling mainly furniture through means of instalment credit, followed by the Singer piano store in 1863 and the establishment of an Association for Judicial Officers² (*Vereeniging van Deurwaarders*) in 1873 (Huls, 1981, pp. 11–12). Some decades later, at the beginning of the 20th century, consumers first saw the broad adaptation of what can rightly be considered consumer credit, with the rise of financing companies, in particular for cars. Unlike the United States, where credit experienced its first boom during the 1920s (Calder, 1999, pp. 18–20; Hyman, 2011, pp. 21–36), the expansion in the Netherlands was more reserved. Reasons for this limited adoption varied from the outspoken criticism from storekeepers who favoured purchases in cash, a legal system that disfavoured creditors in the case of payment arrears, and, at least according to contemporary authors, a sense of indecency or even shamefulness surrounding these credit arrangements (Huls, 1981, pp. 12–13). The adaptation of credit was also slow because the Dutch were much more inclined to save, rather than borrow, money. These reservations notwithstanding, where credit did develop, it did so uncontrolled and without government supervision, resulting in widespread usury and, as a consequence, a rise in the number of insoluble debts (Jungmann & Madern, 2019, p. 726). Debt collection was also rather underdeveloped in this era, as judicial officers were often poorly educated or even illiterate (Van Rhee, 1999, pp. 26–27). The international agricultural crisis, caused by usury practices in the agricultural sector, and subsequently the Long Depression between 1873 and 1896, led to a condemnation of credit as a “national shame” around the turn of the century (Van den Borne-Verheijen, 2017, p. 24). In response, the first regulatory measures were introduced with the Pawn

¹ See Noordam (2007) for an extensive legal history of Dutch bankruptcy proceedings from the 15th to the early 20th century. See Van Rhee (1999) and Teekens (1954) for a history of judicial officers in the Netherlands from the 14th century onwards.

² Judicial officers are public servants, to a certain extent comparable to bailiffs, tasked with things such as handing over a writ of summons or judgement, confiscating money and goods, public auctions, evictions, and committal to prison. Their authority is noticeably different from private debt collectors, who operate exclusively in a civilian capacity and have no legal authority beyond reminding people that they need to pay. See Chapter 3 for a more elaborate explanation of the various capacities in which debt collectors and judicial officers operate.

Shop Act (*Pandhuiswet*) in 1910 and a state exam for judicial officers in 1928 (Van Rhee, 1999, p. 27). Also important was the Moneylenders' Act (*Geldschieterswet*) in 1932, which set a maximum to the interest that creditors could charge on loans above 500 guilders and allowed municipalities to offer loans at reduced rates via municipal credit banks (Huls, 1981, pp. 15–16). That same year, the Dutch Association for Public Credit and Usury Control (*Nederlandsche Vereniging voor Volkskredietwezen en Woekerbestrijding* or NVVK) was established³. After it became clear that the restrictions of the Moneylenders' Act were easily circumvented with hire-purchase loans, it was this association that started to encourage municipalities to open up non-commercial municipal credit banks, the first of which appeared in 1937 in Eindhoven and Geleen, after which other cities followed suit (Baan et al., 2016, p. 108). These banks were thought to limit usury practices and unburden charity organisations by providing credit to those in need (Huls, 1981, p. 22).

The post-war expansion of credit

After the Second World War, the Netherlands rapidly developed into an advanced welfare state, resulting in a system for unemployment benefits in 1952, national income support legislation in 1965, and national insurance for employment-related disabilities in 1965. Poverty alleviation moved away from charity and church organisations⁴ and became a government task. This was also an era in which consumer credit in the Netherlands became more common. With the post-war economic recovery, the use of instalment plans for purchases also increased, making it increasingly more difficult for individual storekeepers to manage the required capital and administration. As a result, new hire-purchase firms arose to resolve this problem in the credit market (Huls, 1981, p. 17). Nonetheless, up to this point, the market for financial credit had remained limited, with most households having access only to small loans provided by municipal credit banks. Only after 1958 did major banks start to open their doors to personal loans, often with more lenient conditions than municipal credit banks. A noticeable effort to transition employee wages from cash payments to bank accounts, combined with high savings rates, gave banks a large financial surplus that initially met the growing demand for both wholesale banking and retail consumer credit. This expansion of credit continued throughout the 1960s and the 1970s, when banks

³ Today the abbreviation NVVK is more commonly used, after the name was shortened to Dutch Association for Public Credit (*Nederlandse Vereniging voor Volkskrediet*) in 1986. The association still exists as a nationwide organisation with more than 100 member organisations specialising in social banking and debt counselling.

⁴ Following the Dutch Constitutional Reform of 1848, the first policies on poverty alleviation were drafted with the 1854 Regulating poverty management Act (*Wet tot regeling van het armbestuur*). Charity became a function of the churches, with municipalities providing support only as a measure of last resort for people who did not belong to any religious community.

took over hire purchase firms, resulting in specialised credit institutions such as the Rabobank, whose credit services were aimed predominantly at farmers. Estimates suggest a substantial growth in outstanding credit, from 437 million guilders in 1961 to approximately 12 billion guilders in the 1980s (Tweede Kamer der Staten-Generaal, 1987, pp. 8–9). During these decades, consumer credit became normalised as an accepted alternative to saving, while also becoming increasingly more accessible with, for example, the introduction of credit cards in the Netherlands in the year 1957.

This expansion of credit lending also set in motion a formalisation, starting with the establishment of the Central Credit Registration Office (*Bureau Krediet Registratie* or *BKR*) in 1965 as a register for creditworthiness. In 1969, new regulations were implemented that adapted the legal role of the judicial officer to these changing times. This meant that judicial officers were no longer public servants in the service of the courts, but instead became independent legal officers. Judicial officers no longer exclusively executed legal actions ordered by the court, but were also supposed to provide legal counsel in order to resolve the conflicting interests of creditors and people in debt (Niemeijer, 2005, p. 22; Odekerken, 2017, pp. 147–148). To accommodate this, 1971 saw the introduction of a nationwide centralised education for judicial officers (Jungmann & Huls, 2009, p. 422; Van Rhee, 1999, p. 27). Commercial banks slowly overtook both municipal credit banks and hire-purchase credit institutions, a development that was further cemented by the introduction of revolving credit in 1972 and the Consumer Credit Act (*Wet op het consumptief geldkrediet*, *WCGK*), which replaced the Moneylenders' Act in 1976 (Van den Borne-Verheijen, 2017, p. 24; Huls, 1981, p. 18). Although this Act defined the relationship between creditors and people in debt and imposed limitations on the additional costs that creditors could charge, creditors' interests were still prioritised. Following the continued decline of municipal banks as credit providers in the 1970s, these institutions often shifted their attention towards debt counselling, sometimes working together with, or alongside, municipal social services. The result was a mixed bag of local approaches to debt assistance, which differed in the terms and conditions of debt settlements, such as the duration of the settlement and how much money went to the creditors or could be retained by people in debt. In response to this patchwork of counselling practices, the NVVK introduced the first Debt Rescheduling Code of Conduct in 1979, laying the foundations for what would become an amicable debt settlement procedure that is still in existence today. This formalised many of the underlying principles of a debt settlement, such as a maximum three-year duration and equal treatment of all creditors involved with a single person in debt (Jungmann & Madern, 2019, p. 726).

Debt advances in the crisis era

Following the global economic downturn in the 1980s⁵, the Netherlands saw a rise in unemployment figures, causing financial difficulties for many households over this decade. Unemployment reached above ten per cent of the working population in 1983, causing a surge in welfare dependency that overburdened the welfare state, which had expanded over time and formed a complicated system of various social securities and benefits that distributed the available welfare funds unevenly among those in need (Smit, 1987, p. 188). As a consequence, during subsequent governments, public spending was reduced, cutting civil servants' wages, the minimum wage, and social assistance⁶. During this era of uneven growth and the consequential rise in poverty, household debts also increased, affecting more households with more severity than seen previously (Melief & Plomp, 1988, pp. 10–12). Social workers at this time reported on social assistance that was too low to provide a living and households that were unable or unwilling to adjust to the sudden change in income that can result from unemployment, bankruptcy, or the death of a partner. Exact statistics on the rise in household debt during this era have not been established, but studies among social workers report that, in their experience, financial problems occurred more frequently and had become more complicated (Melief & Plomp, 1988, pp. 41–43; Vermeulen et al., 1992, pp. 15–19). It was estimated that the number of households with problem debt had reached approximately 200,000 in 1989 – a substantial growth compared with the estimated 54,000 households with a problem debt in 1980 (Gras, 1991, p. 434).

During this economic downturn, household debt became increasingly visible as it limited the extent to which social workers could assist people with, for example,

⁵ Following the 1973 oil crisis, the Netherlands fell into a sharp economic crisis, similar to most North American and European countries. Although initial fears of petrol rationing proved unfounded, this crisis, coupled with the subsequent 1979 oil crisis, strained the Dutch economy to breaking point and set in motion a decade-spanning government budget deficit. Coupled with high inflation, uncompetitive wages, and rising unemployment figures (10.7 per cent of the working age population in 1983), the number of citizens relying on social welfare and unemployment benefits steadily increased throughout the decade, causing a surge in the national debt.

⁶ Lowering wages meant that more people could be employed, unemployment was reduced, and government expenditure on unemployment benefits was lowered. As this expenditure was reduced, it also became possible to reduce the social security fees, which previously made up a significant portion of the total wage. This had resulted in high wage costs for employers and consequently expensive goods and services, weakening the Dutch position in the international market. After the first Van Agt cabinet (1977–1981) failed to realise a significant cutback in government spending and the second Van Agt cabinet (1981–1982) collapsed within its first year in office, it took until 1982 before social welfare, such as unemployment and disability benefits, was reduced. Setting out a decisive new course, the cabinets of Prime Minister Lubbers (1982–1994) proceeded to privatise state-owned enterprises and further reduced social assistance and the wages of teachers and civil servants.

finding a job, providing psychological care, or preventing house evictions. This can be explained by the fact that creditors at this time could confiscate only wage income, and not social assistance, and this acted as a de facto welfare trap and gave people in debt a negative incentive to leave welfare in favour of paid employment. In addition, the budget cuts implemented to reduce government spending not only reduced social assistance for people in debt, but also made social services decide to stop paying social assistance directly towards monthly expenses such as rent and energy, because of the high administrative costs involved. Households that were unable to manage these financial obligations by themselves saw their payment arrears rise as a result, threatening many of them with house evictions or energy disconnections (Jungmann, 2006, pp. 23–24). These observations and experiences gave municipal credit banks and social services a reason to dedicate increasingly more effort to debt counselling, even though at this time there was no general approach and both knowledge and skills were often lacking (Hulshof, 1993; Melief & Plomp, 1988, pp. 86–89)⁷. The issue of problem debts first became a prominent legislative topic in 1989, with a new Act concerned with garnishment (direct deduction by court order) from wages, social assistance, and other periodical payments (*Wet beslag loon, sociale uitkeringen en andere periodieke betalingen, Wbleu*). This Act aimed to create parity between the garnishment of wages and social assistance in order to address the previously mentioned welfare trap. As this Act called for the removal of existing safety nets for indebted welfare recipients, it was passed with an amendment requesting new legislation that assured the protection of over-indebted households and guaranteed that problem debts would have a definitive end date (Huls & de Willigen, 1993, p. 211; Jungmann & Huls, 2009).

With this legislative incentive and various institutions and municipalities raising awareness of the dire need for a structural approach to debt counselling, in 1992 the Ministry of Social Affairs and Employment established a Commission for Debt Problems (*Commissie Schuldenproblematiek*), also known as the Boorsma Commission. This Commission was asked to analyse the effectiveness of debt counselling in the Netherlands and to set out guiding principles for what was to be called *integral debt*

⁷ One of the first professional debt counselling agencies to enter the Dutch scene was Planpraktijk. Started in 1982 as a consumer advocacy foundation, this agency provided educational courses, first aimed at women's interest groups, but soon became successful with one-on-one debt counselling for over-indebted households. By the early 1990s, Planpraktijk had become a fully-fledged agency, advising on or even managing municipal debt counselling. The indebted person's debt situation was examined, after which possible solutions were assessed, with an overview of the person's outstanding debts, income, expenditure, and repayment capacity. Usually, a three-month deferral was sought during which debt rescheduling could be arranged and biweekly or monthly budget management could stabilise a person's finances. Based on this information, either scheduled payments were arranged with the creditors, or the municipal credit bank was asked to provide a consolidation loan (Hulshof, 1993, pp. 23–24).

counselling, with the aim to strengthen the cooperation between social services, credit banks, budget advisors, social workers, housing associations, and energy companies⁸. That way, everyone involved with indebtedness would be informed about the status of what was going on in a household, allowing for faster negotiations with creditors and more integration with other social services such as social assistance and budgeting assistance (Commissie Schuldenproblematiek, 1994, p. 108). Furthermore, the Boersma Commission pointed to the disproportionate power held by creditors at this time, as the refusal of a single creditor could cause the debt remediation process to fall apart, as occurred in 7.9 per cent of cases (Commissie Schuldenproblematiek, 1994, pp. 80–81). Even though this was increasingly questioned by legal scholars, private law at this time followed the ancient adage “financial inability is a risk of the debtor”, which was applied to everyone, even people in debt who survived on a minimum income or those who had gone through bankruptcy proceedings (Gras, 1991, p. 431; Stutterheim, 1993, pp. 225–226).

Following a study that suggested that no best practices could be determined among the diverse implementations of debt counselling, this Commission nonetheless attested to the importance of a structural approach to debt counselling that could combat many of the existing bottlenecks and hindrances (Commissie Schuldenproblematiek, 1994; Hulshof, 1993). This report resulted in the establishment of a National Platform for Integrated Debt Assistance (*Landelijk Platform Integrale Schuldhulpverlening, LPISHV*) in 1994. Made up of various social institutions involved with social work, debt counselling, and the municipalities, this platform laid many of the foundations of present-day debt counselling practices, developing new organisational structures, coming up with new methods, and working towards quality improvement (Schut & Turlings, 2004, p. 5). It ended up being the groundwork for a watershed in Dutch debt counselling practice, which came with the introduction of the Debt Rescheduling Act (*Wet schuldsanering natuurlijke personen, Wsnp*), a legal framework for debt forgiveness that remains in place to this day.

Coincidentally, this was also a time when the profession of judicial officers made a major transition. The year 2001 introduced the Judicial Officers Act (*Gerechtsdeurwaarderswet*), an Act that had been in the legislative process for almost 30 years. This Act reaffirmed the transition that had gradually occurred over a century, in which judicial officers

⁸ The Commissie Schuldenproblematiek (1994, p. 110) made more than 30 recommendations towards the implementation of integral debt counselling, of which some went on to shape the history of debt counselling in the Netherlands. The Commission felt for example that municipal autonomy had to be respected, with cooperation occurring only where it was locally embedded and based on consensus. Most importantly, the Commission called on creditors to cooperate with debt counselling proceedings, especially creditors involved with basic needs such as housing or energy.

were no longer merely public servants, but effectively had become independent legal professionals (Van den Berg-Smit, 2013, pp. 35–41). With this Act, the judicial officer underwent a major transition in which it became a regulated profession, and judicial officers received the authority to operate nationally instead of locally and no longer had to charge a fixed sum to the creditors for which they worked (Commissie evaluatie Koninklijke beroepsorganisatie van gerechtsdeurwaarders, 2009, p. 7). These changes paved the way for the privatisation of this field by increasing the number of judicial officers. This intended development resulted in more competition, increased productivity, and lower costs (Odekerken, 2017, pp. 148–149). As judicial officers could now compete on their fees to clients, i.e., the creditors, judicial officers instead sought to derive their income from the people in debt, who had to pay not only their debts, but also the cost of the judicial process. At the same time, this Act introduced a stricter code of conduct, disciplinary laws, financial reviews, and a professional body in the form of the Royal Professional Organisation of Judicial Officers (*Koninklijke Beroepsorganisatie van Gerechtsdeurwaarders*).

The effects of this transition were two-sided. Automation and better education resulted in an increase in professional judicial officers, resulting in thriving debt collection businesses and an increase in the quality of service for creditors. Increasing competition meant that judicial officers conglomerated in larger offices, sometimes merging with the far less regulated profession of commercial debt collectors (Jongbloed, 2005). This too shifted incentives, meaning that judicial officers increasingly came to favour the interests of the creditors over the interests of the people in debt from whom they sought to collect and for whom service quality worsened (Ter Voert and Beenakker, 2016, p. 75). This development resulted in increasing criticism of profit-driven collection practices, pointing to a loss of objectivity and impartiality, as the new system made judicial officers beholden to a limited number of high-profile creditors as clients, whereas their success was measured on financial results rather than the quality of their work (Niemeijer, 2005, p. 25). As outstanding debts were processed on an increasingly larger scale and judicial officers now worked nationwide, it became impossible to develop personal insight into the living situation of people with payment arrears. This meant that people with multiple debts were increasingly confronted with multiple judicial officers, each seeking to collect for their own client, without always taking existing payment schedules into consideration (Jongbloed, 2005; Jungmann, Moerman, et al., 2012; Odekerken, 2017).

A shifting legal landscape

Following a lengthy process, the Wsnp was first introduced as a draft bill in 1992 before ultimately being enacted in December 1998. Its main objective was to provide

a definitive escape from an unsolvable debt situation by introducing the option of a statutory debt settlement as a last-resort solution for indebtedness. Under the terms of such a statutory debt settlement, creditors would have to accept the repayment of less than the total amount of an outstanding debt if a full repayment is deemed unfeasible, while in return a person in debt was required to make the greatest possible effort to pay off as much as was feasible over a fixed period of time. The hope was that this would not only reduce the number of bankruptcies among households, but also encourage creditors to accept an amicable debt settlement instead of risking a worse deal under the *Wsnp* (Berkhout et al., 2019, p. 12)⁹. One of the first evaluations of the *Wsnp*, in 2001, highlighted various positive and negative developments. On the one hand, the *Wsnp* was well-received by debt counselling organisations, who now had a strong tool for their negotiations with creditors – a major change in the balance of power between both parties compared with the time before the *Wsnp* (Jungmann, 2006, p. 43). Yet, on the other hand, the initial objective of encouraging amicable debt settlements was not achieved. On the contrary, the number of amicable debt settlements was even reduced (Jungmann et al., 2001, p. 62). It became clear that creditors could recover more of their debt with the stricter and more creditor-friendly terms of the *Wsnp* than with an amicable settlement, for example because the *Wsnp* yielded a higher repayment and also accounted for income increases, the liquidation of valuable assets, and the higher chance of failure, which would leave people in debt open to debt collection practices again. Other motivations could include maximising the shame for an indebted person and the sense of justice that comes with the punitive regime of the *Wsnp* (Jungmann et al., 2001, pp. 68–71). As a result, over time, the success percentage of amicable settlements dropped dramatically from 53 per cent in 1992 to 9 per cent in 2004 – something that has been attributed to the inflexible and strict guidelines set by the *NVVK* Code of Conduct, which resulted in increased bureaucracy and complicated the cooperation between people in debt, debt counsellors, and creditors (Jungmann, 2006, pp. 104–108).

One particularly intense test for the Dutch debt counselling system came in the wake of the financial crisis that started in late 2007 and continued to affect the global economy for years after. Following the 2007 subprime mortgage crisis in the United States, it did not take long before it became clear that Dutch banks too would be significantly affected

⁹ The *Wsnp* is considered a statutory debt settlement in order to distinguish it from the alternative amicable debt settlement. The main difference is that an amicable settlement relies on an agreement between creditors and the person in debt, whereas the statutory debt settlement is enforceable by law and overseen by a judge. Both have the same goal however, seeking to clear (almost) all forms of debts in order to allow someone to start over with a clean slate. See Chapter 3 for a more elaborate explanation of the difference between an amicable and a statutory debt settlement.

by the global breakdown of financial confidence. In response, the Dutch government nationalised various banking institutions to prevent major destabilising bankruptcies, in addition to more general investments, with the intention of limiting economic recession in subsequent years. In the first few years the government was concerned mainly with the prevention of mass unemployment. In subsequent years the focus shifted towards the rising government expenditure, as government income decreased. This resulted in government budget cuts that affected nearly all government branches. This economic crisis also came to affect households in the following years, with the most immediate effects appearing in the housing market, where the unexpected crash in housing prices led one in three houses to have so-called underwater mortgages with negative equity (Centraal Bureau voor de Statistiek, 2015). More generally, consumers experienced greater economic uncertainty and a sharp drop in purchasing power. Although unemployment remained relatively low in comparison with other European countries, reaching a peak of just below 700,000 unemployed¹⁰ in February 2014 (Centraal Bureau voor de Statistiek, 2024a), the effects of unemployment and a shrinking job market were broadly felt, especially as permanent work contracts became less common in favour of self-employment or flexible and temporary employment. As was to be expected, the number of households who fell behind on their monthly payments rose significantly during this time, with one measurement of households with a single late payment going up from 8.3 per cent of households in 2008 to 17.9 per cent in 2014 (Westhof & Tom, 2014, p. 23). Related to this, the number of people with high-risk or problem debts nearly doubled between 2008 and 2014, ultimately affecting nearly one in five households around 2015 (Westhof, de Ruig, and Kerkhaert, 2015). In a parallel development, the extra funding that had been allocated to municipal debt counselling to reduce the impact of the financial crisis ended in 2011. Instead, the year 2012 saw an effective reduction of € 20 million in the funding available for municipal assistance to people in debt¹¹, as a result of the introduction of the Municipal Debt Counselling Act (*Wet gemeentelijke schuldhulpverlening* or *Wgs*), a landmark bill that came into effect at the beginning of that year. This Act can thus be considered a turning point, forcing municipalities to make do with less and causing them to strive for greater efficiency in a variety of ways, such as by introducing grounds for exclusion from debt counselling or by relying on volunteers instead of paid professionals for certain debt counselling services (Jungmann et al., 2014; Oudenampsen et al., 2012; Tuzgöl-Broekhoven et al., 2016, pp. 43–44).

The Municipal Debt Counselling Act was first conceptualised in 2008 in response to the growing awareness that efficiency at municipal level was lacking and varied greatly between municipalities (Jungmann, 2008; Jungmann et al., 2008a). Municipalities

¹⁰ This was 8.7 per cent of the Dutch population aged between 15 and 75.

¹¹ These budget cuts were made despite studies at the time showing that the benefits of debt counselling outweighed the expenses (Van Geuns et al., 2011).

appeared to provide different services, set different requirements, made different agreements with creditors, cooperated to different degrees with other debt counselling organisations, and differed in the extent to which they could customise care to the needs of a person in debt. This resulted in a wide range of problems, the most important ones being limited access to debt counselling, non-compliance by either people in debt or their creditors, long waiting times, the lack of integral debt counselling, insufficient quality of care, and a decline in amicable settlements since the Wsnp was introduced (Tweede Kamer der Staten-Generaal, 2010, p. 3). The Wgs was designed as a municipal duty of care, ensuring sufficient access for people in debt, short waiting times, integral debt counselling, and municipal oversight, while also explicitly reaffirming the responsibilities of people in debt, creditors, debt counsellors, municipalities, and the national government (Kranendonk-von Weersch, 2012, pp. 10–16). Lastly, the concept of integral debt counselling came to encompass a much wider scope than before, as the Wgs expected municipalities to address not just consequences, but also the underlying causes of problem debt, for example mental health difficulties, relational problems, living conditions, addictions, or family issues (Tweede Kamer der Staten-Generaal, 2010, p. 6). Upon its realisation, the Wgs set out a clear framework that has proceeded to inform municipal debt counselling ever since. Most importantly, it expected municipalities to produce clearly outlined four-year policy plans delineating the organisation of prevention, integral debt counselling, and aftercare, but also the financing of these services, which also became a municipal responsibility. Several expectations were set out in this framework: firstly, debt counselling had to be broadly accessible, meaning that no indebted person should be barred in advance and that people could be refused service only on clearly defined terms. Secondly, municipalities had to balance the interests of people in debt and creditors fairly, by settling for a single nationwide standard, as creditors might lose their trust in the Wgs and settle for the Wsnp if too many municipal differences were to arise. Thirdly, the Wgs called for NVVK certification as the new standard for debt counselling. Fourthly, waiting times had to be restricted to a maximum of four weeks, although shorter should be the goal¹².

From welfare state to participation society

In some ways, the Municipal Debt Counselling Act can be seen as a precursor to a broad and sweeping decentralisation effort that occurred between 2012 and 2015 and can be

¹² Upon evaluation, it was found that the Wgs had achieved partial success, as municipalities had gained more control over debt counselling, resulting in clearly outlined policy plans, more emphasis on prevention, and more flexibility in the solutions that debt counselling could offer to people in debt (Baan et al., 2016).

described as a transition from the classical welfare state to a participation society¹³. Among other things, the care for long-term and chronic illnesses and people with disabilities, youth care, and the distribution of social assistance were conglomerated into several major laws, including the Participation Act (*Participatiewet*), the Social Support Act 2015 (*Wet Maatschappelijke Ondersteuning 2015, Wmo*), and the Child and Youth Act (*Jeugdwet*). The new system was lauded as a way to encourage individual responsibilities and self-reliance, as it would reduce rules and regulations, speed up care provision, provide greater flexibility of care, and provide more flexibility for forms of informal care. Financially, it would result in simpler cash flows from the state to the municipal level of government, all while also serving as an austerity measure, part of the effort of the second Rutte cabinet to cut government expenditure by a total of € 16 billion. In practice, this meant that elderly people were encouraged to live at home, rather than move to retirement facilities (extramural care). Responsibility for financial support for chronically ill and handicapped people was transferred to the municipalities. Informal care, although still considered voluntary, was strongly encouraged in policymaking, including a small yearly stipend for informal caregivers. Those in need of long-term or complex care could now request a personal budget, which they could use to select preferred healthcare professionals and caregivers. Social assistance was slashed, thereby encouraging municipalities to make decisions aimed at the reintegration of welfare recipients into the labour market. Along with these new requirements came substantially larger municipal financial budgets. On the one hand, this was meant to provide municipalities with greater freedom in the distribution of their budgets, even though, on the other hand, the national government still controlled municipalities' responsibilities and the financial budgets available to municipalities to perform these tasks.

This major expansion of municipal responsibilities, coupled with control over municipal budgets at national government level, placed municipalities in a difficult position. As the number of people relying on welfare and youth care increased over time, so did the costs for municipalities, which struggled to secure adequate budgets from the national government to cover these costs (Andersson Elffers Felix, 2020; Revenboer et al., 2022). Structural deficits challenged municipalities to reduce expenditures, while still maintaining the standards and objectives set at national level. This development encouraged municipalities to look for a wide range of different solutions, resulting in a patchwork of different approaches, with some municipalities keeping debt counselling

¹³ There are similarities between the participation society concept and its British counterpart, the Big Society, which was first introduced in 2010 under the conservative government led by Prime Minister David Cameron. Both emphasised decentralisation of government, development of local communities, and volunteering within the community.

in-house while others outsourced it to private organisations, while other, often smaller, municipalities created regional partnerships (Vlug, 2010). This also resulted in new approaches of debts, for example aimed at helping people with financial difficulties in preventative or informal ways. The data available to creditors was increasingly used to approach people with debts in an early stage, volunteer organisations gained in prominence, and educational programmes sought to reach out to vulnerable groups (Van Middendorp, 2022; Inspectie SZW Ministerie van Sociale Zaken en Werkgelegenheid, 2015). In addition to this, municipal debt counselling practices became increasingly subjected to scrutiny, as they often failed to reach an adequate number of people with troublesome debts, while people in debt encountered long waiting times or ended up with unsuitable solutions for their debt problems when they did seek assistance (Berkhout et al., 2019; Jungmann et al., 2014; Tuzgöl-Broekhoven et al., 2018). This lack of progress, as well as the growing disparities between different municipalities, led to a renewed effort at national level to resolve indebtedness, resulting in the introduction of an interdepartmental broad debt approach in 2018 (Ministerie van Sociale Zaken en Werkgelegenheid, 2018; Van der Stoep, 2019). This cooperation between different government ministries, national executive organisations, and municipalities focused on three primary targets: prevention and early detection, effective debt counselling, and socially responsible forms of debt collection. More recently, in an effort to reduce the disparities between the services provided by different municipalities, the national government has started to define a basic level of financial assistance that all municipalities must provide (Schouten, 2023). While these developments suggest a new turn towards national oversight on debt counselling, the outcomes of this shifting landscape of debt counselling are still unclear, as recent crisis such as the COVID-19 pandemic, a substantial housing shortage, and the 2022 inflation surge have continued to increase the economic uncertainty for substantial groups in Dutch society.

Conclusion

This concise historical overview shows how the management of credit and debt has seen multiple major overhauls from the late 19th century onwards. As far as a historical trend line can be identified, it involves a growing awareness that debt, if left unchecked, presents a significant risk for people's everyday lives, facilitating the need for both the regulation of excessive collection practices and the development of increasingly professional debt counselling services. This makes the dominant perspective on household debt in the Netherlands not just one of finance, but predominantly one of welfare. Over time, the meaning of household debt in the Netherlands changed from a metric in the consumer pattern into a national project that seeks to prevent or repair the worst excesses of over-indebtedness. What started as a relatively unbridled expansion of credit in the second half of the 19th century set in motion legislation that

sought to control the extent to which people could become indebted; this continued in the post-war era when personal loans rose to prominence in the 1960s and the 1970s. Following the two oil crises and the subsequent prolonged economic downturn in the 1980s, this development continued, resulting in long legislative developments whose final results continue to be the foundation of modern-day debt practices. Over time, this led to the present-day understanding of household debt as a shared responsibility of both the people in debt and their creditors, but also of both the national and the municipal government. This led to a professional, effective, and profit-driven debt collection industry, but it also resulted in an advanced system of debt counselling aimed at assisting people in debt. The next chapter proceeds to further analyse this welfare-based perspective on household debt by focusing on the infrastructure of debt. It presents debt collection and debt counselling as two sides of more or less the same equation and explains their different roles in the context of the Netherlands.



Chapter 3

Structures of Debt

Introduction

The previous chapter described a historical trend in which consumer credit was, on the one hand, successfully expanded into Dutch society, whereas, on the other hand, a growing awareness of the social risks of indebtedness led to increasing regulation. Evolving debt collection practices and the development of an advanced debt counselling system led to new ideas about the prevention of, and assistance for, problem debts. This chapter continues where the previous chapter ended by addressing the present-day outcome of this long-term development, effectively describing the debt structures as they exist for people in debt in the Netherlands today.

The format of this chapter is essentially a funnel, as can be seen in Figure 3.1, which breaks down the big picture of the Dutch welfare state and its core components, made up of the participation society – an expression of neoliberal communitarianism and the already introduced narrative of the self-reliant citizen. These components help to illustrate the structures of debt collection and debt counselling, the two contextual fields addressed in this chapter. Although collection and counselling might at first seem like polar opposites, each representing different interests and pursuing different objectives, this chapter shows how this is only partially true. On an abstract level, both are underpinned by similar properties of care and control, two exponents of the ideal of the self-reliant citizen. On the basis of the regulations described in the previous chapter, the Dutch government aspires to simultaneously protect the interests of creditors in the case of payment arrears, while also helping its citizens in the case of over-indebtedness. As a result, creditors and the collection agencies that they employ have strong coercive means to encourage repayment, while there also exists a systematic approach to debt assistance that aims to encourage financial responsibility, resolve problem debts, or, in extreme cases, remit debts altogether.

This chapter addresses how this narrative of the self-reliant citizen has been met with increasing criticism, as both social workers and policy researchers have increasingly shown the limitations of this narrow perspective on self-reliance. Increasingly, attempts have been made to redirect the narrative through new approaches that deflect some of the individual responsibility of people in debt, resulting in a new understanding and a collective effort that seeks to combat problem debt as a societal concern. It is this changing perspective that this study explores further in subsequent chapters by challenging the notion of the self-reliant citizen in the context of indebtedness. With its introduction of multidimensional indebtedness, this study seeks to reveal how self-reliance is rarely an achievable goal for people in debt, given the multitude of responsibilities and contradicting interests that they have to navigate.



Figure 3.1 - Chapter structure

The Dutch welfare state

To provide a context for indebtedness in the Netherlands, it helps to first address the Dutch welfare state at a more abstract level. Following Esping-Andersen's widely accepted distinction between various varieties of welfare capitalism (1990), historically the Dutch welfare state was described as Janus-headed. The reason for this is that it mirrored the classic social-democratic model, offering an extensive social safety system including accessible healthcare and education and relatively high levels of social assistance, while also featuring conservative characteristics such as a reliance on a male breadwinner model (Esping-Andersen, 1999, p. 88). In more recent decades however, riding a neoliberal wave of new public management recorded also elsewhere in Europe, the Netherlands has seen a gradual transition towards a more market-centred society as government services became privatised, welfare provision was decentralised, and the duration and the availability of income protection schemes decreased

(Hood, 1991; Vrooman, 2016). Although this new style of government was not adopted to the rather radical degree seen in many Anglo-Saxon countries, starting in the 1980s Dutch municipalities were increasingly encouraged to adopt business-like approaches whereby they had to account for costs, performance, and outputs in the search for efficiency gains and, with that, reduced expenditures (Van Helden & Jansen, 2003). This emphasis reduced in the 1990s when local government shifted its focus to citizens' interaction and participation, but the underlying principles of new public management have remained firmly in place, albeit in a less prominent fashion (Hendriks & Tops, 2003).

In this new vision, increasingly more attention was directed towards the individual, resulting in what has been called the responsabilisation of the self, as individuals were reinvented as moral agents – in other words, mediators between themselves and government (Peters, 2016). As states retrenched, the vacuum was filled with a call for individual responsibility, leaving it up to citizens to be rational and responsible in their decision-making regarding critical turning points in life, such as lifestyle, health, education, employment, and retirement. Instead of a comprehensive welfare state that made the decisions for the individual, the individual was now perceived as a conductor of their own life. Moreover, the individual was to be an entrepreneur, who makes personal investments by calculating risks and rewards, by maximising utility, and by insuring against unforeseen problems (Peters, 2016, pp. 300–302).

Schinkel and Van Houdt (2010) have defined this new association between citizens and government as *neoliberal communitarianism*, a strategy that governments employ to simultaneously promote individualising and de-individualising goals, as citizens are expected to be responsible and participating individuals while also contributing to the collective welfare of their community. The neoliberal part emphasises the market-based influences that led to a typology of citizens based on ideas about rationality, individual responsibility, and a self-governing capacity. Meanwhile, communitarianism points to the idea that citizens are expected to cooperate in support of civil society and refers to an active community of citizens that ascribe to Dutch norms and values, which are sometimes classified as modern, secular, individualist, egalitarian, and responsible (Schinkel & Van Houdt, 2010, p. 700). This was most clearly visible with the introduction of the previously mentioned participation society, which spelt out that Dutch citizens should be self-reliant, empowered, and responsible citizens who turn to government support only as a measure of last resort. Decentralisation of government services to the municipal level went hand-in-hand with the privatisation of former public services and a vigorous attempt to promote shared responsibilities such as volunteering or informal care.

Evaluations of the 2007 Social Support Act identified four objectives of this new policy direction (Timmermans et al., 2010, pp. 28–30; Kromhout et al., 2014, p. 45). The first of these was self-reliance, meaning that someone can manage a household, navigate the house and the community, and maintain social relations¹. The second was social participation, meaning taking part in those things necessary for a livelihood, for example doing groceries, visiting public areas, volunteering, undertaking recreational activities, or meeting friends. The third goal was active citizenship, meaning that citizens should support one another with informal care and assistance, and should have a voice in policies affecting them (Verhoeven & Tonkens, 2013). Fourthly, attention was drawn to the importance of social cohesion, for which the meaning was noticeably less clearly defined. Where it was described, it often took the form of an attitude whereby people had to be involved. Being involved would then improve living conditions at various levels: the household, the neighbourhood, and the social network. Active citizenship and social cohesion thus exist in a reinforcing spiral, as being an active citizen leads to more social cohesion, and more social cohesion in turn facilitates more active citizenship.

The narrative of the self-reliant citizen

In the context of household debts and the efforts to curb over-indebtedness, the one policy goal that stands out from these four is self-reliance. This concept is the backbone along which debt counselling is organised, and it is also an important pillar of the NVVK standards in the field of debt counselling². Following the introduction of the participation society policy model, self-reliance became one of the NVVK's objectives for the future, while also being an important measurement in the intake procedure for

¹ One of the more concrete operationalisations of this policy objective is the self-sufficiency matrix (*zelfredzaamheidsmatrix*), which has been adapted extensively in various welfare applications of the Social Support Act. This assessment instrument aims to rate a person's self-reliance on one of five levels in various domains (originally 12, but since then expanded), ranging from finances to mental health to having a social network or substance use. Although this instrument can help to assess which domains have the most negative impact on self-reliance and thus require the most attention, it has also been suggested that this quantitative measurement has impersonalised the relation between professional and client (Mellaard, 2022, p. 102). This can result in a discrepancy between the mechanical assessment created through the use of the instrument, aimed at maximising the efficiency of welfare distribution, and the actual needs of the people that it aims to help (Duyvendak et al., 2018). As a result, there are documented cases in which professionals have resisted the implementation of the instrument, seeking to avoid their clients' negative responses to what is sometimes experienced as excessive pigeonholing (Hoijtink, 2018, pp. 157–168).

² The Dutch Association for Public Credit (*Nederlandse Vereniging voor Volkskrediet*, NVVK) is an association with more than 100 member organisations and is specialised in research, advice, and training for debt counselling organisations and municipalities. See Chapter 2 for more information on the origin of this association.

the debt counselling process (NVVK, 2012)³. As a consequence, the NVVK considered interventions that inhibit self-reliance sometimes necessary, but recommended that these should be temporary in all but the most extreme cases, when self-reliance is unachievable (NVVK, 2015a). Self-reliance also became part of the mission of the National Institute for Family Finance Information (*Nationaal Instituut voor Budgetvoorlichting, Nibud*)⁴, which defined a financially self-reliant person as “someone who makes thought-out choices to the extent that his or her finances are in balance, in both the short and the long term” (Nationaal Instituut voor Budgetvoorlichting, 2012, p. 7; Van der Werf et al., 2016, p. 4). To operationalise this concept of self-reliance, the Nibud developed a series of key competencies, which, when taken together, should add up to a financially self-reliant citizen. Based on the British counterpart of the Adult Financial Capability Framework, the Nibud initially suggested three such competencies: actively keeping up with the financial administration, balancing income and expenditure, and consciously saving and borrowing (Van der Schors et al., 2009). Later editions expanded the three Nibud competencies to five, while also giving them more actionable phrasing (Nationaal Instituut voor Budgetvoorlichting, 2012). These include charting, meaning a person should have an overview in order to balance finances; responsible spending, meaning that income should be spent with short-term household balancing in mind; looking forward, meaning that one is prepared for plans and events in the medium or long term; choosing financial products, meaning that the financial services used are suitable for the household situation; lastly, sufficient knowledge, meaning that one has the knowledge to maintain household finances in the short, medium, and long term. Thinking in terms of such competencies also has its limitations however, as it does not account for personal circumstances or behavioural decision making. One Nibud study suggested, for example, that a positive attitude towards finances, for instance a long-term perspective, a willingness to save money,

³ Over the years, this emphasis on self-reliance led to the development of various tools, among which the Mesis screening tool has seen a high adaptation among debt counsellors. Since its development in 2012, Mesis has been employed in more than 70 municipalities with the purpose of assessing the degree to which a client can (potentially) develop sustainable behaviour, which is considered a requirement for a stable financial situation (Blommesteijn et al., 2012; Van Geuns et al., 2017; Witvliet et al., 2014). In the Mesis tool, financial self-reliance is considered an important factor affecting financial behaviour, determined along various measurements that assess financially stable behaviour, practical financial skills, self-direction (taking responsibility), willingness to change behaviour, the conviction that debts can be resolved, and risk factors such as feelings of shame, social isolation, low literacy, a debt-prone environment (Blommesteijn et al., 2012). The Mesis tool is used mainly as a conversation starter by debt counsellors, enabling them to discover financial strengths and weaknesses that might otherwise go unnoticed.

⁴ Nibud was founded in 1979 as a non-profit organisation that aims to help private households respond to the challenges of greater economic insecurity and greater financial complexity. Since then, Nibud has developed a wide range of tools, publications and educational resources that encourage people to be responsible with their money (Van der Schors et al., 2009).

and the absence of financial temptations, is also important (Madern & Van der Schors, 2012, pp. 57–60). Nibud also recognises that not everyone can easily acquire and subsequently employ these competencies, and in that case it is more important that people are sufficiently self-reliant to recognise when they need assistance (Madern et al., 2015).

A changing perspective

As already mentioned in Chapter 1, in recent years this narrative of the self-reliant citizen has received increasing criticism in response to a growing awareness that this level of independence was unattainable for many citizens and that the expectations of a local, decentralised welfare state supplemented with forms of informal care did not materialise (Kromhout et al., 2020). One landmark study came from the Netherlands Scientific Council for Government Policy, which shifted attention to new insights from the behavioural sciences (Wetenschappelijke Raad voor het Regeringsbeleid, 2017; Jungmann & Madern, 2016; Tiemeijer, 2016). That study reported on a distinction between the thinking capability, which is governed by cognitive skills and allows people to collect information, and the doing capability. This doing capability refers to people's executory control, governed by non-cognitive skills and personality traits, which influences the extent to which people take action, overcome drawbacks, and sustain good behaviour (Wetenschappelijke Raad voor het Regeringsbeleid, 2017, pp. 73–83). This last domain, in particular, was found to fluctuate strongly between different people and also to be greatly affected by acute stress and mental fatigue (Wetenschappelijke Raad voor het Regeringsbeleid, 2017, pp. 85–102). The study therefore recommended that (welfare) policies should be designed from a realistic rather than a rational perspective; this required a new framework for policy assumptions, design, and objectives (Wetenschappelijke Raad voor het Regeringsbeleid, 2017, p. 132).

This new perspective was also adopted by Nibud, which dropped its emphasis on self-reliance in favour of *financial resilience*, which they defined as a situation in which “the income and expenditure of an individual are in balance, now and in the future” (Nationaal Instituut voor Budgetvoorlichting, 2018, p. 5). This financial resilience did not just concern the skills that would make a person self-reliant, but could also include a sense of awareness of not having certain skills and thus knowing when to seek the help of others. Nibud regarded this new objective as better suited for a world that was increasingly digital and demanded more responsibility from its citizens (Nationaal Instituut voor Budgetvoorlichting, 2018, p. 4). It was a recognition of the everyday reality in which people might know perfectly well how to manage their finances, but would still not do so, for example because their affluence did not require this of them, or because external influences such as motivation, self-efficacy, personality, social norms,

and social pressure prevented them from doing so. Furthermore, it recognised that before one can be financially resilient, one first requires skills such as arithmetic, literacy, digital skills, and the ability to ask for assistance when needed – each of which are vulnerabilities overrepresented among people in debt counselling (Madern et al., 2016).

In practice, this changing perspective has led to new developments in the realm of household debt, the first of which was introduced in 2014 with the Amendment Act for curatorship, guardianship, and mentorship (*Wet wijziging curatele, beschermingsbewind en mentorschap*). Historically, curatorship, guardianship, and mentorship have been three arrangements by which one person could take (legal and/or financial) responsibility for another person. Curatorship, which was first introduced in 1838, is reserved mostly for adults who are found unfit to sufficiently manage their financial affairs, such as in cases of a mental health problems, addiction, or dementia. Guardianship was added in 1982 as a lighter variety of curatorship, extending a measure of oversight over a person's finances to another person without the need to deem the person legally incompetent. Lastly, mentorship was included in 1995 as an even lighter variety that left financial independence intact but still gave another person control over issues regarding healthcare and personal well-being. These services can be provided by professional agencies, but, in most cases, they are provided by someone in the person's social environment, such as a partner, family, or friends. This Amendment Act was designed to balance citizens' right to self-determination with the accessibility of these services, as past evaluations had shown that the financial compensation for these often time-consuming tasks was lacking, whereas the number of people dependent on guardianship had been increasing (Blankman et al., 2002; Oomens & van Zutphen, 1998). Financial guardians had to become certified now, and problem debts became legitimate reasons for someone to receive guardianship, in particular before or during a debt settlement, or in the case of someone not qualifying for such an arrangement (Tweede Kamer der Staten-Generaal, 2011). In the years that followed, the number of people who relied on a financial guardian steadily increased, from 35,000 cases in 2013 to more than 56,000 cases in 2018 (Raad voor de Rechtstaat, 2019); this raised doubts about the question of the extent to which financial guardianship succeeded in its goal to increase self-reliance among the people in its care (Bakker & Witte, 2016; Davelaar et al., 2018, pp. 50–52)⁵.

⁵ Another concern is the affordability of these services, because, although the presumption is that people pay for their own assistance, in the case of low-income households the costs of curatorship, guardianship, and mentorship are paid by the municipality. In recent years, this has become a growing financial burden for many municipalities, with one study suggesting that financial guardianship costs municipalities around 22 per cent of the budget available for special assistance (Den Hartogh & Kerckhaert, 2014, pp. 28–29). This has caused some municipalities to consider halting reimbursements for private financial guardian services, instead choosing to organise financial guardianship in-house.

A second development that occurred in the field of debt counselling was the introduction of an outreach approach. Whereas in the past, debt counsellors often waited for people with financial problems to find their way to them, either by their own admission or via referral, in recent years municipalities have started to implement various forms of early detection (*vroesignalering*)⁶. The objective of this approach is to reach people at an earlier stage, when small payment arrears have not yet developed into problem debts, meaning that costly sanctions such as debt collection fees, house evictions, or service terminations can be prevented (Kuiper & Fleuren, 2018, p. 6). For this, municipal debt counsellors rely on data received from either the municipality itself or from various partner institutions, such as housing associations, energy companies, and health insurance companies. On the logical assumption that these essential services are the last things a person in debt will avoid paying, information on these payment arrears can signal the presence of financial hardship. This signal is even stronger when a person appears simultaneously in two of these databases, at which point early detection programmes might decide to take pre-emptive action. They do this via an active approach, mailing the announcement of a visit and repeatedly visiting the household in an attempt to figure out the cause of the problems. If desired, people can receive debt counselling assistance. If nobody is home, multiple visits are attempted at various times of the day and the week, and, if all else fails, contact information is left for people in case they would still like to receive assistance at a later date.

A third development that merits a mention is the adaptation of various insights from psychology and behavioural economics. These adaptations are often rooted in the principles of libertarian paternalism and seek to help people avoid common financial traps such as insufficient savings, excessive borrowing, or impulse buying (Jungmann & van Iperen, 2011, pp. 34–35; Thaler & Sunstein, 2003). From this perspective, financial problems originate from a lack of financial skills and are frequently accompanied by a lack of self-confidence, motivation, and introspection; the overestimation of

⁶ One of the first pilot projects employing early detection was the Go There Early (*Vroeg Eropaf*) programme in the Amsterdam municipality. Starting in 2006, it was a follow-up on an earlier programme that responded when the municipality was informed about a house eviction. Subsequent evaluations showed the effectiveness of this new approach. In terms of house evictions in 2013, *Vroeg Eropaf* received more than ten thousand notifications from various creditors, of which approximately 67 per cent were previously unknown and 39 per cent were referred onwards to debt counselling. As a result, contrary to the national trend of rising house evictions, Amsterdam experienced a steady decrease between 2006 and 2013 (Van Ommeren et al., 2014, pp. 23–25). Other evaluations of the *Vroeg Eropaf* programme suggest that it more frequently succeeds in stabilising payment arrears and for the most part is positively received by participants (Baan, 2012; Dorigo, 2018; Van Ommeren et al., 2014). For municipalities, it can also have a cost-saving effect, as it might help people when financial problems are still manageable instead of when a problem debt has spun out of control (Kuiper & Fleuren, 2018, p. 11).

oneself; and insufficient capabilities for reading, writing, calculating, and social skills (Jungmann et al., 2012, p. 10). According to this approach, rather than strictly focusing on teaching financial skills, debt counselling should seek to change conscious (personal and environmental norms), unconscious (habits), and impulse (emotional) behaviour. Adherents of this approach often focus on a publication of Sendhil Mullainathan and Eldar Shafir (2013), which asserts that prolonged scarcity has a profound impact on various aspects of human behaviour, for example excessive focus on short-term rather than long-term goals and reduced cognitive functions. Some municipalities have experimented with these behavioural insights, adapting their debt counselling practices to new approaches for debt counselling, such as Mobility Mentoring. Based on a pre-existing programme that originates from the United States, this debt counselling method asserts that people with a scarcity of money are also less effective in their decision making, long-term planning, and overall self-sufficiency. The objective of debt counsellors who implement Mobility Mentoring is thus “partnering with clients so that over time they may acquire the resources, skills, and sustained behaviour changes necessary to attain and preserve their economic independence” (Babcock, 2012, p. 1). To achieve this economic independence, the method asserts that people in debt must also develop in other aspects of their lives, such as family stability, well-being, financial management, education, and career management. Various pilot studies were done in the Netherlands, in which municipalities implemented parts of this approach by training debt counsellors, emphasising a positive and understanding attitude, and teaching people in debt about the impact of stress on their behaviour. Furthermore, to improve the overall living conditions of people in debt with this method, debt counsellors set out clearly defined goals that their clients could approach in small, incremental, and achievable steps⁷.

The implications for indebtedness

With this context of the Dutch welfare state and the dominant narrative of the self-reliant citizen in mind, it becomes possible to address the inner workings of the two conceptual arenas first identified in the previous chapter, those of debt counselling and debt collection. On the one hand, the interests of these two services are comparable, because both want the outstanding problem to be resolved, ideally in a manner in which a person in debt can sustain debt repayments with a long-term perspective. On the other hand, where this common interest diverges is the perception of how this state of a resolved debt can be reached. A debt collector generally seeks to maximise the recovery of the outstanding financial debt, whereas a debt counsellor also takes the non-monetary interests of a person in debt into account, for which for example only a

⁷ Initial evaluations of various implementations of Mobility Mentoring in the Dutch welfare practice have shown mixed outcomes (Thoonen & Dorenbos, 2021; Tonnon et al., 2019).

partial repayment coupled with debt relief is the preferred outcome. Both operate with different transactional logics, as a debt collector considers the relationship between a creditor and a person in debt from a perspective that Graeber (2009, pp. 112–117, 2011, pp. 94–126) might call hierarchical, whereas debt counsellors maintain a more reciprocal view. A debt collector sees the inequality between a creditor who is owed something and a person who owes this debt, meaning that, for a debt collector, a person in debt occupies a temporarily displaced status difference, which leaves it up to him to restore the preceding state of equality. Meanwhile, the debt counsellor sees an exchange process as, “a back-and-forth process involving two sides in which each side gives as good as it gets” (Graeber, 2011, p. 103), in which a creditor’s legitimate demands must be balanced with a realistic assessment of what a person in debt can pay.

Regardless of which perspective one takes, both debt collection with its profit-based interests and debt counselling in its role as a welfare provider strike a balance based on the laws and policies that apply to each person in debt⁸, in addition to which there is flexibility by which the personal circumstances of the individual can be considered. This makes for a rather peculiar role for the state in the balancing act between creditors and people in debt, as can be seen in the red area of Figure 3.2. The state not only regulates the debt collection market and sets the policies for municipal debt counselling, but also influences the mediating role of the legal system, while also being a large creditor that actively collects debts from Dutch citizens, whether these are, for example, unpaid taxes, traffic fines, criminal penalties, or student loans (Odekerken, 2017, pp. 32–33). This makes the state a central pivot for the encounters of people in debt, as such people are either indebted to the state and thus subject to a regime of debt collection or in some form dependent on debt counselling assistance to resolve their debt problems.

Figure 3.2 thus provides an overview of the Dutch debt landscape, in which it is possible to see the various interactions between the parties involved with indebtedness. Generally, a debt starts in the orange section, between a creditor and a person in debt, where, under normal circumstances, these two parties resolve the outstanding debts and obligations between themselves. Commonly, both parties agree on a payment schedule that gives a person in debt time to pay, or an agreement is reached on a payment deferral, which will delay the debt repayment for an agreed-

⁸ Coincidentally, this is what gives the state a central role in an “ongoing conflict of interests between creditors and people in debt”, a struggle that adherents of the credit theory of money hold responsible for the valuation of money (Dodd, 2014, pp. 109–10). The distinction between this market-based debt collection and welfare-based debt counselling is perhaps a reflection of the two sides of a coin, with the distinction between the heads as a token of political authority for its citizens and the tails as a unit of account in the service of payment exchange (Hart, 1986, p. 638).

upon time. If such an agreement is not reached however, and unpaid bills turn into payment arrears, it becomes more likely that creditors turn to the remedial services of either judicial officers or privatised debt collectors, grouped under the banner of debt collection in Figure 3.2. The creditor informs debt collection about the outstanding sum of money, and, given this information, debt collection approaches the person in debt, again with the intention of securing a payment, either in full, or by scheduling payments over time. Meanwhile, in the green area, a person in debt, when facing these financial difficulties, can decide to contact debt counselling. Debt counselling attempts to get a comprehensive overview of the situation, meaning the total sum of outstanding debts, but also the personal circumstances that led up to the debt problem, and often also the behavioural capabilities of the person in debt. On the basis of this information, debt counselling generally assumes the mediator role, helping or advising the person in debt, for example to contact creditors or debt collection agencies in search of a suitable solution.

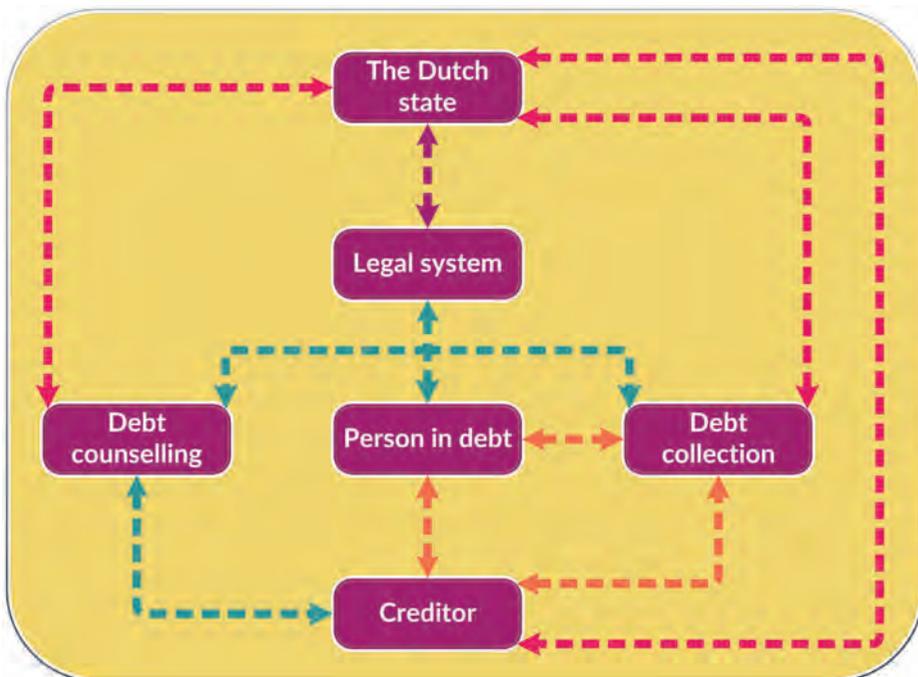


Figure 3.2 - The landscape of household debt in the Netherlands

Exploring the landscape of household debt

Both debt collection and debt counselling have seen a continuous development in their scope and variety of approaches; they are centrally located in this landscape of household debt, and thus warrant further exploration, both for a greater understanding of their complexity and as a context whereby to understand the empirical cases discussed in later chapters.

Debt Collection

One important distinction in the field of debt collection is the difference between the roles of debt collection agencies, judicial officers, and the creditor role of the state. A debt collection agency (*incassobureau*) is a private business that anyone can start. Because of this low barrier to entry, the exact size of this sector is difficult to determine, although most estimates suggest that there are between 400 and 600 different agencies, with the last decade showing a continuous decline (Denkers, 2017, pp. 10–141; Geurts, 2012, p. 17; Centraal Bureau voor de Statistiek, 2024b). These agencies can collect debts on behalf of a creditor, but only in specific, regulated ways. They are not allowed to deliver legal documents such as writs or judgements, and there are limits to the extent to which they can pursue a repayment. Thus, they can only remind a person in debt about the outstanding debt, for example via phone or e-mail, but they are not allowed to approach people in debt at their home address. To some extent, these agencies act as mediators, arranging payment schedules or maintaining communication between creditors and the people with payment arrears. They are, in general, concerned primarily with the interests of their clients, meaning the creditors, but different agencies tend to have different styles of facilitative or aggressive collection practices (Denkers, 2017). Many debt collectors operate on a no-cure-no-pay basis, advertising how they can collect outstanding bills without any extra cost to the creditors. Instead, they seek to reclaim their expenses from the person in debt by charging an additional fee as a percentage of the outstanding debt. The minimum fee is € 40, after which debts up to € 2500 result in a 15 per cent fee. Higher debts are proportionally charged with lower percentages. Debt collection agencies tend to employ various approaches, acting as private businesses that can be hired on an individual basis, as in-house credit management services for larger businesses, or as debt buyers who acquire portfolios of outstanding debts for a reduced price with the intention of turning them into a profit by collecting them (Autoriteit Consument & Markt, 2015). This last practice has been sharply criticised in recent years for its undesirable effects, such as lack of transparency and because the profit motive of debt buyers decreases their willingness to find an amicable solution such as

debt rescheduling, resulting in higher fees and harsher collection practices (Geijssen et al., 2019)⁹.

The second category of debt collection concerns judicial officers, who serve as public servants. At the start of 2023 there were 586 judicial officers active in the Netherlands (Koninklijke Beroepsorganisatie van Gerechtsdeurwaarders, 2023, p. 4). As public servants their role extends beyond debt collection, since they, for example, also issue legal summons or judgements for non-debt-related legal cases. In their search for a debt repayment, judicial officers can use a range of executive powers that give them extensive coercive authority through which they can ensure debt repayment. This generally starts with the issue of a writ of summons, which requires a person to show up in court at a certain date. If a debt is validated through the legal system at this court session, the judicial officer hands over the judgment in person. This legal judgment then authorises a judicial officer to use a range of legal enforcement methods. The most common way of enforcing debt payments is the seizure of income, savings, or property, but in extreme cases a judicial officer can also proceed with a house eviction or foreclosure auction. Besides the fees that apply to debt collectors, these executive powers each have a fixed price associated with them, which is determined by the national government and must be paid by the person in debt. The government also strictly regulates the extent to which these executive powers can be used; for example, the confiscation of income (attachment of earnings) is limited to the calculated attachment threshold of a household, thereby allowing people in debt to pay their monthly expenses and ideally preventing the creation of new debts. Likewise, savings can be protected from seizure if the money is proved necessary for rent or utility bills, also with the intention of preventing worse financial hardship. Goods that can be confiscated are also limited to valuable goods, whereas goods such as beds, clothing, groceries, and the tools of a trade are generally exempt.

A third category of debt collection relates to the creditor role of the Dutch state. In this role, the state and its numerous institutions are at the centre of countless financial exchanges with citizens, ranging from taxes to allowances, benefits, traffic fines, student loans, or mandatory health insurance payments. Failure to make these payments on time or in full, or receiving too many benefits or allowances, set in motion a different register of debt collection, which operates through separate channels, often without the intervention of a judicial officer or judge. This gives various government

⁹ To discourage these undesirable practices, new legislation comes into effect in 2024 requiring all debt collection agencies to register themselves in a public registration. This Quality Collection Services Act (*Wet Kwaliteit incassodienstverlening*) will also introduce new quality requirements that will be monitored by the Inspectorate of Justice and Security.

institutions special jurisdiction to coerce payments (Jungmann, Moerman, et al., 2012, pp. 18–21; Schoneveld et al., 2018, pp. 7–8). The Tax and Customs Administration, acting as the primary revenue service for the Dutch government, can for example withhold excessive benefits from future benefit payments. Similarly, certain government institutions can directly withdraw money from bank accounts, and institutions such as health insurance companies or daycare centres can confiscate benefits. The Central Judicial Collection Agency, tasked with collecting among other things traffic and civil fines, can increase unpaid traffic fines first by 50 per cent and then by 100 per cent, and it can also confiscate driving licences or motor vehicles. In extreme cases, failing to repay debts can also result in imprisonment.

Debt Counselling

As already mentioned in the previous chapter, debt counselling is organised at municipal level, allowing each municipality to develop its own approach within the legal framework set at national level. This has resulted in a patchwork of different debt counselling structures, varying between volunteer and professional initiatives, between internal municipal services and outsourced commercial agencies, and between local initiatives and regional partnerships. One overarching structure that serves as a backbone for the debt counselling policies in a large number of municipalities is the module-based structure of the NVVK. With more than 110 members, mostly municipalities and public or private debt counselling organisations, this is a widely adopted basis on which most municipalities try to model the various services that they provide to citizens in debt. The NVVK's modular design provides municipalities with flexibility in terms of which services they can provide, the service providers that they choose, and the different pathways that a person in debt can follow depending on their individual needs. The NVVK has developed a cohesive structure for each of these different modules, providing a quality framework by which the NVVK certifies debt counselling services (Figure 3.3). This NVVK approach was created as a result of a sharp decline in the success of amicable debt settlements around 2004, mainly because the requests for support from people in debt at this time did not match the assistance provided by NVVK member organisations (Jungmann et al., 2008b, p. 8). In response, the NVVK set out a course for a new style of debt counselling, which no longer emphasised the debt problem itself, but rather the goals and ambitions of the person in debt. Following a pilot phase in 2006–2007 and another two years of implementation, this new style of debt counselling was officially launched on 1 January 2010. The NVVK structure aims at more flexible debt counselling, making it more accessible to a person in debt and providing municipalities with different tools to help their citizens (Huisman, 2007; Jungmann et al., 2008b, p. 8). Municipalities are not required to provide all the services, but they are expected to follow NVVK standards for the modules that they implement.

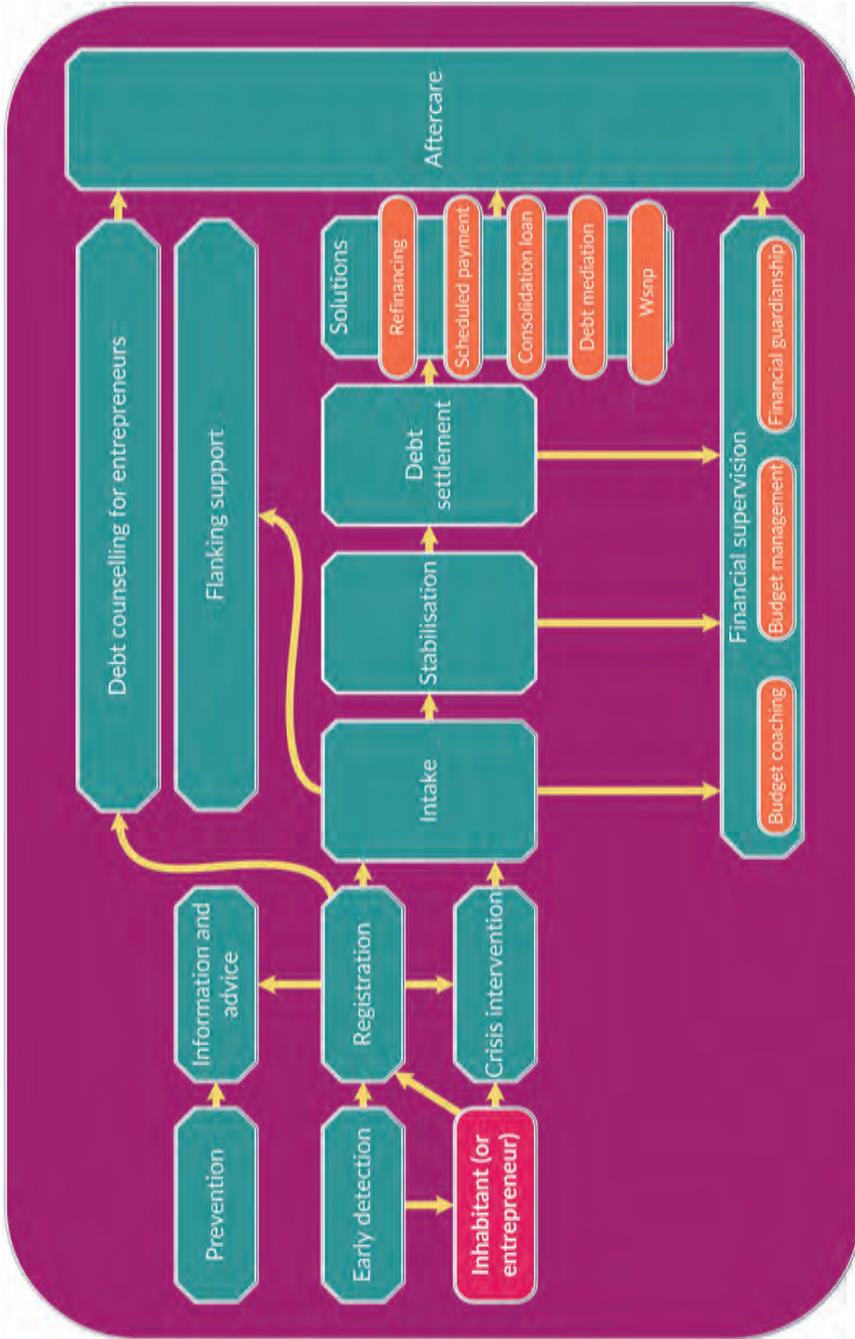


Figure 3.3 - An overview of the various NNVK modules

It is impossible to explain the full extent of each individual module, but some relevant characteristics must be explained. What the NVVK structure first of all shows is that the process is not just aimed at resolving problem debts, but instead offers a full spectrum of solutions for an equally wide range of financial problems. Prevention, for example, is a module that seeks to prevent financial problems before they even exist. This can be done through primary prevention, meaning preventing people in general from developing problem debts; secondary prevention, which seeks to detect and resolve debts in an early phase, particularly in risk groups; and tertiary prevention, aimed at people who have problem debts and who need preventative assistance to avoid setbacks or relapses (NVVK, 2015b). One example of primary prevention could be financial education, whereas secondary prevention usually takes the form of early detection programmes. These efforts seek to detect people in debt at an early stage, often combining various creditors' data with an outreaching approach by which debt counsellors try to contact people in debt. Data for these programmes can come from the municipality itself or from arrangements with private businesses, who either direct their clients to debt counselling or share suspicions of financial problems with debt counselling (NVVK, 2023b). Providers of rental housing, utilities, and health insurance, for example, are by law required to share signals of payment arrears with the municipality, even without their customers' permission, after which municipalities are legally required to provide proactive assistance in these cases. On the basis of the information about payment arrears or previous contact with debt counselling, municipalities or debt counsellors can then prioritise specific cases, which they then approach via phone, regular mail, house visits, or other means.

When a person in debt contacts debt counselling or is discovered through these preventative programmes, debt counselling proceeds to the next stage, aimed at stabilising an ongoing debt situation. Generally, this starts with a registration of the person's financial problems, allowing debt counselling to assess whether a person can be helped, the type of assistance required, and whether or not there is an immediate crisis. Reasons for refusing assistance can be past reliance on debt counselling, past convictions for fraud, not having a legal residential status, or not residing in the municipality (NVVK, 2022a). A crisis might be, for example, a house eviction, disconnection from utilities such as water, gas, or electricity, or the risk of losing health insurance. Municipalities can also include other critical events, such as bankruptcy or the confiscation of wages, savings, or goods required for the continuation of a business (NVVK, 2023c). If possible, the municipality first tries to avoid the crisis from occurring or otherwise asks a judge to issue a moratorium to delay some of these crisis events. In other, non-critical cases a person in debt might be helped by clear advice, which in turn allows a person to resolve their financial hardship

by themselves. Examples of this include teaching a person how to manage their affairs, how to budget income and expenditure, or how to arrange a payment schedule. If more assistance is required, debt counselling proceeds with an intake procedure and creates an overview of income, expenditure, existing debts, and ongoing scheduled payments. This in itself can already give a person in debt clarity about their financial affairs and the extent to which they might need to reduce their expenditure, increase their income, or alter their ongoing debt repayments to avoid new debts and further escalation of their financial problems. Debt counselling also assesses the causes of the financial problems as well as the motivation for cooperation, any work experience, and past experiences with debt counselling.

The starting point for any intervention is generally stabilisation, meaning that a person's income and expenditure are in balance, thus removing the stress of indebtedness and creating the possibility for a durable solution. Debt counselling has various ways of achieving such stable conditions. It is possible, for example, to inform government creditors or healthcare insurers about the problematic situation, and this by law compels them to suspend their collection practices for a period of up to eight months. In other cases, debt counsellors can recommend services such as financial supervision, meaning that some or all financial independence is handed over to, for example, a family member or a professional. The simplest form of this is called budget coaching, which seeks to teach someone the financial knowledge, skills, competencies, and motivation necessary to handle finances. A more advanced form of financial supervision is budget management, which means that a budget manager takes over the payments for monthly expenses such as rent or mortgage, utilities, and legally required insurances. More extreme cases generally involve financial guardianship rather than budget management; financial guardianship is a legal instrument overseen by a judge that aims to protect the financial interests of a person who is unable to do so by themselves. A financial guardian controls the income of the person in debt, applies for any additional benefits, balances income and expenditure, makes sure that the person is sufficiently insured, and then pays out to the person in debt any money that is left after the payment of monthly expenses and debt repayments. This gives financial guardians multiple roles, as they are simultaneously trying to stabilise finances, resolve debt problems, and improve their clients' financial self-reliance. Because of the authority that this gives them over others, and also because financial guardianship is not always voluntary chosen by people in debt, financial guardians are assessed yearly by a judge. In addition to these forms of supervision, there can also be flanking support¹⁰, which is aimed at related problems outside the financial

¹⁰. This term seems to have a military origin, where a flanking manoeuvre refers to a movement that attempts to attack an enemy's side (or flank).

domain and includes assistance with psychosocial problems, addictions, prison rehabilitation, homelessness, or traumatic events. Flanking support often requires external organisations and is commonly not considered part of debt counselling itself. Lastly, there can be specialised debt counselling in cases where the person in debt was, or still is, an entrepreneur and thus might have more complex problem debts involving both business-related and personal payment arrears. The stabilisation process for entrepreneurs is somewhat similar, but structuring a business administration requires more care, as more attention is paid to the untangling of professional and personal finances.

When a stable situation has been reached, it becomes possible to look for solutions for the remaining debts. The most straightforward solution is often an amicable debt settlement¹¹, which is effectively an agreement between the person in debt and their creditors. As part of this agreement, the person in debt promises to repay some (or all) of their debt based on a calculated repayment capacity and, if applicable, available wealth. Depending on this repayment capacity, a person in debt makes an effort to repay as much as possible over at most 18 months. Throughout this time, the person in debt is guaranteed a minimal living stipend that takes into account income and expenditure, meaning that only excess income is used for debt repayments. If a full repayment of the debts is not possible within the stated time period, the creditor is expected to remit the remaining leftover debt. During the debt settlement all creditors are treated equally, meaning that all are informed about ongoing developments at the same time and receive an equal share of the repayment¹². If one or more creditors refuse to agree to such a debt settlement, a legal procedure called a compulsory settlement (*dwangakkoord*) can intervene in this process and force a creditor to participate, thus preventing a small number of creditors from blocking a debt settlement in its entirety.

Based on repayment capacity and personal circumstances there are four options available for a debt settlement (NVVK, 2022c). The first option is to refinance all outstanding debts. In this case, all debts are paid in full with credit that is acquired from for example a municipal credit bank, a commercial bank, a private person, or an employer. This new credit is then repaid over the course of several months. The second option is a scheduled payment that provides a full repayment of all debts based on a payment schedule over a period of time. A third option is a consolidation loan, which

¹¹ The reason why it is called amicable is to distinguish it from the statutory debt settlement that forms part of the Wsnp introduced in Chapter 2. These amicable debt settlements rely on an agreement between the creditor and a person in debt and do not require the intervention of the legal system.

¹² There are exceptions to this equal treatment, meaning that some creditors must be paid before others.

is generally considered when full repayment is not possible. In this case, a percentage of the full debt is offered as a one-time payment, based on the agreement that the remaining debt sum is remitted. The money tends to come from a consolidation loan from a municipal credit bank, commercial bank, private person, or an employer and is repaid over time by the person in debt. A fourth option is a process of debt mediation, which provides a scheduled payment for a percentage of the outstanding debt, which also results in debt forgiveness for any remaining debts, which must be remitted. This solution is commonly used when the person in debt expects their repayment capacity to increase in the future, when they have frequently changing income, or when a consolidation loan is not possible.

If an amicable debt settlement does not provide a suitable solution for a problem debt, for example because too many creditors refuse to cooperate, because there is insufficient repayment capacity or because there are other circumstances that make such settlement impossible, the legal process for a statutory debt settlement, based on the Debt Rescheduling Act (*Wet schuldsanering natuurlijke personen, Wsnp*), can begin. This starts with an Article 285 declaration, provided by a municipality or debt counselling organisation, which states that all other means of resolving the problem debt have been explored and failed to provide a solution. A judge then proceeds to assess the situation of a household in debt and decides whether it can proceed to a statutory debt settlement¹³. When a household in debt qualifies, its current debts are put on hold, debt collection is halted, and a rescheduling plan is drawn up for three years (optionally extended to five years). During this time, households can keep a certain minimum income after their monthly expenses have been paid but are otherwise obligated to pay off as much as is feasible, in exchange for the guarantee that any remaining debts will be remitted at the end. This so-called clean slate, again provided by a judge, makes it impossible for creditors to collect the remainder of the outstanding debt after the Wsnp procedure has run its course¹⁴. In some cases, for example with exceptionally large debts or people living on a very low income, this means that the statutory debt settlements recover only a small amount of the outstanding debt for creditors, sometimes as little as a few per cent. In turn, people in debt must comply with stringent requirements during the Wsnp procedure, as they are not allowed to acquire new debts, develop an addiction, act aggressively, or commit a crime.

¹³ Some grounds can disqualify a person from the Wsnp, for example fraudulent or criminal debts incurred in the previous three years or a lack of commitment to the stringent requirements of the Wsnp. A past Wsnp procedure in the previous ten years also used to be a ground on which people could be refused from a second chance via the Wsnp, however this requirement was dropped in 2023.

¹⁴ Exceptions to the clean slate are student loans and criminal penalty fines, which must still be paid, even after the Wsnp procedure.

Furthermore, they must make a maximum effort to earn an income; this means either working or applying for a full-time job¹⁵, they must inform the Wsnp administrator about any changes in their life¹⁶, and they are expected to work on their problem, that is, the underlying causes of the debt (Raad voor Rechtsbijstand & Bureau Wsnp, 2013b). During these years, the person in debt saves as much as possible in a third-party bank account, which is then distributed yearly among all creditors. This distribution is overseen by a Wsnp administrator who has access to all of the correspondence of the person in debt and who has substantial investigative powers to determine whether the person in debt is living up to the Wsnp requirements. Because this administrator also needs to be paid from the repayment sum, creditors are financially incentivised to strive for an amicable settlement (Boekestein-Klößner, 2013).

Regardless of the route followed by a person in debt through the debt resolution process, it is in many cases concluded with aftercare. This module is less defined and aims mostly to stay in touch with clients after they have become debt-free. The goal is to assist people with their new, often debt-free, financial circumstances, to improve self-reliance where possible, and to avoid a relapse¹⁷. This can be as simple as one or more phone calls or meetings in the year that follows after all other debt counselling services have been concluded. Moreover, aftercare can help a person to adjust to changes, such as a lower income or increasing expenditure, and it can also ease the transition away from supportive services such as financial guardianship or budget management.

Conclusion

Based on the information in Chapter 2, which determined that household debt in the Netherlands is as much a topic of welfare as it is about money, this third chapter set out with two objectives: to outline the context of the Dutch welfare state and to locate the position of household debt within this setting. For this purpose, the chapter followed a funnel-like structure, first introducing the Dutch welfare state in general as a Janus-headed regime with both social-democratic and neoliberal characteristics, in which the responsabilisation of the self has been the primary response to a withdrawal

¹⁵ Exceptions can be made for people with debilitating health issues or on other valid grounds. In these cases, only a small repayment will come from the social provisions that provide an income, such as social assistance.

¹⁶ This includes changes within the household structure, living situation, changes in income (e.g., unemployment), and unexpected gains such as a lottery win or an inheritance.

¹⁷ Little is known about relapses into debt, but one study estimates that it occurs in 4 to 6 per cent of cases, and around 16 per cent are known to develop new payment arrears with health insurance (Kok et al., 2015). A more recent study found that a relapse occurred in 6.8 per cent of cases after six months, 9.1 per cent after a year, and 13 per cent after five years (Stichting BKR, 2022).

of government services. The result has been a welfare state that simultaneously emphasises individual responsibility and self-reliance, yet also collective support for the civil society by means of, for example, volunteering or informal care. Specifically in relation to indebtedness, this chapter narrowed this projection of the Dutch welfare state down to the narrative of the self-reliant citizen, who is expected to be financially responsible and capable of self-management, while it also discussed some of the criticism and alternative perspectives that have become increasingly prevalent in recent years and that take the debate about self-reliance in the opposite direction.

The chapter built upon this context by providing a landscape of household debt, which relates the person in debt to both a privatised, profit-driven domain of debt collection and a welfare-driven domain of debt counselling. These domains, on the one hand, work by their own internal logic, but, on the other hand, also interact at various times, often mediating between the person in debt and their creditors. Both of them are strictly regulated by the Dutch state, which has sought to balance the interests of each domain via the legal system. Although complex, debt structures in the Netherlands are at least in theory functioning as intended, serving both creditors and people in debt, and guiding the latter group from the early onset of financial problems towards a durable solution for their financial problems. Moreover, this chapter has shown that, despite their radically different objectives, both debt counselling and debt collection adhere to similar principles of care and control, as both try to assist people in debt with their financial problems and do so by asserting a level of control over the individual's personal finances. A judicial officer can do this through legally enforced confiscations and other coercive actions aimed at debt repayment, whereas debt counsellors seek to manage debt problems, for example, by assisting the person in debt or by recommending financial guardianship or budget management.

The remainder of this study can be considered an appraisal of how people in debt navigate this debt landscape. This study proceeds to critically assess the extent to which the narrative of the self-reliant citizen holds up when it comes to indebtedness. How do participation society ideals, such as self-reliance, social participation, active citizenship, and social cohesion, hold up under the strain of a problem debt (Timmermans et al., 2010, pp. 28–30)? The study seeks to challenge the underlying assumptions of this narrative by also considering the social experience and other circumstances that are beyond the self-reliant citizen's control, in what ultimately adds up to a new understanding of indebtedness. Problem debts seem to highlight the vulnerabilities of this narrative precisely because they impose extremely challenging conditions on the self-reliant citizen, thereby illustrating the shortcomings of the narrative. Before this can happen

however, the next chapter first introduces the theoretical framework by which these experiences are analysed: the debt maelstrom.



Chapter 4

The Debt Maelstrom

Introduction

What is a debt at its most fundamental level? In everyday conversations, people might answer this question with a description of a monetary obligation between two parties. Critical thinkers such as Granovetter (1985) have however long since criticised this as an undersocialised explanation by pointing out how these economic transfers are not just delayed over time, but also embedded in social networks made up of different social relations. This makes a debt not something which can be calculated based on income, expenses, interests and repayments, but an experience that is formed and transformed as time progresses, during which it makes, destroys and reshapes (parts of) the social network surrounding a person (Deville & Seigworth, 2015). This chapter introduces one way through which this experience can be understood, named the “debt maelstrom”. The image of this powerful whirlpool is chosen for two reasons, with the first reason being that this is an appropriate metaphor for the general conditions of indebtedness, in which people in debt must swim against the current to prevent drowning and escape towards calmer waters. The second reason for this choice is because this debt maelstrom serves as an illuminating framework by which future chapters seek to analyse what this study considers “multidimensional assets and liabilities”. The reason for emphasising the multidimensional nature of indebtedness in this chapter is to expand the discussion about debt by moving beyond the constraints that are imposed on the concept of indebtedness in the realm of the economy, policy design and legal frameworks. This does not mean that financial debts are not accounted for, these are included as one of the five dimensions that are represented in the maelstrom. However, the debt maelstrom expands the meaning of indebtedness in order to account for four other dimensions which this study considers equally fundamental aspects of the experience of indebtedness.

The reasoning behind this approach is twofold. Firstly, this debt maelstrom makes it possible to map not just the economic experience of a person in debt, but also the variety of other value registers which influence everyday decision making. While household finances might impact all aspects of everyday life, they do not exist in a vacuum, and it is in the interaction with other dimensions of the maelstrom that it is possible to see the causes, consequences and feedback loops which can improve, sustain, or worsen a problem debt. It is in this maelstrom that the agency of a person in debt encounters the structures of debt collection, debt counselling and a social network, each impacting not just the development of the economic debt, but also the other dimensions of the maelstrom. These externalities can both help or hinder a person in debt, but more importantly, can also impose obligations on a person, obligations that with time can become new debts. Secondly, this debt maelstrom also

allows for a rudimentary comparison of the often very individualised narratives of indebtedness encountered as part of this study. A person might find herself or himself in a position of indebtedness for very different reasons, coming from a vastly different demographic background, having a different origin for and different outcomes of their debt, but is still comparable through analysis of the narrative of their experiences with debt. In such a narrative different people in debt can find themselves getting pulled to the centre of the maelstrom due to the interaction between various dimensions, or they might be able to escape, effectively “swimming” to its outskirts, away from the forces pulling them to the central abyss. While their retelling of this experience might be different, the trade-offs they made along the way and the resulting outcomes can still be similar.

Using the metaphor of the debt maelstrom, this study expands the notion of multidimensionality in the context of indebtedness. The starting point for this are the five dimensions which are used extensively throughout this study, and which are derived from the works of Pierre Bourdieu, essentially making this chapter an investigation of the role of Bourdieu’s capital in the everyday experience of people in debt. To achieve this, the concept of capital is operationalised via the notion of multidimensional assets and liabilities, two terms which are most commonly associated with bookkeeping, but which are arguably equally applicable to the means and limitations that people in debt have to take into account as they navigate both financial precarity and its multidimensional counterparts. The debt maelstrom serves as an expression of this, connecting events or decisions to each other, at least as far as a person in debt experienced it as such. Lastly, this chapter discusses how these multidimensional assets and liabilities, when plotted across the debt maelstrom, give insight into the various external influences and personal decisions that people in debt make to manage their daily affairs under the pressure of a problem debt. Based on this understanding later chapters of this study draw comparisons between various maelstroms based on Bourdieu’s understanding of a life trajectory. This on the one hand distinguishes modal paths with probable outcomes and on the other hand social trajectories that allow individuals to deviate from this modal trajectory.

Multidimensional indebtedness

As already mentioned in the introduction of this study, it builds on the legacy of some of the earliest works in the field of anthropology. At the most abstract level, this study is concerned with the negotiation that occurs when people navigate between economic and non-economic interests. In doing so, this study seeks to address the underappreciation of human action, social relations and the embedded nature of economic decisions which Granovetter (1985) considered a flaw in the assumptions

behind many economic explanations of so-called market societies. Instead of rational and utilitarian beings guided by self-interest, Granovetter emphasised how people in the economy are inherently embedded in social networks and thus at the same time basing their decisions on a degree of trust in others and the interpersonal bonds that are cultivated over time. By starting with this embedded perspective in mind this study seeks a reappraisal of the economic understanding of indebtedness, by explaining how a person in debt is not just making decisions and taking actions based on rational economic interests, but also based on social ties within a network, cultural values, health concerns and moral principles.

This study is by no means the first to apply these different value registers to the case of indebtedness. Past investigations into the so-called juggling practices of people in debt have long since shown how a debt is “much more than a material transfer over a limited time span” (Guérin, 2014, p. 40), suggesting that the meaning of debt should instead be constructed within particular contexts. The term *juggling* refers to the framework in which people in debt evaluate their situation across a variety of viewpoints, making every social interaction an act of “throwing, catching, and keeping several things in the air at once, demanding speed and dexterity, but also risk-taking” (Guérin et al., 2014, pp. 11–12), which results in various acts of borrowing, repaying and lending based on deliberate strategies, dependencies within the social network and multiple logics of indebtedness.

Meanwhile, Zaloom (2019) also addresses the challenges of indebtedness in the context of American colleges, seeing it as a threat to the ideal of an open future, in which debt not just compromises household finances but also the opportunity to rise from one’s position in society through the use of one’s full potential. Here too indebtedness takes on a multidimensional shape in which the financial concerns of the household intermesh with heartfelt moral obligations. More recently, Guérin and Venkatasubramanian (2022) introduced *the socio-economy of debt*, made up of three facets of debt, of which the first is its economic materiality, referring to the financial and temporal aspects which govern debt repayment. Secondly, this materiality cannot be disconnected from pre-existing or changing power relations, which determine the rights and obligations that govern social interactions based on social norms, legal frameworks and the redistribution and reciprocity which exist within a network. Last, but no less important, are the social and moral meanings infused with any debt, which are shaped by the subjective experience of the obligations and aspirations of a person (Guérin & Venkatasubramanian, 2022, p. 175). The aforementioned debt maelstrom seeks to capture all of these dimensions in one analysis, providing a level of insight into the variety of meanings which people

in debt give to their indebtedness, as well as a basis for a comparison between these different experiences.

Capital theory

To approach the topic of multidimensionality in the context of indebtedness this study makes use of the academic work of Pierre Bourdieu (1986, 2005, 1977/2013). While it is a daunting task to assemble a satisfactory understanding of what essentially amounts to a lifetime of critical academic thought, not to mention the challenge of summarising these views for the purpose of this study, this section provides a short introduction to Bourdieu's thoughts on the various forms of capital. To do this it is necessary to review for a moment the most abstract goal of Bourdieu, which has commonly been cited as an attempt to analyse the reproduction of structures by redefining the roles which both structures and agents have to play in the maintenance of this reproductive continuity. Bourdieu (1977/2013, p. 487) achieved this by constructing a world in which structures shape individual agents, who in turn both reproduce and yet also transform the structures that shaped them. He spent much of his career exploring this interaction via the means of two key concepts, *habitus* and *field*. The first of these, *habitus*, is often described as a characteristic of individuals (but also groups or institutions) which is shaped by past and present experiences but also acts as a structure made up of personal habits and dispositions (Bourdieu, 1980/1990, p. 53). These dispositions, according to Bourdieu (1977/2013, p. 214), are the result of individual actions: a habitual state that is reflected in the body and a tendency or inclination that is reflected in, among other things, thoughts, perceptions and feelings (Maton, 2008, p. 51). The second concept, *field*, is vital to Bourdieu's understanding of the social world. To Bourdieu the social space in which humans live their lives and the trajectory which develops throughout a lifetime can be understood as a topology of various fields (Harker et al., 1990, pp. 9–10). These fields have at various times been described as fields of forces, often analogous to a game, some of which are autonomous and others which can be seen as a struggle for positions (Harker et al., 1990, p. 8). The various rules within a field enable ordered practices to happen with a level of predictability, but since they are not static they also allow change to occur (Thompson, 2008, pp. 70–73).

Within and between various fields people compete for different forms of capital, the meaning of which Bourdieu (1986, p. 242) took beyond the typical financial context and applied across a wide spectrum of human experiences. The result was four forms of capital, specifically economic capital (money and assets), cultural capital (knowledge, tastes, preferences, language, education), social capital (associations and networks, including family, friends, religious attachments, cultural associations) and symbolic capital (based on honour, prestige and recognition) (Thompson, 2008, p. 69). Similar

to how Adam Smith (1776/2007, p. 177) considered capital part of a person's stock, with a certain value and the potential to yield profit over time, Bourdieu's capital is also infused with the notion of accumulation: "Capital, which, in its objectified or embodied forms, takes time to accumulate and which, as a potential capacity to produce profits and to reproduce itself in identical or expanded form, contains a tendency to persist in its being, is a force inscribed in the objectivity of things so that everything is not equally possible or impossible" (Bourdieu, 1986, p. 241). This suggests that it is the availability of capital as a functional resource which determines a person's social position in a field (Bourdieu, 1979/1984, p. 114), with a high volume of capital corresponding to fluid navigation of the social space, while a low volume of capital corresponds to a meagre amount of resources and thus limited options when encountering hardship. In the study of multiple forms of capital Bourdieu also shifts the attention to the convertibility between them. Bourdieu (1986, p. 243) mentions for example how both cultural and social capital have the potential to generate economic capital, as having a certain upbringing and skillset, or knowing the right social contacts, can be useful when converted into access to a career with the accompanying monetary gains. Consequently, Bourdieu (1986, p. 246) also considered the differences in capital as a great divider, setting the stage for differences in class, prestige and authority, as well as for hidden mechanisms of dependency and domination (Moore, 2008, pp. 102–104; Harker et al., 1990, p. 13).

Five forms of capital

To see the role that Bourdieu's understanding of the social world plays in the context of household debt, this study focuses primarily on the role of capital, which has sometimes been considered an under-studied approach in comparison to the more common studies on habitus (Burke, 2016, p. 10). The first step is to take a closer look at the "classical" types of capital devised by Bourdieu, meaning economic capital, social capital, cultural capital, and symbolic capital. The study adapts these forms of capital to the context of living with problem debt by maintaining Bourdieu's perspective on economic, social, and cultural capital, but by re-interpreting the symbolic capital as moral capital, and by also including the influence of health capital. Together these five forms of capital make up the dimensions which appear to be central to the everyday experience of indebtedness.

Economic capital is often seen as the most straightforward, yet paradoxically also the lesser-studied form of capital in Bourdieu's framework. Bourdieu (1986, p. 243) himself considered the most fundamental quality of economic capital that it is an asset which is "immediately and directly convertible into money". This makes it the most liquid form of capital, as both cultural and social capital can only under the right conditions be converted

into the economic type. Bourdieu also considers economic capital the more dominant one because it is the resource from which other types of capital can be derived, be it over time and with a significant amount of effort to achieve the necessary transformation (Bourdieu, 1986, p. 252). Paintings or other objects of art are one example of this, in which economic capital can be converted into cultural capital, yet the acquisition of these cultural goods might also depend on durable social relations with artists, on the development of a taste for what makes these cultural goods special or on the acquisition of the skillset to make art yourself. Likewise, the accumulation of social capital involves a substantial expense of time, care, and attention, often symbolised in gifts and acts of exchange. While these expenditures might appear as an economic cost at first, they can pay out in the long run as a durable investment in a social network (Bourdieu, 1986, p. 253). Because of this, Bourdieu went as far as to consider all other types of capital economic capital in disguise, with the only variance being the extent to which they manage to conceal this convertibility.

Cultural capital is another key concept in the work of Bourdieu, and also something which can be seen in many areas of social life, in a wide variety of shapes. Bourdieu divided this broad concept into three categories, of which the first two are resources of the individual, these being *the embodied state*, referring to durable dispositions of the body and mind and *the objectified state*, reflected in cultural goods of art, science, and technology. The third category addresses *the institutionalised state* of cultural capital, which conveys how institutions seek to control this particular form of capital by utilising, for example, educational or professional qualifications (Bourdieu, 1986, p. 243). It is in the institutionalised form of qualifications where cultural capital is sanctioned, because they make it possible to compare and convert between cultural and economic capital (Bourdieu, 1986, pp. 247–248). Acquisition of this type of capital in its embodied state (which is functionally identical to the habitus) takes time, for example, years of academic achievement or the vital lessons learned during the first years of one's upbringing, which means that cultural capital is usually slowly attained. Unlike economic capital it cannot be adopted in an instant, nor can it be transferred as readily as material goods (Bourdieu, 1986, p. 243). These two characteristics, being transmitted within families and educational systems, and being a slow investment with a potential for a lifelong reward make it also a mechanism by which Bourdieu (1977) explains class disparities and the transmission of power and privilege.

A third dimension in Bourdieu's understanding of capital is *social capital*, or as Bourdieu defined it, "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance and recognition" (1986, p. 243). In other words, knowing a substantial number of people also increases the access to the information

and resources available among network members. Moreover, Bourdieu describes how certain investment strategies enable the (re)production of collective and individual capital within these social networks. As long as there is a certain social bond, maintained through material or symbolic exchange (e.g. gifts), physical proximity and mutual recognition of group membership, group members can rely on the available resources within that group (Bourdieu, 1986, p. 249). Similar to cultural capital this means that social capital also carries the risk for potential inequalities to arise, as effort is required to maintain the social bond which underpins access to this form of capital. For instance, to stay part of a social circle one needs to have economic capital to afford the necessary time as well as cultural capital in the form of competence to maintain these networks (Bourdieu, 1986, p. 250).

When addressing the symbolic dimension of capital, this study calls upon the work of Ariel Wilkis (2014, 2015). He developed *moral capital* as a sub-type of symbolic capital, to better grasp the resources that people derive from the perceived morality that people experience in relation to others. Although not part of Bourdieu's lexicon, Wilkis (2014, p. 171) traces the value of such a moral guarantee back to Bourdieu (1979/1984, p. 333), who described how a person who is limited in all other capitals can only offer goodwill and virtue as a promise. As Wilkis (2018, pp. 10–11) explains, “[p]eople are constantly measuring, comparing, and evaluating their moral virtues, because these virtues bestow a very specific kind of power”. When others recognise the virtue of fulfilling moral obligations this can provide moral capital that would otherwise be unavailable, and that in turn can be converted into other types of capital, be it economic, cultural or social (Wilkis, 2018, p. 9)¹. Moral capital thus represents the obligations which a person in debt has internalised, in other words, those specific obligations that are deemed important enough to be honoured. While it might be possible to honour some of these obligations, for other ones this can be impossible, forcing a person in debt to make difficult choices. In line with Graeber (2011, pp. 4–14) this suggests that a debt is an economic relationship which hides itself behind moral arguments, meaning that while repaying a financial debt can feel like a moral obligation under normal circumstances, this mask falls away when repayment is no longer possible. The resulting fluidity is what this study captures by means of an assessment of moral capital.

A fifth and final form of capital which this study takes into consideration is *health capital*, which as a concept was introduced as an elaboration on the work of Bourdieu by Anna Schneider-Kamp (2021) and defined as “the aggregate of the actual or potential resources possessed by a given agent that have the capacity to affect the position

¹ In the search for a loan, moral capital can stand next to other, more formalised, guarantees such as income, job status, or creditworthiness, which allows moral capital to counteract uncertainty in the assessment that lenders make of borrowers (Wilkis, 2015, pp. 764–765).

of agents in the social field of health” (Schneider-Kamp, 2021, p. 212). Based on the premise that personal health has over the course of the twentieth century moved away from the collective responsibility of medical professionals and has become much more of an individual responsibility, Schneider-Kamp argues that resources such as the means and networks to which a person has access, have a substantial, if not decisive, impact on the influence which people have over their personal health. These resources can be captured through the notion of health capital, a term which has historically been associated with both studies on Bourdieu’s capital theory as well as the older works on human capital. Reviewing both, Schneider-Kamp considers the contribution of Bourdieu the more valuable one, since health capital is tightly interwoven with the other forms of capital described by Bourdieu. More specifically, financial access to medical services and a healthy lifestyle depend on economic capital, while social capital, in particular in the context family members, affects health attitudes and health outcomes, and cultural capital influences health-related attitudes such as information-seeking behaviour and the ability to understand and comply with health-related information and instructions (Schneider-Kamp, 2021, pp. 210–211).

Constructing the maelstrom

For reasons that will become clear over the course of this chapter, this study has chosen to conceptualise these five forms of capital as separate dimensions of a “debt maelstrom”², which is represented in Figure 4.1. Metaphorically the image of such a violent whirlpool seems appropriate for the topic of indebtedness, as, just like the unfortunate swimmer caught in these waters, a person in debt also has to swim with a lot of strength to avoid drowning and escape from the currents of debt.

At the theoretical level, thinking in terms of a maelstrom allows us to understand the everyday experience of a person in debt as they move through different dimensions of their indebtedness or, to use another metaphor, playing what could be considered five-dimensional chess. Every event that occurs and every action that an indebted person takes leaves their mark on one or more of these dimensions, shifting the precarious balance on which people in debt rely to keep their head above water. In some cases, this might provide the strength to swim away from the centre of the maelstrom, at other times a tipping point is reached which forces a person in debt closer to the centre, and thus deeper in debt.

² Maelstrom is a fairly ubiquitous term used for large and violent whirlpools, of which the most famous and largest ones can be found off the coast of Norway. Although history and popular media often imagined these natural phenomena to swallow up whole ships, their actual dangers are limited to small boats and swimmers. The word maelstrom is derived from the Danish *malstrøm* which in turn derived it from the Dutch *maelstrom* (in modern Dutch: *maalstroom*), literally meaning “grinding stream”.

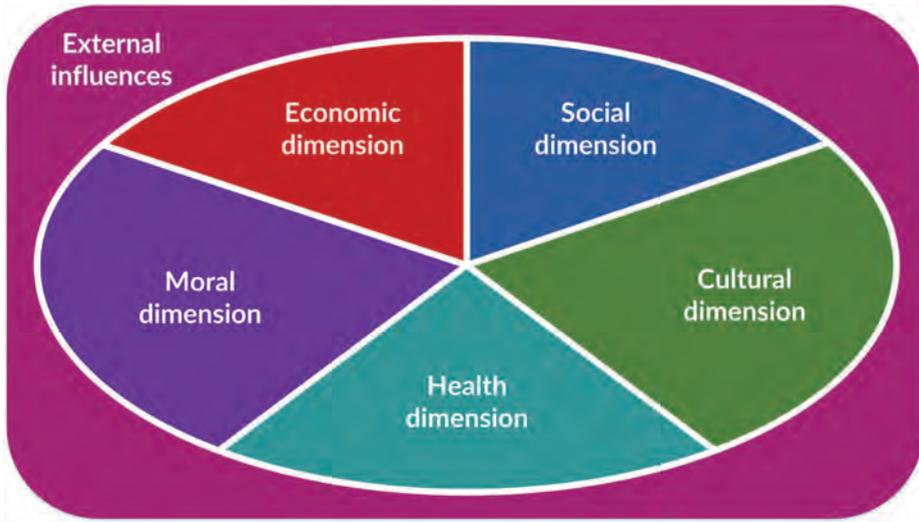


Figure 4.1 - The debt maelstrom with five dimensions

Assets and liabilities

Bourdieu (1986, p. 241) assumed that capital is something which individual people to a certain extent accumulate throughout a lifetime, and as such capital provides people with an advantageous position in the field, which in turn enables them to use their capital to their benefit. While the extent of this accumulation process can differ sharply between people, something which Bourdieu considered the source of inequalities in class and power structures, it is generally considered an upward process, a resource pool that builds up over time and can be used as needed. This premise presents a problem when it concerns a person in debt, in particular under the pressure of a problem debt. Firstly, problem debt can in many ways drain many of these resource pools, wrecking the accumulated capital in each of the five dimensions of the maelstrom. The financial hardship of problem debt drains economic capital accumulated in the past, while the diminished capacity to sustain social relationships can also undermine previously accumulated social capital. Secondly, capital is no longer something which is just *owned*, but instead also becomes something which is *owed*. In other words, in a state of indebtedness there also exist expectations or demands outside of the individual, laying claim to some of the capital that a person in debt may, or may not, have available to them. Thirdly, considering the dependent position that a person in debt occupies in the field, attention must not just go to the capital which remains available, but also to the capital which remains out of reach. This is for example visible when one considers the institutionalised cultural capital of a formal education, which might be beneficial to a person once accumulated but can also be detrimental to a person in debt when

unavailable at a time when finding employment is the only pathway to a debt-free life. This raises the question of how a person in debt manages to balance the lack of capital in one dimension with, on the one hand, the capital available in other dimensions and, on the other hand, the obligations and expectations which are located outside of the agency of the individual.

This study therefore asserts that *just* thinking about capital is insufficient to capture the trials and tribulations of indebtedness. Instead, this study operationalises capital in a way which is perhaps best known to bookkeepers and accountants, by referring to the so-called accounting equation, which in its simplest form is as follows: Capital = Assets – Liabilities. The idea behind this logic is that each dimension of the debt maelstrom, while representing one of the five forms of capital, is also representing an equation between “assets”, the tangible and intangible resources which are accessible to a person, and “liabilities”, the outstanding debts and obligations which exist in relation to an entity outside of the individual. It stands to reason that withdrawing one from the other, while perhaps not as neatly quantifiable in the everyday lifeworld as it is on a spreadsheet, shows a balance between positive, constructive, or problem-solving uses of capital and the negative, destructive, or problem-causing occurrences that excessive or undue obligations might have in each of the five dimensions. The distribution of these five assets and five liabilities can be found in the maelstrom as seen in Figure 4.2, with the assets serving as the outside of the maelstrom, providing calmer waters with durable assets that hold the potential to lead someone away from the centre, while the more unpredictable liabilities make up the internal ring, dragging someone closer to the centre where the risk of drowning is the greatest. Table 4.1 provides clarifying examples of each of these categories.

Table 4.1 - Generalised examples of each asset and liability category

| | |
|---------------------------|---|
| Economic liability | Debt, unexpected expense, financial loss, fee, or payment obligation |
| Economic asset | Financial means, income source, earning, financial favour, or windfall |
| Social liability | Obligations or expectations from members in the social network |
| Social asset | Favour or benefit derived from members in the social network |
| Cultural liability | Unrecognised status, non-access, or failed assistance from welfare services |
| Cultural asset | Education, (legally) recognised status, access to welfare services |
| Health liability | Physical, mental, or emotional ailments, inaccessibility of suitable care |
| Health asset | Physical and mental health, access to suitable forms of care |
| Moral liability | Negative evaluation of oneself in relation to others |
| Moral asset | Positive evaluation of oneself in relation to others |

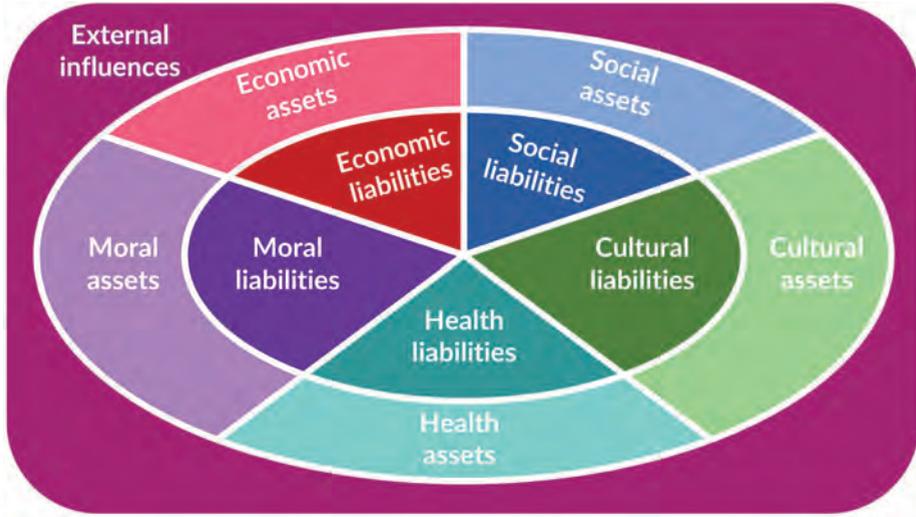


Figure 4.2 - The assets and liabilities of each dimension

Rather than the more straightforward accumulation of capital, the debt maelstrom sheds light on the dilemmas and trade-offs which come into play when the assets in one dimension are unable to meet the demands imposed by liabilities in the same or other dimensions. This perspective is of particular relevance in the field of poverty and indebtedness, where people experience a high degree of struggle in the fields that they navigate. When people rely on a low income they are competing for jobs in the labour market, they engage with the bureaucracies of employment agencies and welfare institutions and they deal with conflicts between networks of family, neighbours and professionals (Noordhoff, 2008, pp. 17–18). Here this approach links up with studies concerned with psychological and physical well-being, which address the constructive effects of capital as *coping resources*, the “individual characteristics and environmental objects or conditions a person can draw on” (McKee-Ryan et al., 2005, pp. 56–57), a concept which is comparable to the assets in the debt maelstrom. These coping resources are also a buffer which can reduce the impact of unexpected challenges, such as unemployment or financial hardship. Examples of this can be skills, attitudes, motivations or self-efficacy, but also the ability to learn, perseverance or digital and social skills, while it also encompasses financial reserves and supportive social relationships (Van Middendorp, 2022, p. 106). An example of this is how better mental health and a stronger sense of societal belonging can contribute to a decrease in financial hardship (Scholten et al., 2023). At the same time, however, circumstances such as prolonged stress, something that unexpected life events such as unemployment can cause, can dampen the buffer provided by coping resources, taking away much of the build-up reserves of self-reliance and self-efficacy and creating a greater dependency on debt counselling services (Koster & Gesthuizen, 2016; Van Middendorp, 2022, pp. 56–57).

While thinking in terms of assets and liabilities is quite a logical leap from the more grounded ideas of capital introduced by Bourdieu, it is not without precedent. Bourdieu himself (1986, p. 16) qualified economic capital as something “directly convertible into money”, while also being “institutionalized in the form of property rights”, suggesting that it is comparable to what accountants speak of when they refer to an asset. This is of particular relevance considering the debates which started in the second half of the 19th century and led to what is today known as the *credit theory of money*, which treats all money as an acknowledgement of a credit relationship between two parties. Authors such as John Ruskin (1872, p. 53) and MacLeod (1894, p. 89) considered it as such, treating money as the “labour and property of the creditor, or the idleness and penury of the debtor”, and thus as a legal obligation which was overseen by the state. Likewise, Simmel (1900/2011, p. 190) in *The Philosophy of Money* saw money as “a bill of exchange from which the name of the drawee is lacking, or alternatively, which is guaranteed rather than accepted.” It was however Alfred Mitchell-Innes (1914/2013) who crystallised the idea of money as a system which is made up of transferable debts, which can be used and re-used to pay off debts as people go about their financial lives (Dodd, 2014, p. 104). This suggests that economic capital does not just have the capacity to serve as an asset, but also as a liability, considering that its convertibility into money is also what makes it something which is by definition owed to someone else.

Likewise, social capital can also be understood in terms of assets and liabilities. While not immediately evident among early theorists such as Hanifan (1916, p. 130), Bourdieu was much more outspoken about the assets contained in social capital, as it “provides each of its members with the backing of the collectively-owned capital, a ‘credential’ which entitles them to credit, in the various senses of the word” (Bourdieu, 1986, p. 21). Likewise, Coleman’s (1988, p. 102) development of a more utilitarian understanding of social capital arrived at a similar conclusion, calling social capital a credit-based system, where one person doing something for another person instils a bond of trust and a high likelihood of reciprocity. This reciprocity then takes on the form of an obligation, effectively being a credit slip ready to be called in at a later date. In other words, doing something for someone creates a social liability, which at a future date can be called upon in the form of an asset when the time has come to return the favour. More recently sociologist Nan Lin (2004, pp. 150–152), in trying to develop a synthesis of the social capital concepts of Bourdieu, Coleman and Putnam, took this idea one step further and developed the idea of *social credit* and *social debt*. Lin emphasises how the relational aspect of exchange can yield both economic capital, meaning wealth, and social capital in the form of reputation. By separating exchanges into transactional or relational rationalities, Lin sees the possibility of social credits and social debts occurring whenever social exchanges are neither symmetrical nor balanced. In a

relationship between a person in debt and a creditor the former tends to gain financial credit, while the latter gains social capital by sustaining a relationship. Arguably, social assets and social liabilities could function in a similar manner, especially in the context of indebtedness, when social exchanges are often asymmetrical due to the absence of other forms of capital, allowing household debts to serve a variety of different social functions (Gonzalez, 2015). The influence of these social assets and liabilities can also be derived from sociological studies which have shown the existence of substantial differences in the degree to which social networks can help out, not just in competitive environments such as career advancement (Moerbeek, 2001; Moerbeek & Need, 2003), but also when a person experiences the pressures of poverty (Lubbers, Small, et al., 2020). Informal debts between members in social networks are a growing problem that complicates other forms of indebtedness and can be difficult to address via debt counselling institutions (Odekerken & Yenga, 2024). As a result of this, the support provided by networks can be insufficient or can be a cause of conflict and strain (Lubbers, García, et al., 2020), creating a risk of social exclusion or social withdrawal (Offer, 2012). This suggests that when assets are insufficiently available, transferring them through the provision of support or the reception of assistance is rarely straightforward and instead burdened by social liabilities.

Cultural capital can also be analysed along the lines of assets and liabilities with reference to Bourdieu's ideas regarding domination. Bourdieu (1977/2013, p. 184) describes two ways in which domination can occur, one being a direct interaction between persons, the other being institutionalised in social formations granting cultural capital such as titles imbued with authority. When addressing this second category Bourdieu suggests that forms of domination are established by the objectification of its resources. Forms of cultural capital such as literacy or the educational system allow for the creation of objectively defined terms by which a sense of order is established (Bourdieu, 1977/2013, pp. 185–188). Pre-capitalist societies, lacking these forms of objectification, had to rely on domination in the shape of either “debts and gifts, the overtly economic obligations imposed by the usurer, or the moral obligations and emotional attachments created and maintained by the generous gift, in short, overt violence or symbolic violence, censored, euphemized, that is, misrecognizable, recognized violence” (Bourdieu, 1980/1990, p. 126). Bourdieu argues that this changed when the rigid mechanisms of objectification first developed in society, providing the means to accumulating material and symbolic capital which was recognised by society as a whole, rather than within individual relationships, resulting in reduced upkeep (Bourdieu, 1980/1990, pp. 130–131). In the context of indebtedness central to this study cultural capital takes on both of these forms. It can either function as a cultural asset for a person in debt whenever it is objectified and

formally recognised as a resource on which a person in debt can rely, while it can also be a cultural liability, which returns to Bourdieu's pre-capitalist interpretation of more direct domination, for example when a person in debt finds themselves opposed by a creditor or debt collector, or when the status of a person in debt is not recognised by certain authorities.

Assessing the value of moral assets and liabilities requires a closer look at what it means to uphold these obligations of perceived morality in the context of poverty. Wilkis explains that “[a]ccumulating moral capital means gaining legitimacy in a position on the social hierarchy. The social hierarchies constructed on this subtype of symbolic capital are unstable because they can be challenged and need to be continuously reiterated. The moral universe is not neutral but agonistic, inasmuch as agents vie to stand out from one another” (Wilkis, 2018, pp. 10–11). Acquiring moral capital thus requires one to live up to the self-imposed expectations of the wider society, which makes it somewhat of an introspective mirror. On the one hand, this mirror shows moral assets, meaning the social norms that a person personally aspires to, while on the other hand, it also reflects the moral liabilities which one thinks society values, meaning the social norms from which one is deviating. What this means for an individual differs from person to person and only become clear under empirical scrutiny, however in general terms it is likely closely related to the growing understanding of the role of shame and stigma in the context of poverty and indebtedness. Under the influence of neoliberal thought, indebtedness has been known to trigger feelings of being irresponsible or being a failure; a stigma which can be particularly deeply entrenched in political statements, debt-related media, assessments of creditworthiness and daily conversation. This is recognizable in the Dutch and German languages, where the word for debt, being *schuld*, means both *debt* in a material sense and *guilt* as a bad conscience, while inversely the word *credit* is related to the Latin verb *credere*, referring to believing or having trust³. Encounters with debt collection services are perhaps the most visible example of this stigma. The presence of a debt collector, combined with coercive practices such as confiscations or house evictions, exposes the financial hardship which was previously hidden from

³ Nietzsche (1887/1967, pp. 62–64) is generally considered to be the first person to investigate this linguistic association, relating it to the often cruel and humiliating punishments which historically followed upon payment arrears. When debt punishments such as slavery or imprisonment were abolished it was only the guilty conscience of a person that remained. Graeber (2011, p. 77) has however criticised these ideas as a-historical, considering that such cruel punishments were remarkably rare throughout history. Meanwhile, Lazzarato (2012, p. 30) sees this association as the origin of *the indebted man*, referring to anyone, whether unemployed, dependent on welfare, or reliant on public services, who is burdened by the morality of credit and debt, and thus expected to live up to promises or to be found at fault.

view and acts as a visible moral reclassification, both in relation to the credit market and in terms of status (Sparkes, 2020, pp. 137–139; Wang, 2010, pp. 54–56).

In the context of health capital, it is perhaps obvious how being in good health could serve as an asset, meaning that it presents no barriers to the aspirations and goals of a person, while the consequences of being in bad health can be a potential liability to any of these efforts. Unemployment is for example known to send people down a path of insecurity and welfare dependency (Paugam, 1996), while also affecting psychological and physical well-being, as well as mental health, depending on various conditions (McKee-Ryan et al., 2005; Ziersch et al., 2014). Similarly, poverty and financial strain are also known to cause a decline in mental health (Curl & Kearns, 2015; Ettman et al., 2023; Whelan, 1992), while health is also a factor of influence which limits people in the extent to which they can participate in the labour market (Heggebø et al., 2019). Before the term health capital was coined, studies already noticed how social capital, accounting for both the quality and quantity of a social network, could be instrumental in both the upkeep of a healthy lifestyle and the recovery process following illness (Turner, 2003). Shim (2010), in addressing the relationship between medical professionals and patients, also introduced the concept of *cultural health capital*, which sought to define a “repertoire of cultural skills, verbal and nonverbal competencies, and interactional styles that can influence health care interactions at a given historical moment” (Shim, 2010, p. 2). This precursor of health capital addressed health assets such as knowledge about medical topics and vocabulary, communication skills, a proactive stance towards health, the resources to practice self-discipline and so on. Schneider-Kamp’s (2021) health capital expands upon this, integrating the other forms of capital in order to encompass all “skills, competencies, social relationships, financial means, and status that can, immediately or mediated through conversion from other forms of capital, be employed toward the preservation of good health and the management of illness” (Schneider-Kamp, 2021, p. 212).

Exploring the debt maelstrom

This study asserts that a detailed understanding of indebtedness requires insight into the interaction between each of these dimensions, made up of both constructive assets and destructive liabilities. Moreover, it also attaches a value to the absence of specific assets and liabilities, since these can also have a tangible impact on the experience of a debt situation. Bourdieu (1979/1984, pp. 333–338) noticed the influence of such “negative” capital when describing the aspiration of the working classes, who lacked the “true” capital to enter the middle classes, and instead increased their future chances by restricting themselves, for example by foregoing expenditure and saving up money, by avoiding children through birth control or by breaking social ties that could

potentially impede the individualistic rise among the class ranks. In the context of indebtedness, not having any social liabilities might therefore be the result of someone having a strong and supportive social network, and thus a lot of social assets, but it can just as well be a consequence of there not being any social network at all, and thus nobody to incur social liabilities with. Both could explain the absence of social liabilities in the debt maelstrom, however, their respective effects on a problem debt are radically different.

Based on the combinations of (missing) assets and liabilities which are mapped in the debt maelstrom, a certain outlook appears, sometimes evidently positive or negative, but often also uncertain. By doing so, the debt maelstrom seeks to capture Bourdieu's vision on the conditions of existence as a three-dimensional space, "whose three fundamental dimensions are defined by volume of capital, composition of capital, and change in these two properties over time (manifested by past and potential trajectory in social space)" (Bourdieu, 1979/1984, p. 114). While the five forms of capital, being subdivided into assets and liabilities, are used as the reference for the composition of capital for a person in debt, the notion of this capital having a certain volume and developing itself over time is captured by addressing the experience of problem debt in terms of "debt temporality" and "debt spatiality". Debt temporality connects the past, present and future of a debt relation. A person might take out a loan today but does so on the reputation which is acquired in the past and the promise of, and speculation on, a future repayment. Meanwhile, debt spatiality searches for geographies or networks in which people navigate both their material needs and social relations, with emphasis on the transformations which can occur as a consequence of being indebted (Harker, 2017; Montgomerie & Tepe-Belfrage, 2019). The debt maelstrom is one such topography, connecting the various dimensions of the debt experience on a visual map and showing how indebted people navigate that space based on their assets and liabilities. Although these assets and liabilities are described on an empirical level, this study does not so much analyse them individually in the debt maelstrom, but rather the conversions that occur between them. People in debt constantly exchange assets within and between dimensions, often to resolve liabilities elsewhere in the maelstrom. Yet at the same time these conversions can in turn also cause new obligations, and thus new liabilities to occur. A person in debt, acting as the agent, is to some extent in control of these conversions, but what changes is the entity with whom the person in debt engages, the objective that the agent is trying to achieve and the assets that are employed to achieve them. Bourdieu (1986, p. 243) emphasised the function of such conversions in his analysis of capital, noting how social and cultural capital can for example yield economic profit in terms of career advancement. Another conversion which gained Bourdieu's attention addressed how money can also buy access to exclusive types of

social capital. However, just like any currency conversion, these processes always incur costs. Bourdieu saw this, describing how “profits in one area are necessarily paid for by costs in another” (Bourdieu, 1986, p. 253), with labour-time being the currency that is expended. As a result, every conversion comes with a certain loss, which, even though it is concealed in social interaction, suggests that such conversions of capital closely follow an economic mindset.

Other studies have touched upon this convertibility of various value registers as well. Vivianne Zelizer (1989, pp. 343–346), for example, asserts that money is not just used in a utilitarian fashion by rational, economically minded actors. According to her, unlike what is commonly thought, money does not abolish social relationships or rise above cultural boundaries, nor does a clear divide exist between money and other value registers. While people do consider efficiency in their transactions, the diverse forms which these transactions can assume suggest that they also take a moral perspective into account which is based on social ties and a process of interaction and negotiation (Zelizer, 1996, p. 487). Zelizer introduced the concept of *special monies* as an alternative to the general-purpose *market money*⁴. These special monies can be found outside of the economic market, each shaped by cultural and social factors and often restricted in their use and exchangeability (Zelizer, 1989, pp. 350–351). This approaches what Graeber described as the *human economy*, “where money acts primarily as a social currency, to create, maintain, or sever relations between people rather than to purchase things” (Graeber, 2011, p. 158). While Graeber considered this human economy at odds with the modern commercial economies, in which everything was reduced to mere quantitative calculations, more recent studies have suggested that considerable overlap exists between these commercial and human economies. Guérin’s juggling practices (2014) are one such example, by which people “combine multiple financial tools in the context of ongoing borrowing, repayment and reborrowing practices (one borrows from one place to repay elsewhere)” (Guérin et al., 2014, p. 11). By strategically employing the social network, acquiring new contacts, and fluctuating the type of relationship with other network members depending on individual needs, juggling allows for the navigation of financially hard times. Deville (2015), while discussing the *capture of affect*, noticed the cross-over between calculation and emotion, both as an experience by people in debt and strategically employed by debt collection agencies. Kirwan (2016, 2019) has also explored the intimacies of debt, both in the professional relationship between legal advice services and their clients and in relationships of *transnational householding*, where migrants need to navigate not just a vulnerable

⁴ Special monies is in turn derived from the concept of *special-purpose money* that was first coined by Polanyi (1957, p. 266), who defined this as a system in which “different kinds of objects are employed in the different money uses; moreover, the uses are instituted independently of one another”.

position in the household but also family expectations in the country of origin (see James & Kirwan, 2020).

Conversions

As can be seen in Figure 4.3, there appear to be ten possible types of conversions which can occur between either dimensions, between assets and liabilities and between the debt maelstrom of the agent and the entities which exist outside of the individual, such as the assets and liabilities which are introduced to the debt maelstrom by a social network. As such conversions 1 to 6, contained within the maelstrom, represent the internalised choices or dilemmas that a person in debt is confronted with, while conversions 7 to 10 reach outwards from the maelstrom and involve entities which are externalised, and thus partially or entirely out of the direct control of the agent.

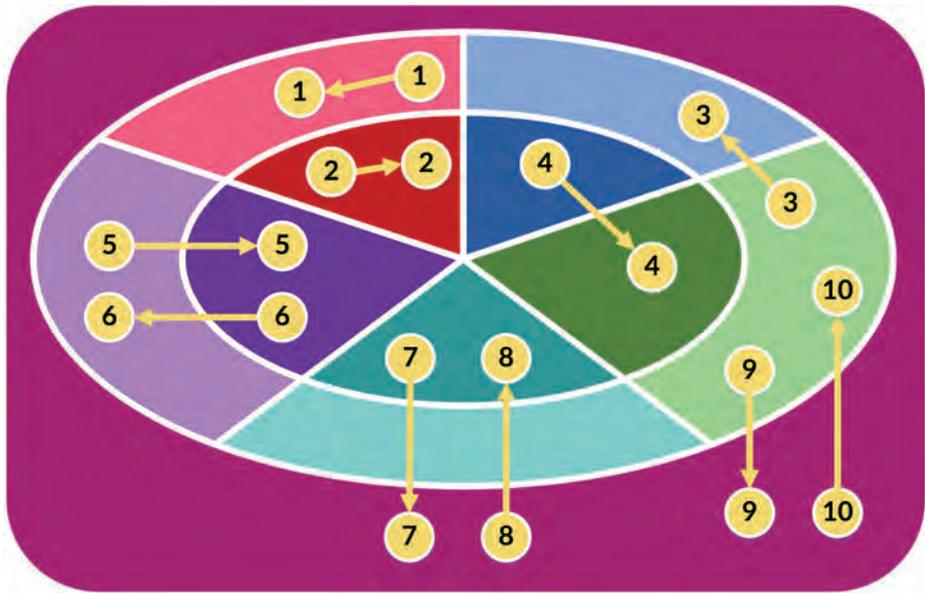


Figure 4.3 - Ten possible conversions in the debt maelstrom

The first type of conversion that can occur involves an asset which is changed into a different asset within the same dimension. This conversion can be as straightforward as one source of income resulting in another one, for example when you invest the money you earned in another venture that yields additional profits, when a prerequisite qualification gives you access to the cultural asset of a job or when a friend refers you to the social assets provided by another friend of his who you did not personally know. Similarly, a liability can also convert into another liability in the same dimension, often exacerbating existing problems as a result. An economic liability

in the shape of a debt can quickly multiply when other payments are delayed, while a particular health liability can cause people to overexert themselves while avoiding healthcare, causing further health liabilities. The third type of conversion involves an asset which is converted to a different asset in another dimension. An example of this would be when the support of a family member, being a social asset, is converted into an economic asset when this family member contributes to groceries or pays off a debt. A fourth conversion occurs between two liabilities in different dimensions, when the debts or obligations in one dimension result in new obligations in another dimension in the maelstrom. This could for example occur when a cultural liability, such as a lack of education, later in life presents itself as a difficulty to acquire sufficient income, thus also becoming an economic liability. A fifth possible conversion occurs when an asset converts into a liability over time. This often occurs when success in one dimension comes at the expense of the other ones, for example when the decision to accumulate money to repay debts delays the opportunity to get an education, or when a moral asset that makes you feel obligated to take care of someone else in the process requires you to make new expenses which develop into an economic liability. As conversion six shows, the reverse is also possible, in which a prior liability develops itself as an asset. This could for example be when the economic liability of a problem debt causes someone to look for the cultural assets provided by professional debt counselling, or when a health liability such as an addiction problem with time becomes an asset when someone becomes an addiction counsellor based on these experiences. A seventh conversion which is possible involves a liability which extends itself to an external entity, which could for example be an economic liability such as a problem debt, which then also affects the upbringing of children or means by which to visit friends and maintain a social network. Vice versa an external entity can also introduce a liability to the debt maelstrom, as is visible in conversion eighth. This often takes the form of a debt or social obligation, for example, a group of friends who expect you to pay during social outings or a family member for whom you need to care. Conversions nine and ten are comparable to seven and eight, except that they involve assets instead of liabilities. In case of conversion nine the external entity can provide new assets, for example emotional support or a job offer, that help a person to resolve their problem debt. Conversion ten focuses on the opposite conversion, when a person in debt helps someone else in their social network.

By analysing the assets and liabilities as they are converted within and between dimensions it becomes clear that not all of them are unconditionally interchangeable with each other, as is often assumed with a universal currency such as money. Instead, it appears that assets and liabilities are controlled by a range of social, cultural, moral, and health-related attachments. Returning for a moment to the comparison of the

accountant, if capital is an equation of assets minus liabilities, then the conversions between these assets and liabilities are considered *credits* or *debits*. A bookkeeper adds a debit entry to the books whenever value is being transferred to that account, meaning that the assets increase and the liabilities decrease, while a credit entry means that value is transferred from an account, and assets decrease and liabilities increase⁵. While not a perfect analogy for the conversions between the five dimensions which are part of this study, to a person in debt a debit entry, meaning the acquisition of assets, yields a similar positive effect, in that it provides means which can be used for future opportunities, or which can pay for certain liabilities. Meanwhile, a credit entry, meaning an increase in liabilities, tends to have a negative effect, increasing the number of obligations for a person in debt and limiting how other liabilities can be paid.

Comparing maelstroms

Based on the narrated experiences of the various people in debt who have been interviewed as part of this study, this chapter seeks to analyse this particular phase of indebtedness by “taking stock” of the assets and liabilities that they considered important throughout their experience of indebtedness. Based on the aforementioned debt maelstroms, this study pursues three lines of inquiry. The first of these is a temporal perspective, focusing on both an absolute and relative experience of time during various phases of indebtedness. The absolute experience relates to the moment in time during which a multidimensional problem debt develops, while time in a relative sense describes how it develops as time progresses, either slow or fast, as a cascade of problems or as moments of recovery and reprieve. A second line of inquiry addresses the spatial dimension by looking at the expansiveness of the maelstrom and the complexity of the related assets and liabilities that affect the dynamics. Here changes can occur, for example when new dimensions become involved and new dependencies are introduced to a social network, which challenges a person in debt to juggle more interests. At the same time, the reach of a debt maelstrom can also decrease when the possibilities provided by assets are reduced and a person in debt becomes reliant on the few assets that remain. Lastly, a third factor to consider in the maelstrom is the extent to which people experience their narrative from a structural perspective, based on external influences that “disrupt” their lives, or whether they consider themselves agents, meaning they are making their decisions as the initiator of a certain turn of events. While such a distinction between structure and agency is impossible to assess from an objective point of view, the narrative nature of these retold experiences makes it relevant to the understanding of these pathways. To

⁵ This is a very simplified depiction of these bookkeeping practices, seeing as debits and credits are also applicable to other business accounts. In that case a debit can also indicate an increase in the expense account or a decrease in equity accounts, while credit can indicate the opposite transaction.

visualise these subtle nuances, the maelstrom uses a visual distinction that captures both the nuances between structure and agency and the presence of both present and missing assets and liabilities.

In the following chapters assets and liabilities can take the form of real, tangible parts of the indebted experience, but they can also function as missing assets, or even missing liabilities, in particular when a person in debt is explicitly aware of these shortcomings. Furthermore, it is also important to account for the awareness of having agency or being affected by external influences when these is expressed in the narrative of the people in debt. This results in the six visual representations of assets and liabilities in the maelstrom that can be seen in Figure 4.4.

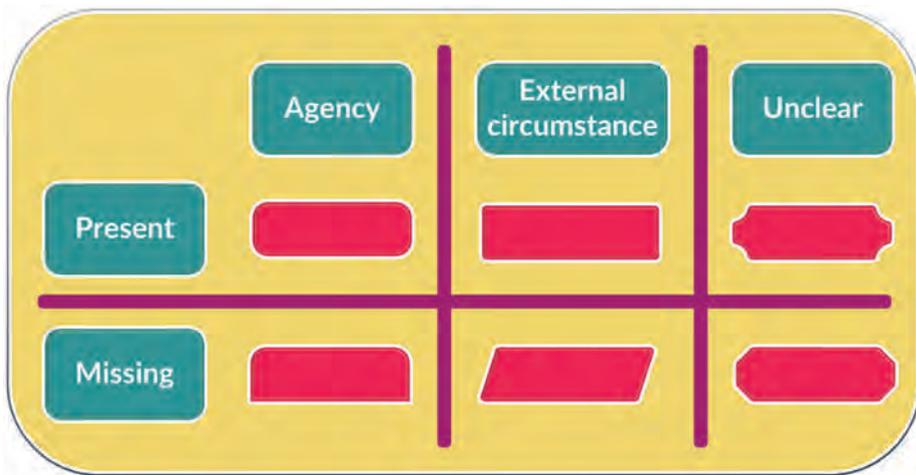


Figure 4.4 - The six visual representations of assets and liabilities in the maelstrom

Conversions between these assets and liabilities tend to link up into larger configurations, which can be considered pathways of sorts, which a person in debt has walked as they tried to navigate their debt maelstrom, often with the intent of accumulating more assets while reducing the number of liabilities. In this manner, the debt maelstrom is in essence an exercise to map out the individual experience of the social space, in which, at an aggregate level, it becomes possible to see where similar experiences can be found (Burke, 2016, p. 9). As a result, it becomes possible to address similarities between experiences and attitudes by comparing maelstroms, even between people in debt with different social backgrounds such as career status or educational attainment (Crossley, 2008). To a certain extent, the debt maelstrom thus expresses Bourdieu's notion of a life trajectory, for which group members often follow a *modal trajectory*, in which the available capital allows for "a band of more or less equally

probable trajectories leading to more or less equivalent positions” (Bourdieu, 1979/1984, p. 110). The forces that act upon this trajectory most likely cause someone to assume a certain social position, which Bourdieu sees as an origin of class disparities. Yet classes themselves also contain fractions, in which people deviate from the norms based on collective and individual events, requiring detailed investigation of, for example, social networks and the various forms of capital available to them (Bourdieu, 1979/1984, pp. 109–111). Based on these assumptions about a modal trajectory this study asserts that it is possible to compare the individual narratives of people in debt through the debt maelstrom, which can show certain commonalities while still allowing choices and personal experiences to come true as possible deviations.

Bourdieu addresses this deviation as an individual *social trajectory*, consisting of “the lifelong evolution of the volume of his capital, which can be described, very approximately, as increasing, decreasing or stationary; the volume of each sort of capital (amenable to the same distinctions), and therefore the composition of his capital (since constant volume can conceal a change in structure) and, in the same way, the father’s and mother’s asset volume and structure and their respective weights in the different kinds of capital” (Bourdieu, 1979/1984, pp. 123–124). As the volume and structure of each form of capital changes with time, so does the balance between the various assets and liabilities, and the choices a person in debt makes based on his or her (often imperfect) knowledge of this balance. These decisions in turn affect the possibilities that a person has with future iterations of decision making, while it also brings to light dilemmas in which a person in debt makes a decision with an uncertain or even unfavourable outcome. The debt maelstrom can be considered a graphical representation of this varying social trajectory, in which a person in debt has no choice but to abandon the model trajectory when the ongoing state of indebtedness disrupts, drains, or disqualifies previously existing assets and also introduces a range of new liabilities. This study visualises this through graphical representations similar to Figure 4.5, taking the form of a graph, in which the X-axis represents time, while the Y-axis represents the balance of assets and liabilities. An arrow is used to represent the development of this balance over time. Yellow dotted lines represent critical moments. These are turning points in which the balance of assets and liabilities makes a sudden shift, for example when the narrative of a person in debt reaches a critical phase or starts to improve.

Using this analytical framework, we now take a closer look at empirical cases in which a problem debt occurs, which are developed as biographical narratives (Beuving & de Vries, 2015). As is visualised in Figure 4.6, this study looks at three phases which seem to be common to the problem debt experience. Firstly, in Chapter 5 the study explores

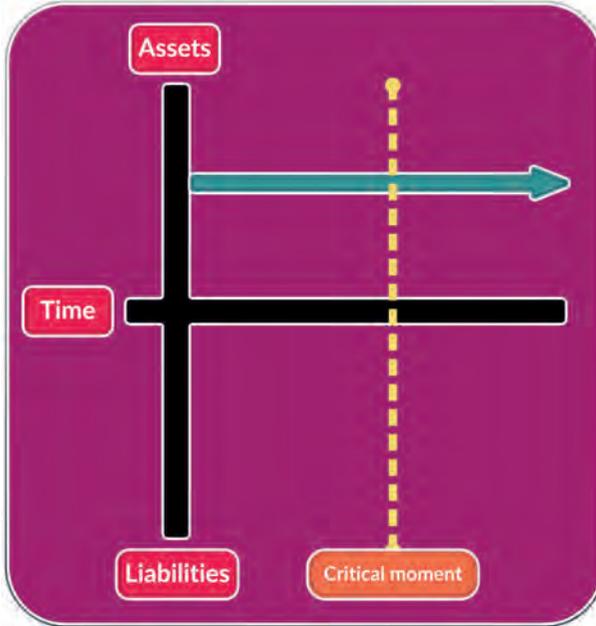


Figure 4.5 - A graphical representation of a social trajectory over time

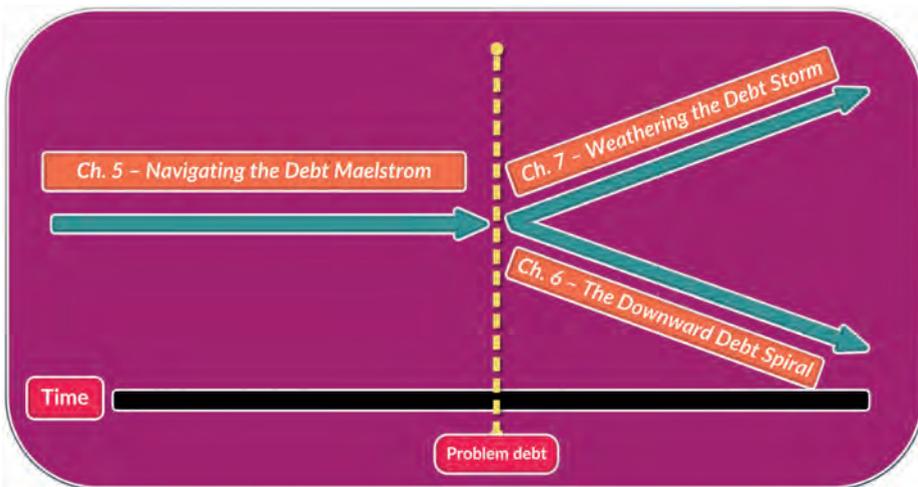


Figure 4.6 - A graphical representation of the three empirical chapters

how the conception of a problem debt does not necessarily begin with financial hardship, but may start earlier, in other dimensions, in which people may be deprived of cultural, social, moral or health assets, resulting in a problem debt when a lack of assets is converted into economic liabilities. Secondly, in Chapter 6 it appears that the development of a multidimensional problem debt is not just one of financial hardship, but instead involves conversions between various dimensions as people in debt seek to fill one hole with another, mirroring the juggling with debt described by Guérin (2014). Here a worsening problem debt is visible in which liabilities accumulate. Thirdly, in Chapter 7, thinking in terms of conversions between assets and liabilities offers insight into how people in debt seek to recover from problem debts by converting assets between multiple dimensions instead of just the financial one. This suggests that, even when repayment of financial debts is seemingly impossible, indebted people still seek out other means to address their problem debt. This suggests that the opposite of the previous chapter is also possible, with a gradual build-up of assets that allow people to stave off some of the hardship that comes with indebtedness.

Conclusion

In summary, this chapter set out to introduce the debt maelstrom as a representation of the various dimensions which are part of the everyday debt experiences. This was done in various stages, of which the first introduced multidimensional indebtedness as a particular research focus that takes into account a wide spectrum of dimensions that are involved with the experience of indebtedness. In this perspective, the experience of indebtedness does not just affect finances, social networks, or moral values, but transforms each of these, as well as other, aspects of everyday life. This study approaches this perspective with an expansion on the work of Pierre Bourdieu, in particular his foundational ideas about the various forms of capital, which he saw, along with habitus and fields, as the driving forces behind the reproduction and transformation of societal structures. Besides Bourdieu's economic, cultural, and social capital, this study also addresses two later forms of capital, these being moral capital and health capital, respectively introduced by Ariel Wilkis and Anna-Schneider-Kamp. Based on these ideas this study asserts that each of these forms of capital can be operationalised as a combination of assets and liabilities, which are in essence the resources, individual choices and external influences which impact the everyday experience of indebtedness. These assets and liabilities can be captured in a debt maelstrom, a visual representation of the multidimensionality of problem debt, with each dimension corresponding to one of the forms of capital introduced in this chapter. In this debt maelstrom it is possible to visualise the various conversions which are possible between assets and liabilities, but also between the various dimensions and between the people in debt as agents and the external forces that are applied to them.

These conversions tend to form larger configurations, which can be compared by means of the temporality and spatiality of indebtedness. It is in this comparison that it is possible to analyse the diverse nature of starkly different debt experiences, based on similarities and differences in the pathway that a person follows through the debt maelstrom.

The following chapters proceed to apply this framework to actual narratives of indebtedness, trying to disentangle three phases of indebtedness, these being the build-up of liabilities which result in the creation of a problem debt, the conflicts between liabilities and assets that can cause a debt situation to worsen and the accumulation of new assets which in some cases can help a person to rebuild themselves and escape from the centre of the maelstrom.



Chapter 5

Navigating the Debt Maelstrom

Introduction

When does a problem debt “begin”? One could focus on the *debt* part of this term and argue that there must be a point in time when payment arrears have run their course, accumulating over time with fines, interest, and broken promises of repayment, adding up until one day the amount of debt has risen so high that repayment is numerically impossible, based on the income and financial assets of a person. Instead, this chapter draws attention to the *problem* of the term problem debt, which is something which is far more difficult to pinpoint in time. This study asserts that the problem can be whatever a person in debt experiences as such, which means it can also begin whenever a person in debt starts to experience it, even retrospectively. The debt is perhaps one critical consequence of this problem, but as this chapter shows, the experience of the overall problem often starts much earlier than that.

This chapter therefore addresses four particular pathways that are distinguishable as an early phase of indebtedness. These four pathways are by no means intended to be an exhaustive representation of this phase, but the eight narratives that are included represent common mechanisms that are visible in the data of this study. Firstly, this chapter looks at the accumulation of assets and liabilities in the early years of life, a time in which one might start as a *tabula rasa* but also experiences pre-existing conditions that come with growing up, with various social environments and with intergenerational influences. Secondly, this chapter investigates the shock that is experienced by migrants entering the country, hoping to find a new world waiting for them, but also struggling with the assets and liabilities that make up the pre-existing conditions that accompany them in the migration out of their country of origin. Thirdly, this chapter explores a more chronic perspective on assets and liabilities that presents itself when hardship becomes structural, which illustrates the lasting consequences of relatively limited assets which proceed to complicate further upward social mobility. Here pre-existing conditions are forged with time, making it increasingly difficult to respond to critical moments. A fourth category looks into the precondition of self-made asset accumulation, which is something which is experienced by two entrepreneurs in this study, who each encountered their problem debt after the critical moment when their business failed.

Based on these four selected pathways this chapter seeks to better understand the “full” experience of indebtedness, including the events that preceded the problem debt itself. While there can be financial problems in that stage, they are often bundled together with a variety of other challenges that complicate an effective response to these financial concerns. Ultimately these are only four possible directions based on

the particular narratives that were found among the people in debt, of which there are certainly many more depending on the various configurations which are possible in the maelstrom.

Early life liabilities

Indebtedness tends to be a complicated affair during the early years of life. It is generally considered a formative phase in which education, upbringing and social environment have a large influence on the development of children, which under ideal circumstances presents itself as a solid number of assets in the debt maelstrom. Growing up with financial hardship can result in quite a different outcome however. This is something which is often seen when parents live in financial precarity as a result of, for example, unemployment or flexible jobs with few employment hours. It is also something which can affect single parents, migrant parents without Dutch language proficiency or parents who struggle with illiteracy or intellectual disability (Lusse et al., 2021, pp. 11–12). For children this often means growing up with limited opportunities, more stress, and as a result of this a more difficult experience of growing up, often related to a decreased school performance, reduced social-emotional development, health problems, less healthy lifestyles, social isolation or a worsening self-image (Bussemakers, 2022; DUO Onderwijsonderzoek & Advies, 2019; Kenniscentrum Sport & Bewegen, 2021; Lusse et al., 2021, pp. 11–12; Wiersma et al., 2017, pp. 11–14). Later in life young people are themselves a relatively vulnerable demographic that can easily find themselves in debt, often related to student loans, unpaid bills or vulnerable circumstances such as being homeless (Bouterse & van Waveren, 2019; Van der Schors & van der Werf, 2014, pp. 35–46). To see how this vulnerability can affect young people from a very early age onwards, resulting in a more complex accumulation of assets and liabilities, this section addresses the experience of Matthew and Rachida, two youngsters in their twenties whose hardships already started during their childhood.

Matthew

Matthew was one of the people in this study who saw a clear relationship between his upbringing and his multidimensional indebtedness. He had a rough start in life, when his parents migrated from Hong Kong to the Netherlands, only to struggle in this new environment, forming a cultural liability in which Matthew found it difficult to find his place. Growing up during these years was not easy for Matthew, as he had a difficult upbringing with a moral liability in which he could not live up to the high expectations of his parents. “My parents were born in Hong Kong, they moved here. Yes... I had a strict upbringing, like they did in the past. I was never allowed to go outside, I always stayed indoors to study. But I say now, what did I achieve? Nothing. School is not for me, it never was, but I always had to study. Of course, every parent

wants you to study well, to get a good job, a high wage and so on, but not everyone can do that. It is the same, my parents were not the smartest either, they worked for someone, and after that received welfare when there was no longer any work.” Failing in school, Matthew eventually ended up in special education, which became another cultural liability when he eventually dropped out of school, choosing instead to go to work, mainly in restaurants. As a result of missing a formal educational qualification, Matthew had to rely on lower-paid jobs, of which the most recent one was a snack bar in another town, making him dependent on public transport and also creating an economic liability. When his parents divorced at one point, Matthew ended up living together with his father, a younger brother and two younger sisters. Due to these living conditions, he felt strongly obliged to contribute to the household of his father. “I buy for my brother, sisters, my father. I am not going to buy just for myself, then I might as well go live on myself, that is not who I am. If I buy something it is for the entire household, not just for myself.” It was a moral liability which weighed heavy on Matthew, and which also became a social liability whenever he spent his money on groceries for the household, something which his father had become dependent on, and possibly even took advantage of.

Similarly, Matthew mentioned another social liability when he felt obliged to buy a rather expensive gift for his sister’s birthday. “It would be a bit foolish when you are a big brother, and you give no present. It does not have to be big, but I shared the gift with my father. My father said, ‘Buy something which has value, instead of something expensive without use’. A ring retains its value, it is a golden ring.” It was a continuing conflict of interest, in which Matthew had to divide the limited income he could earn between his economic liabilities and the social liabilities he felt towards his father and siblings, motivated as he was by a sense of responsibility that came from his upbringing in poverty. “I think it is fucked up, you go to the school, you sit in a circle, and the teacher asks, ‘What did you get?’ and you say ‘nothing’. That is awful for your brother or sister, right? But the modern thing is, everyone gets it, you know? It is not like the past, like me, when some people did not get something, and others did. Today it is like, you have a shirt, then I must have that shirt as well. That is the present time.” As a result of this challenging childhood, Matthew never had the opportunity to acquire a lot of assets in any of the dimensions of the maelstrom. Instead, he encountered a string of liabilities which often had consequences in other dimensions as well, for example when the decision to support his family, despite having a limited income, meant that it was difficult to save any money for himself.

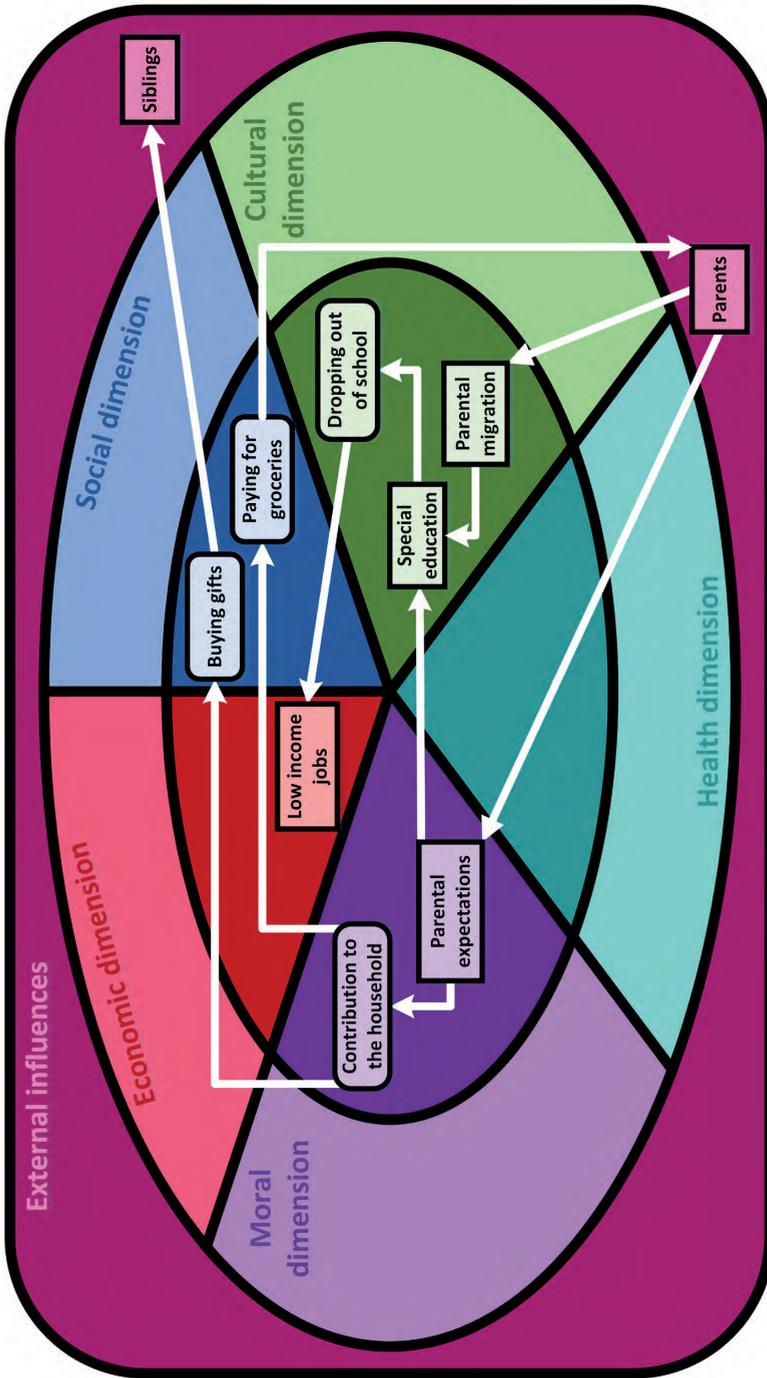


Figure 5.1 - Matthew's Maelstrom

Rachida

Rachida also encountered challenges along the way in the first 23 years of her life. She recalls how she arrived in the Netherlands at an early age, following her father who had migrated from Morocco to the Netherlands as a so-called ‘guest labourer’¹. Eventually qualifying for a family reunion, he brought over his wife and six children, of which Rachida was one. With no formal naturalisation program to acquaint her mother with the Netherlands, her father took care of almost everything. This became an issue however when her father unexpectedly passed away when Rachida was just four years old. This was an immediate shock to the family and a social liability in the life of Rachida. “My mom had to take care of the children on her own, and she did not speak Dutch. She struggled to find a place in Dutch society, and also for the children. Child Protection considered this, but instead of helping or supporting her, explaining how finances work and so on, they decided to remove all children from the house, all children who could still be removed.” It was the start of a rough journey in Rachida’s early life, resulting in another social liability when her mother got into financial trouble and Rachida herself was relocated multiple times throughout her youth. “For my mother, it was more difficult, and she got into debt because at first she had to pay for the care of the relocated children. That is also how I, involuntarily, and also against the wishes of my mother, got removed from home and went from boarding school to boarding school.” The support structure and supervision of these various boarding schools and foster homes, while being a cultural asset during these years, ended abruptly at the age of 18, when Rachida legally became an adult and was expected to take care of herself. It was now, after she had started to live on her own, that she found out about a cultural liability that she considered a consequence of this shielded environment, as she felt unprepared for the responsibility of working, studying and taking care of her finances. “It went alright, I had a side job, but then eventually I lost interest in school, and quit everything. That is when I took a gap year, however never with the idea that I would have to work. I was not aware of the payment arrears with rent, or that bills had to be paid on time. I thought I would do that next month. And next month I thought, I will do it in scheduled payments. ... But in the end,

¹ Guest labourer is an archaic term that was commonly used for labour migrants who were invited to the Netherlands after the Second World War to work in heavy industry, the coal mines and later manufacturing jobs. While initially coming from southern and eastern Europe, in the 1960s agreements were reached with Turkey and Morocco, allowing labourers from these countries to migrate to the Netherlands for what was supposed to be temporary labour contracts. While the active recruitment campaign formally ended in the 1970s when the manufacturing industry in the Netherlands declined, many workers decided to stay and brought over their family members following the introduction of the 1974 Family Reunification Act (*Wet op de gezinshereniging*) (Canon van Nederland, 2019).

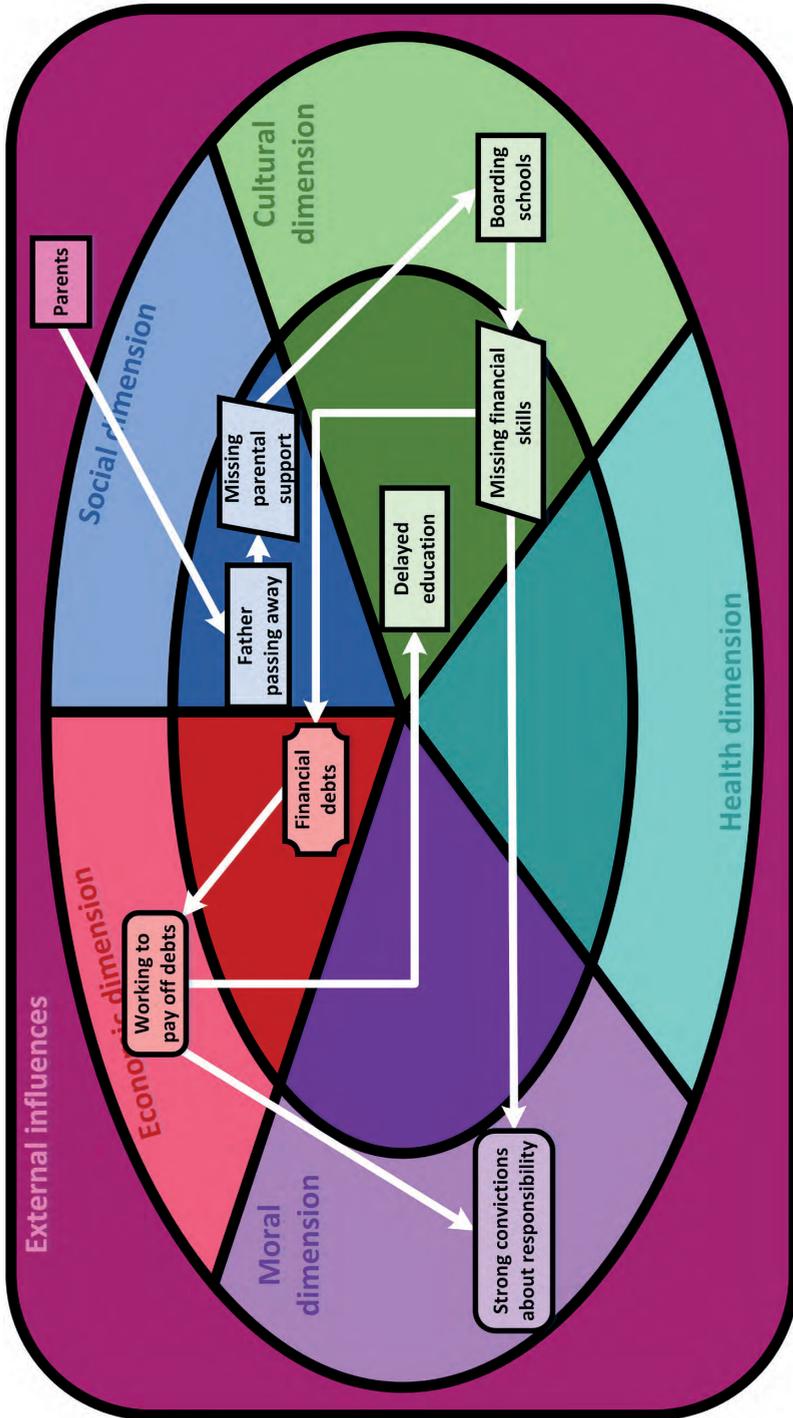


Figure 5.2 – Rachida's Maelstrom

I also never made those scheduled payments. So the debt became larger and larger, and I started to receive letters which I never looked at either.” As a result of this the cultural liability of missing financial skills was converted into an economic liability when she developed debt problems with a variety of creditors. The result was a € 5,000 debt which Rachida, to her credit, managed to pay off in approximately 18 months. While this resolved this economic liability, just repaying her debts was not without consequences. It delayed her education, setting up a new cultural liability, while it also gave her a strong moral conviction concerning her self-reliance and independence. “When you get into debt, and you need care, the first thing you get offered is financial guardianship, budget management, or a curator or something. But I disagree with that. ... Girls like me, and boys, who ended up in debt, even when it is quite high or whatever, I think that you need to make them responsible, tell them, ‘listen, this is what happened, but if you want, and you want to work on it, then I will explain how the system of the Netherlands works, how society functions, how you can ask for help.’ ” It was a conviction that made her more confident when she asked for assistance, something which remained necessary when she eventually got new financial problems later on.

Comparison

What is remarkable in both the narratives of Matthew and Rachida is that hardship was already present long before any debt problems became apparent. From a young age onwards, their lives were influenced by these pre-existing conditions, primarily by the single-parent households in which they grew up. These experiences had lasting consequences for their upbringing, often resulting in liabilities and preventing them from accumulating assets. Noticeable is also how they experienced many of their liabilities as external influences, rather than outcomes from their own decisions. Their childhood was chosen for them, and their agency was limited to the choices they could make in the present. In that present their past experiences had resulted in rather strong convictions in the moral dimension. For Matthew this meant supporting his family, both with groceries and gifts, even when this came at the expense of his own income. Rachida became convinced that she had to become self-reliant, in order to solve and ultimately avoid the problems of her past, even when this delayed progress.

From a temporal perspective, it is clear that the young age of these two people resulted in rather vulnerable pre-existing conditions, in particular when they did not have access to the assets that they needed when they reached adulthood. Being young meant that they had no time to accumulate assets that could act as a buffer for the liabilities on their path, which meant that they had to work hard for every asset. While their liabilities did not escalate rapidly, they were very persistent, taking the form of durable cultural and economic liabilities. Matthew had to come to terms with a lack of formal

education, making him dependent on employment with relatively low wages, which then limited his opportunities to accumulate economic assets. Meanwhile, Rachida struggled with the aftereffects of her protective upbringing, which meant that she was inexperienced in managing her finances. The resulting economic debts also caused her to delay her education while she worked to pay off her debt, once again introducing cultural liabilities. When a critical moment occurred around the time that both youngsters reached adulthood this led to a turn for the worse in which the liabilities increased to a point where their limited assets could no longer compensate.

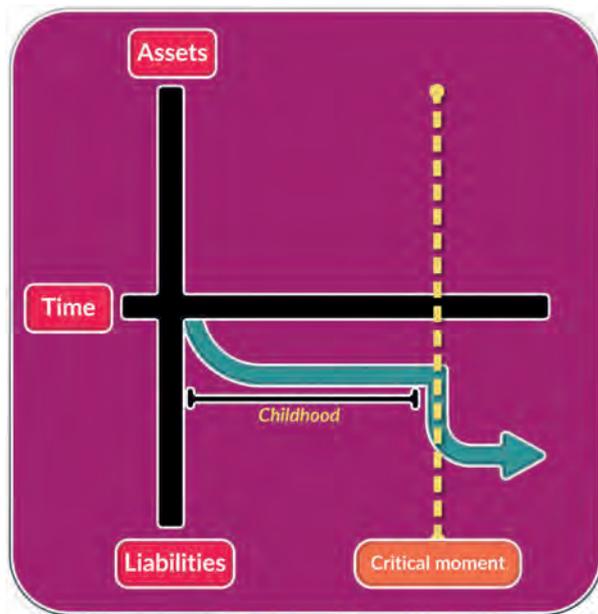


Figure 5.3 – The social trajectory of Matthew and Rachida

From a spatial perspective, both maelstroms also show similarities, as one fundamental precondition seems to be that both youngsters were limited in the network that could help them. Both Rachida and Matthew found it difficult to rely on their parents, Rachida because she was forced to live at boarding schools and foster homes and Matthew because his father was dependent on welfare. As such the network they had access to, and the means of finding assets outside of themselves were limited by an intergenerational influence. On top of this, Matthew was both limited by and felt responsible for the household he was living in, forming both an economic and moral liability as he used his money to help out his family. For Rachida the absence of her parents during her childhood meant that she had become dependent on formal care structures and was unprepared for life on her own at the age of 18.

In conclusion, these two maelstroms highlight how the initial accumulation in the early years of a person's life is critical and can have unpredictable long-term consequences. Early shortcomings in the accumulation of assets, in this case because of a difficult childhood with limited opportunities, can become fixated over time and thus become increasingly more difficult to correct. This then creates a basis from which these missing assets can progressively result in new liabilities following a critical moment. This critical moment is then followed by further problems, caused by the reduced ability to accumulate new assets, for example by delaying the possibility to get an education or by making it more difficult to live up to the expectations of family members. Ultimately this can lead to the development of a problem debt.

Asset loss across borders

Where it concerns the accumulation of assets and liabilities, few life events are as upsetting as a migration to a different country, especially when this is unplanned and unprepared. Migration involves leaving assets behind in the country of origin, creating liabilities during the traverse and making it more difficult to rebuild new assets in the new and often unfamiliar environment of the arrival country. Migrants, especially from a non-Western background, are a group with a high risk of financial difficulties, for a variety of reasons. Upon arrival migrants often lack an understanding of the Dutch language, the financial system and required digital skills. This is troublesome because migrants are often dependent on various benefits or income supplements, which requires interaction with multiple government institutions and creates a risk that migrants either miss out on income or receive too much income, with the latter resulting in demands for repayment (Van Paaschen et al., 2022). At the same time, migrants often have a limited social network in their new host country, while they can also struggle in the labour market. When they do find work this is often in temporary or part-time jobs due to combinations of language barriers, discrimination, a lack of suitable work experience or the absence of good guidance (Klaver et al., 2014, p. 21; Sociaal-Economische Raad, 2019; Van Rooijen et al., 2018, p. 14). In addition to this, the Netherlands has a civic integration process (*inburgeringsplicht*), which requires non-EU migrants who qualify for a residential status to pass certain language and societal knowledge exams. Before 2022 migrants were expected to pay for their education by themselves, with loans being available for those who cannot. While these loans were remitted when the civic integration process was passed, failing to pass the test within three years meant that migrants had to repay the full debt. This risk for indebtedness was further exacerbated by the existence of low-quality or even fraudulent educational institutions that took advantage of the loan system while providing no or only low-quality education (Bakker et al., 2018, pp. 71–75; Stoffelen et al., 2020). Other challenges can also present themselves, such as traumatic events or family obligations in the country of origin, or additional loans such as those offered by municipalities for the initial furnishing of a house (Van Paaschen

et al., 2022). How these and other risks can present themselves in the debt maelstrom can be seen in the migration experiences of Karim and Kafeel, two unrelated Sudanese migrants in their forties who found their way to the Netherlands and had to rebuild their assets from scratch.

Karim

Karim had found his way from Sudan to the Netherlands roughly 20 years ago. While he did acquire cultural assets in his home country as an aspiring student in the field of banking, this was offset by a cultural liability when he got involved with a political movement. “I have nothing with politics, but I was at university, I did what everyone did, everyone wants to belong to something, hang out somewhere. So, you engage with people, you do what they do. You share the idea but deep down you do not believe in that idea.” It was a cultural liability which put Karim at odds with the Sudanese government. “Our government is different, they think differently, they react differently, behave differently. You only have to make a small mistake and you are jailed forever. I was threatened in that manner.” His decision to flee the country was rushed and left him unprepared, unsure of his destination and with an additional cultural liability now that he did not speak the language of his migration country. “I paid a person to take me to England. He said I was in England, but I was not in England, I was in Rotterdam. ... I started to realise I was in the Netherlands later that same day, but much later. By the end of the day, I realised it, that is when I heard that I was in the Netherlands. It was not a language I could understand.”

The process of reclaiming cultural assets was slow, as it took several years as an asylum seeker before Karim was granted permanent residence status. While this provided an asset in a formal sense, Karim distinguished this legal recognition from his experience of living in the Netherlands. Integrating into Dutch society was difficult as a result of residual cultural liabilities that were part of his migration, as his Arabic university education was not recognised in the Netherlands and he also encountered resistance when he looked for employment². “Belief me, I have two certificates ... for some [Sudanese] people I am more integrated, more Dutch than them. But I am not! None of us is truly Dutch, and we will never become that. We would like to be, but it is not possible. This is stupid. Stop demanding that from people, we cannot do that.” Karim compensated for these cultural liabilities mainly with the social assets which were provided by the Sudanese community in the Netherlands. Their support, while a social

² This experience is not uncommon, as migrants are a group with a high risk of encountering financial difficulties, primarily because they struggle in the labour market. Reasons for this are that they often remain stuck in temporary or part-time jobs as a result of language barriers, discrimination, a lack of suitable work experience or a lack of access to the right guidance (Klaver et al., 2014, p. 21; Sociaal-Economische Raad, 2019; Van Rooijen et al., 2018, p. 14).

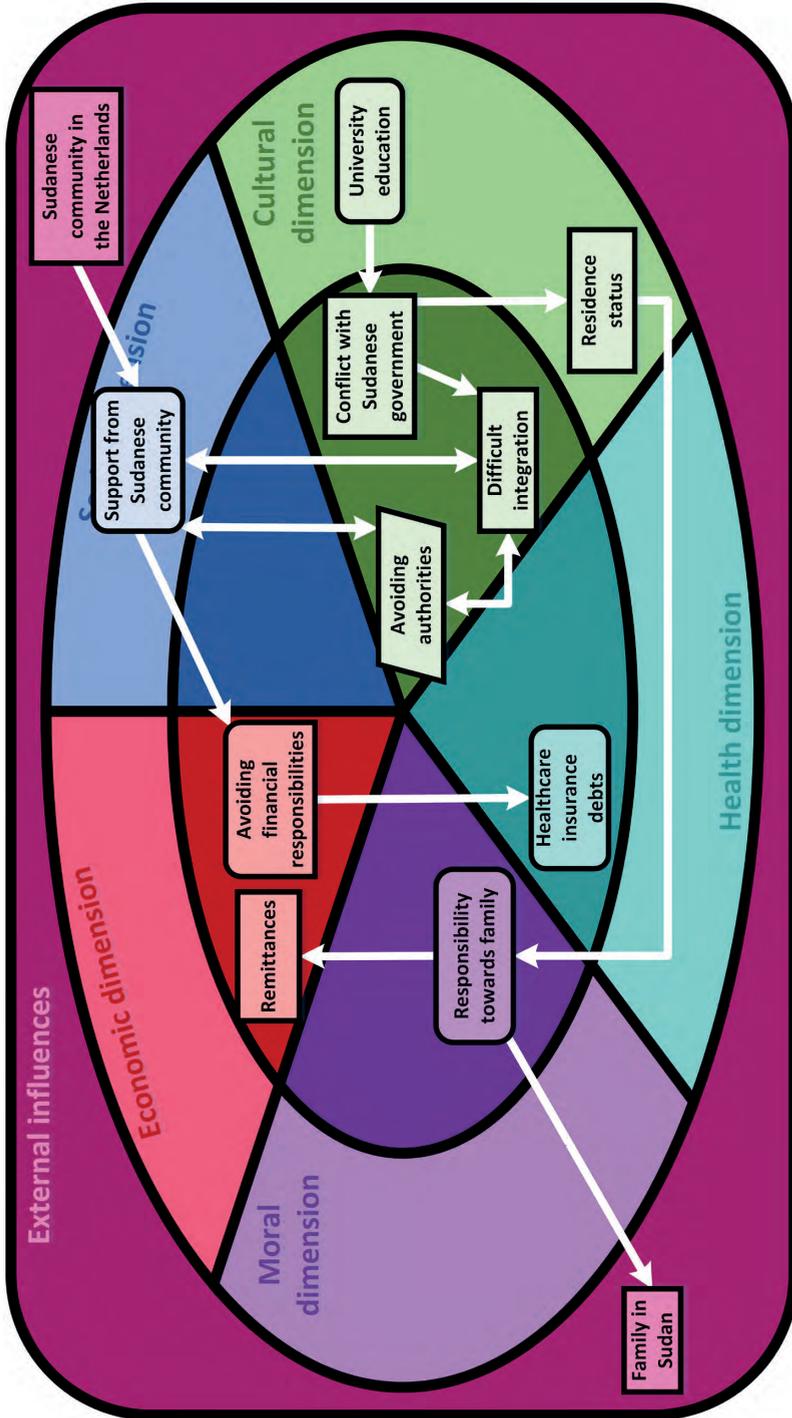


Figure 5.4 – Karim's Maelstrom

asset at the time, allowed him to avoid his financial responsibilities and to hide from the authorities, which unbeknownst to Karim introduced a persistent economic liability. “I come from Sudan, and we have a very different system than in the Netherlands. To me the Dutch system, as I saw it, was very simple. But I underestimated it. I just did what I wanted to do, hanging out with friends and doing what they did. They came here before me, in the Netherlands, and they guided me, with everything ... I knew, where I came from, if you borrow money and cannot repay on time, they lock you up in prison. That does not happen here.” While the Sudanese community helped him out with social assets, at the same time Karim developed a health liability as he did not see the relevance of health insurance if you never visit the doctor, which in turn resulted in increasing health insurance debts and limited his access to the healthcare system³. His situation was complicated even further because of a moral liability towards the family he had left behind in Sudan. Karim felt responsible towards them, sending remittances whenever he could, but also incurring one of his largest debts in order to pay for a visit to them. “My father had passed away, and I could not say goodbye⁴, I was not allowed back into Sudan and I could not attend the funeral. So I was somewhat irritated, emotionally. After five years or so I went back for the first time, at the first opportunity. That is when I borrowed a lot of money from the bank, about € 5,000. I come from Europe ... we have a different culture ... you need to have money with you. You must, for your stay. So I needed money, and I just took that with me. But repaying that money was a problem.” Years later, when he abandoned his life in the shadows of society, this debt and the requests for remittances had become a persistent economic liability for Karim, that made him question whether he had made the right choice to abandon his past life.

Kafeel

In comparison, Kafeel had a relatively positive migration experience. He had seen Sudan in its peaceful post-independence era, during which his father had had a successful career in the military and as a taxi driver, which in turn had allowed Kafeel to have a university education. While the country changed dramatically following the 1989 coup d'état, of

³ The Netherlands has a mandatory private health insurance program which covers essential, primary and curative care. In addition to this insurance agencies often provide supplemental health insurance services which commonly (partially) covers expenses such as preventative care, dental care and infrequent expenses such as glasses. Because it is mandatory to have basic insurance non-payment will always result in debts with an insurance company, which will attempt to collect overdue payments before transferring the outstanding debt to the CAK. The CAK proceeds to collect the monthly insurance premium, while also charging a withholding levy which serves as an additional premium on top of the outstanding health insurance debt. One consequence of unpaid insurance fees is also that people can be removed from their supplemental health insurance plans, restricting the healthcare they can access or forcing them to pay out-of-pocket and increasing their medical expenses.

⁴ The reason for this was that Karim had not yet received a residential status. Only after five years was he able to do so.

which his father became one of the victims, the accumulated economic assets of his family allowed Kafeel to migrate to the Netherlands without accumulating a social liability towards his family. This debt-free migration also strengthened Kafeel's conviction when the circumstances of his family changed rather quickly after they lost the income of his father. "My father passed away, the whole situation changed, my brothers and sisters could no longer study, everyone wanted my support, they always wanted me to send money. I told them, 'I cannot do that, I live in the Netherlands, I need to pay back my expenses.'" While Kafeel did feel the weight of this social liability, he also recognised how he was in some sense privileged because he was prepared to refuse the requests of his family when needed, allowing him to avoid this economic liability. Part of this came from personal experience, because he knew migrants who had prioritised their families over their finances, only to flee the country when their financial problems caught up with them.

Forgoing his original plan for a university education Kafeel instead chose employment, finding a job as a payroll administrator and eventually marrying his wife Aarya in a marriage that was arranged by his family. When municipal budget cuts caused him to lose his job, he started a small mail delivery business, which, much to his surprise, expanded rapidly and became a successful economic asset. "I started delivering in a single neighbourhood, a small amount, I think 300 houses. Then 300, 1,000, 2,000, 3,000... I started my own business, even though I had not planned for it [laughs]. Just by investing. I had a bike, later I got a scooter, then I got a driving license, paid for by the job, the delivery service. At one point I had so much, that I needed my own place, so I hired a warehouse, a very large space. Everyone was surprised, how is he doing that? It went really fast, within three years I had my own vans, my own people working for me." This business served him well for a decade, however during these years his wife Aarya developed multiple sclerosis after the pregnancy of their first child. As her health problems deteriorated, these created a large health liability that affected Kafeel both emotionally and financially. "Working was impossible because the situation at home was terrible. My wife became mentally ill, she started shouting, she did not trust me anymore, craziness, fighting. I refused to come home. Often, after the work was done, I started drinking, only going home to sleep. Because she was only fighting. Everything happened to her at once. She had to go the hospital; our health costs rose considerably." Kafeel was torn between the economic liabilities of his business, the social liabilities involved with the care for his children and the health liability of his wife's multiple sclerosis, which was then further aggravated when his biggest client stopped hiring him for their mail deliveries. Unable to find an alternative client, it only took six months before his business debts rapidly rose to approximately € 85,000. Instead of waiting for bankruptcy, he admitted defeat, using several years' worth of tax

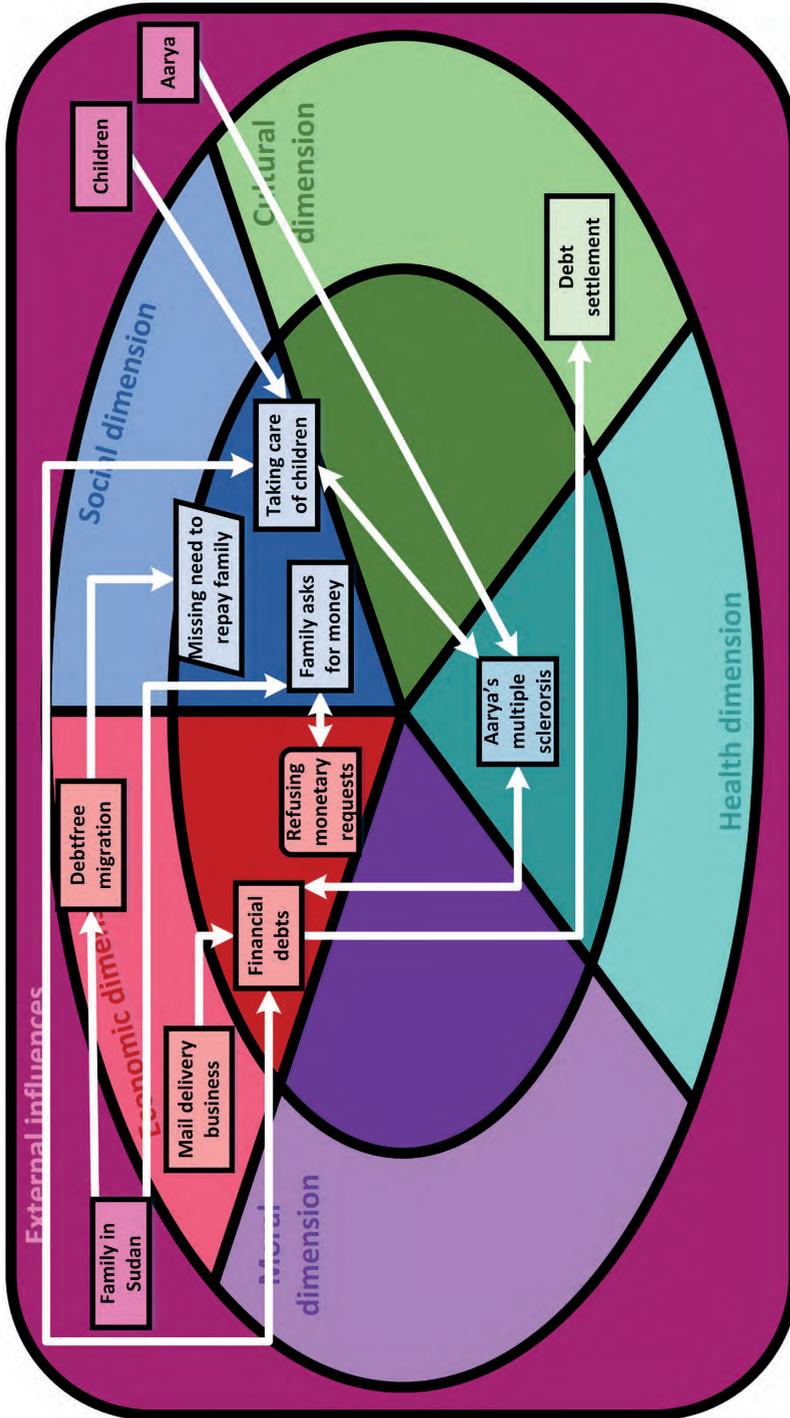


Figure 5.5 - Kafeel's Maelstrom

returns to pay most of his outstanding debts, eventually receiving the cultural asset of a beneficial debt settlement for the remaining sum.

Comparison

For both Karim and Kafeel migration was a major life event, a disruption in both their lives that had far-reaching consequences, even though the circumstances of their arrival in the Netherlands were very different. Kafeel had a relatively smooth transition, benefiting from pre-existing conditions such as the affluence accumulated by his father and finding a measure of success upon his arrival in the Netherlands. Noticeable is how he described his migration and his success in the Netherlands as something which was largely motivated by external influences, in which developments such as the mail business and his wife's health concerns were things which happened to him. This presents a sharp contrast with Karim, who felt like he had a much more difficult migration and less favourable pre-existing conditions. Karim considered his own decision-making of a noticeable larger influence. For him, migration was a choice between an invisible and carefree life out of sight of the authorities and the responsible choices which he wanted to make as a member of Dutch society, which included settling the liabilities that had accumulated over the years.

When addressing both migrants with a temporal perspective these narratives involve a clear break between a time before and a time after the migration. In some sense, the migration was a critical moment in time that acted as a "reset button", affecting predominantly the cultural dimension of the maelstrom as cultural assets from the country of origin, such as a university education, residential status and speaking the local language had no longer the value they had in the country of origin, which in turn introduced new liabilities. For Kareem this was especially noticeable, given that his migration was unplanned and the Netherlands was not the expected migration country, while Kafeel had a more controlled migration and as a result also more assets to fall back on in the Netherlands. Their migration left both of them vulnerable, in the case of Karim because of the difficulty of integrating into Dutch society, and in the case of Kafeel because he became dependent on his mail delivery business. In both narratives the liabilities introduced by the migration thus also hindered new accumulation of assets following the migration event, meaning that liabilities in some dimensions could spawn others elsewhere in the maelstrom.

Spatially both narratives show the dual worlds in which migrants end up as they move to a new country, but also retain their ties to their country of origin. While Kafeel benefited from his father's wealth, allowing him to migrate without a social liability to his family, nonetheless and similar to Karim the ties to his family in Sudan remained

strong. After the critical moment of their migration, both had to allocate their economic assets not just for their own expenditures, but also for the moral dimension in which they felt responsible for Sudanese family members in need of support. For Karim this was a challenging responsibility, one which he wanted to honour, but which also caused new liabilities when he for example took out a substantial loan to pay for the visit to his family. Meanwhile, Kafeel took a more nuanced perspective, arguing that he first had to take care of himself before he could take care of his family abroad, noticing how many migrants got into trouble because of this life between two worlds. Moreover, their spatial horizon also conflicted between different interests in the Netherlands. For Karim this was a conflict between the asset provided by the anonymity of the Sudanese community in the Netherlands, versus the desire to move away from the liability of this life in the shadows. Kafeel was confronted with a similar conflict at a more personal level, as the arranged marriage with his deeply religious wife Aarya increasingly clashed with his own, more liberal, worldview, which in turn drove him to difficult decisions in which he had to choose between the future of his mail delivery business, the upbringing of his children and the care required by his wife. Similarly to their ties to the country of origin here they had become beholden to external forces in their spatial awareness of the Netherlands, which in turn also introduced liabilities in their lives.

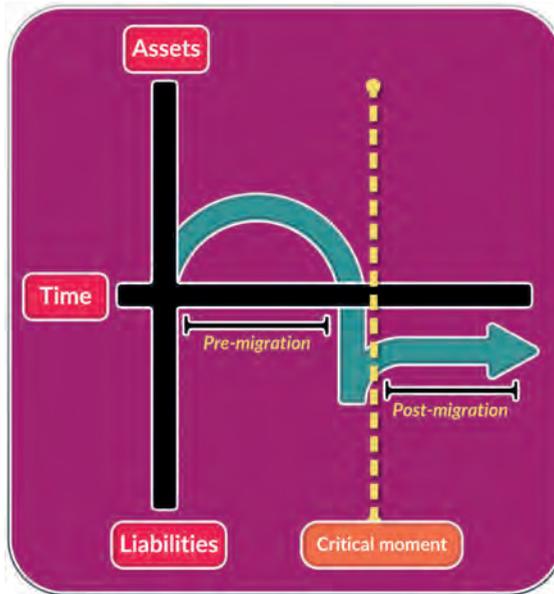


Figure 5.6 – The social trajectory of Karim and Kafeel

When combined, these developments seem to suggest that migration can act as a major interruption with a marked before and after period, with the post-migration phase being one which devalues pre-migration assets, while also introducing new liabilities which in turn hinders the accumulation of new and durable asset reserves. Previously accumulated assets are not compatible, or not easily convertible, to their new setting, while ties to the country of origin and new challenges in the migration country present a multidimensional challenge.

Lifelong liabilities

While the migrant experience of indebtedness centres around the before and after of migration, for others the multidimensional debt can encompass almost the entirety of a lifetime, taking the form of a durable and sometimes even chronic condition. While this type of maelstrom can be positively affected by the accumulation of assets at times, progress is often short-lived, while liabilities are numerous and particularly difficult to overcome. One demographic group which is particularly vulnerable to this are the working poor, whose income is often dependent on their ability to work, meaning that life events that disrupt or reduce the ability to work, such as unemployment and occupational disability, quickly jeopardise the financial balance sheet. While there was only a small increase in the percentage of working poor and those in long-term poverty between 2000 and 2014, mostly running in parallel with the economic downturns of this era, research also showed that not all municipalities had policies in place to help this particular group, making debt counselling hard to reach for the working poor and leaving doubts about the effectivity of existing approaches (Vrooman et al., 2018; Wildeboer Schut & Hoff, 2016). In particular unemployment is a critical factor here, as working poor are predominantly found in vulnerable employment positions, such as self-employed professionals or part-time and on-call employment. Since the Netherlands has seen a sharp increase in these relatively vulnerable employment configurations, more people are left without the assurances provided by full-time and permanent employment contracts (Sociaal-economische Raad, 2021, p. 30). Moreover, with such a low income people are often dependent on the income of household members, meaning that other life events such as divorce, caregiving responsibilities or the death of a household member can also cause disruptions (Sociaal-economische Raad, 2021, pp. 38–40). How these uncertainties can impact a lifetime of poverty and debt is visible in the experiences of Paul, who was approaching retirement, and Karel, who was in his fifties.

Paul

For Paul the origin of his hardship was located at the very beginning of his life, when he was born from parents belonging to the community of caravan dwellers. He never

got to know his father, who he thought had migrated to Indonesia when his mother was pregnant, with the intent to earn money for a living wagon and wedding. Although Paul only found out shortly before his mother's death, in retrospect Paul regarded his father's absence as a moral liability which had affected many of the struggles he had experienced throughout his life. "That is because I do not know my father. Who is my father? What are the building blocks of him, what did I receive? I do not know anything! You can get everything from that, from DNA, these days." Growing up with a stepfather meant that he lost his true last name, and lost most connections to the caravan travellers' community, while never feeling at ease as a 'civil person'. As his stepfather was living off employment disability checks, Paul's upbringing was also impoverished, an economic liability that converted itself into a cultural one. Paul felt that he had missed the opportunity for a formal education when his parents were unable to pay for his tuition and never motivated him to pursue his ambition of becoming a police officer. "That is what I missed. Guidance saying, 'go on boy, go study'. Yes, I wanted to learn, I always wanted to become a police officer, and then move up to become a detective. But my parents could not afford that. I got tested, I could start at the school, but that would cost a certain amount. You had to pay some of the police school yourself. I thought, 'dammit dad and mom, why won't you borrow?' 'Yes, we cannot do that, we have nothing ourselves.'"

Instead, Paul ended up working in various manual labour jobs, starting at an early age. He ran night shifts at the postal service and designed and tended to gardens, working as much as 70 to 80 hours a week. Saving any of this income was difficult, forming an economic liability that followed him throughout his life. When he got married to his first wife and had two children, the prevalence of the male breadwinner model presented a social liability, making Paul responsible for the household income while expenses remained high. "I wanted to give my children a lot, and I wanted a nice car for myself. And my wife did not want to work. I even told her, 'If you work full days, and I work until five PM, then we can both have a nice evening, then you can go out, and I can go out.' But that was not done back then. Back then wives took care of the household, and the children." The marriage did not last, resulting in a divorce that left Paul responsible for the alimony. When Paul married a second time his financial problems escalated further, resulting in the economic liability of substantial financial debts that resulted from the social liability of this second marriage. "I married for a second time, but that was a woman with a hole in her hand⁵. I fixed the whole house, painted everything, did everything, new furniture, and then we together had a € 40,000 debt. She did not want to share this." It would for a second-time result in a divorce, after which Paul came to rely on the cultural asset of a debt settlement, several difficult years during which he

⁵ This is a Dutch expression that refers to the habit of spending money too fast or too frivolously.

lived off € 50 a week and struggled to make ends meet. “That is when I crawled, sweat, and toiled. I lived in a room, and below me lived prostitutes. I got along with them quite well. I would say ‘I have nothing to eat’ ‘You have nothing to eat?’ ... They would bring me leftover food; they would order from the snack bar and save chicken and French fries.” It was economic hardship from which Paul never quite recovered, but more than the economic liabilities, these failed marriages had strained the relationships with his children to the point where he was now no longer on speaking terms with any of them. It was a painful moral liability, reminding him of the severed ties with his own father, and one which he had not been able to resolve, despite trying. “The youngest one [child], is 22, or 23 years old. That is also fading out. She [second ex-wife] told the child, when he was five years old, ‘Father has died’. But he did visit my former sister-in-law and brother-in-law. They had seen him, and said [to Paul], ‘try to make an appointment with him, see if you can...’ Well, that is what I did, at a snack bar. He came by, we ate French fries, I would pay for him. He simply said, ‘Sir, I do not know you’. Do you have any idea how that feels? I showed him my ID, my driving license. ‘That does nothing for me, sir.’ That makes your world so small.” Paul also received major heart surgery at the age of 51, which together with other chronic ailments had since then steadily affected his health and had prevented him from working.

Karel and Anna

The starting position of Karel’s maelstrom can also be found in his childhood, when a moral liability, coming from the abuse of an uncle, had affected him throughout his life. While his parents had always supported him, he had a troubled youth during which he dropped out of school, had minor run-ins with the law and at one point ran away. “Basically, I was so spoiled, that I would hang with the wrong crowd. That is when you head in a different direction, you start doing crazy things, burglary once, back then. That is when you get arrested and so on, the whole puppet show. ... I was stubborn, I did not want to go home, I did not feel like going home. One time I joined the travelling carnival for two years; I only came home after two years.” Due to the cultural liability of a lack of formal education, employment had been difficult to come by for Karel, introducing a chronic economic liability as this made him dependent on the precarious income of social assistance for stretches of time. When he did find employment, this came from short-term subsidised labour or training programs which aimed to improve his chances on the labour market. However, as they were often short-lived and not recognised as work experience, this too presented a cultural liability. “I have experience, just not on paper. That is the problem. I have done all sorts of things, worked in the park, did projects, supervised people. Six, seven jobs, all short projects of the municipality. I was supposed to move on to a new job, but then there was no

other job. These were Melkert jobs⁶, these lasted for a year. After a year it was over, and you were stuck again.”

When the economic liability of these unpaid bills, which resulted from this frequent unemployment, caught up with him, he and his wife Anna went through a difficult debt settlement, but from this he did gain the opportunity to become a market salesman, receiving both a training course and € 19,000 in microcredit. Initially he put this economic asset to good use, but after several years the venture broke down. “It went well for several years, but at one point in time I had bad luck with my van. That one broke down, the maintenance was too much, too many expenses. That is when I started to fill one hole with another hole⁷. I bought another van, but that one also broke down within six months. If you lose € 5... 6,000 at once, try to overcome that as a small entrepreneur.” When sometime later he received a substantial taxation bill and a traffic fine that he could not pay on time, his economic debt problems quickly spiralled out of control. It was an economic liability which was sustained by a moral one, as Karel admitted he had also been stubborn, holding on to the passion for the market when it was no longer viable. “So you start to fill one hole with another hole, and that goes alright in the beginning, but then you start to skip your rent because you want to keep making purchases, because then you can go to the market, and try to make some money. ... I was stubborn and went to the market when I should have decided to quit. But that is not what you want, you want to continue, but at some point that is no longer possible.” While a house eviction was avoided at the last moment, these payment arrears continued to be deducted from Karel’s social assistance. Karel had looked for work since then, but with time his age had also become a health liability, as his knees left him in pain for most of the day. At the same time Karel failed to qualify for the so-called target audience register⁸, a cultural liability which meant that he

⁶ Melkert-jobs refer to a series of subsidised employment programs which ran from 1994 until 2004, named after the then Minister of Social Affairs and Employment, Ad Melkert. These jobs were aimed at the long-term unemployed or long-term welfare dependents and strived to give this group work experience while at the same time improving the quality of service in certain public domains (Mosselman & Muysken, 2020, p. 11). The programs came under increasing scrutiny over the years when the economic outlook improved and the pressure to see participants advance to the regular job market increased accordingly. When it became clear that this progression to the regular job market was not materialising these subsidised job programs were reduced in favour of reintegration programs in the regular jobs market (Mosselman & Muysken, 2020, pp. 20–21).

⁷ This is a Dutch expression with a meaning similar to the expression ‘robbing Peter to pay Paul’ or ‘throwing good money after bad’.

⁸ The target audience register is a database of people with certain conditions, such as an illness or a disability, which limits their ability to find or retain employment in the regular job market. Employers are expected to employ an agreed-upon number of these employees while job seekers in the register receive extra support to find a suitable employer. The goal is to create 125,000 new jobs by 2026 in comparison to 2013, with 80 per cent being provided by the market and the remaining 20 per cent by the government.

now was competing with other jobseekers, many of whom had priority over him. “The doctor simply approved me. I have two wrecked knees, the right one needs a knee replacement, which will happen soon enough. But they tell me, you are healthy. You can sit and you can work with your hands. At that point the conversation is over.” Consequently, when he did eventually get a job as a cleaner, the precariousness of this employment made him delay this knee replacement, since this health liability reduced his chances of a contract extension. “When the first six months are over I have to sign for another six months, and then I will call in sick. There is nothing you can do about that. If I tell them now, ‘I need a knee replacement during the next extension’, they will not extend my contract.”

Comparison

When reviewing the problem debt experiences of Paul and Karel it appears that they have been affected by a lifelong development which had noticeable difficulties. To some extent, the beginning of these is rather similar to the ones seen in the narratives of Matthew and Rachida, with a challenging upbringing reducing the number of available assets and introducing hard to overcome liabilities at a young age. Paul grew up without his biological father, and from a young age he had to deal with poverty and a lack of education opportunities, while Karel squandered the assets provided by his parents. However, different from these youngsters, who mostly had external influences to blame for their predicament, Paul and Karel were also keenly aware of the choices they had made throughout their lifetime, and how these had come to impact their multidimensional problem debt. Paul blamed himself for not convincing his parents to allow him to study, which could have provided him with a more successful career. He also had married twice against the advice of his mother, again choices which he had since then come to regret. Likewise, Karel had come to regret the decision to drop out of school, making it difficult to find employment for most of his life. While he did not regret the decision to take out on a microcredit to start his entrepreneurship on the market, in retrospect he did feel like he had continued for too long.

From a temporal point of view, both Karel and Paul had a rather unpredictable development in their maelstroms, marked by ups and downs. Both had struggled to accumulate durable assets throughout their lives, resulting in non-durable pre-existing conditions. This meant for example that opportunities for employment had been limited due to a lack of education and a reliance on uncertain or temporary forms of employment. When they were employed, it was in manual labour jobs which were physically demanding and provided only limited transferable skills, creating new vulnerabilities when they eventually developed health liabilities. It meant that their balance of assets and liabilities could swing dramatically at times, building up to a

certain point only to swing down again when a critical moment meant that progress was halted, often as a result of misfortune or just the absence of a steady foundation of assets.

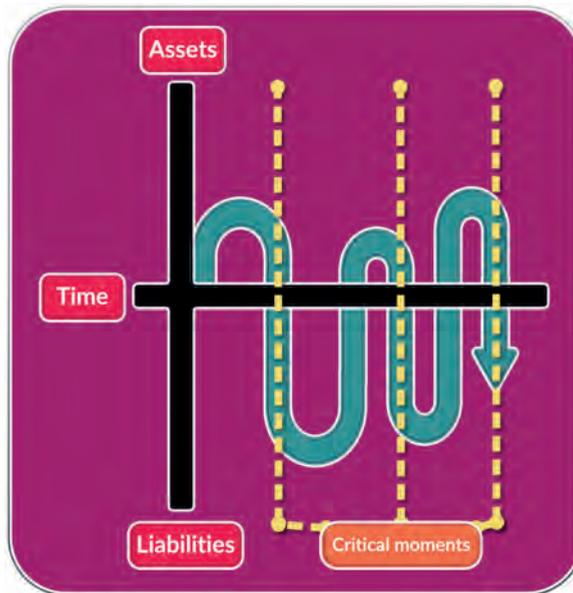


Figure 5.9 – The social trajectory of Paul and Karel

Spatially the maelstroms of both Paul and Karel were rather constrained. While Karel was married and his wife Anna and a daughter from her previous marriage contributed to the household income, both were relying on low-income jobs. Meanwhile, for Paul his past marriages had been far less constructive, causing much of the financial hardship in his life and also resulting in a broken relationship with his children. Instead, the spatial range of their maelstroms was very dependent on the formal assistance which they had received from the municipality. Both Karel and Paul had relied on a debt settlement procedure in the past to get out of financial debt, while they also had received continuous support from the so-called neighbourhood teams in their areas. This support had been instrumental for Karel, especially when he was at risk of getting evicted from his house and had to end his business as a market salesman. For Paul the assistance of the neighbourhood team had mostly come in the form of indirect support, with frequent house calls helping him cope with the chronic difficulties of his limited income and health concerns.

In summary, what these two narratives point out is the uncertainty and precarity of a long-term existence with limited assets and strongly fluctuating liabilities. While both

Karel and Paul at times sought to escape their hardship, the persistent difficulties they encountered made this very difficult, causing setbacks and negating any progress over the long term. Perhaps more than previous narratives they were also affected by their own decision making, which at times had created opportunities but also backfired at certain critical moments.

Self-accumulation of assets

While the three elaborations on problem debt discussed so far all share a shortage of assets, creating an inherent vulnerability by which liabilities can destabilise the debt maelstrom and with that cause a problem debt to arise, this is not meant to suggest that the same cannot happen in the lives of people with substantial success and a noticeable accumulation of assets. In particular entrepreneurs have to deal with both good and bad times as their businesses take off and grow over time, but also encounter difficulties that sometimes result in business failures. For entrepreneurs risk-taking and investments of assets go hand-in-hand, but with that also come increased risks for business debts which with time can also introduce personal liabilities. Once a business fails, entrepreneurs often struggle with the complexity of both their private and business finances, while solutions take more time and are less evident due to contractual, administrative, legal and tax-related issues. On top of this, bankruptcies are often an also emotional event, resulting in grief and stress which entrepreneurs often experience as a lack of empathy (Kesteren et al., 2017). To address these problems, municipalities are required to provide debt counselling to entrepreneurs since 2021, while they can also provide temporary financial relief via the Decree Assistance self-employed professionals (*Besluit bijstandverlening zelfstandigen, Bbz*) (Kok et al., 2018)⁹. In this Bbz framework municipalities rely on external expertise to determine the viability of a business and based on that provide a business loan or temporary benefits until a business can recover. These loans can be used to settle some of the outstanding business debts, while creditors are also asked to discharge part of the total sum (Raad voor Rechtsbijstand & Bureau Wsnp, 2013a). Overall, this makes the combination of business and private indebtedness an extra complexity which is also reflected in the various dimensions of the debt maelstrom. How this can come to affect entrepreneurs is visible in the experiences of Hendrik and Dewi, two entrepreneurs in their sixties who were still dealing with the aftereffects of the business failures in their lives.

⁹ Despite these flexible solutions, the accessibility of debt counselling for entrepreneurs is a longstanding issue, with quality differences between municipalities, various institutional barriers and a lack of clear information being frequently heard criticisms (Bokhorst et al., 2022). Likewise, the Decree Assistance self-employed professionals is also affected by municipal differences, for example some municipalities might exclude entrepreneurs with part-time jobs or high-income earning partners. Other municipalities are also known to advise entrepreneurs with no perspective on the labour market to close down their still viable businesses (Blunt, 2018).

Hendrik

For Hendrik the accumulation of assets, in particular in the cultural dimension, went quite smoothly in his younger years, as he received a good education in various studies related to administration and accounting, after which he went to work for the accountancy department of the Philips corporation. After his father fell ill in 1982 and passed away a year later, Hendrik left this accountancy position to work in his father's company, which traded fruit and vegetables. Leveraging this inherited social asset and his own accountancy experience, he turned this company into a success by expanding it around 1992 into a wholesale company trading potatoes, vegetables, and fruits. When this business started to lose out to cheaper and larger competitors, the big clients eventually left, after which Hendrik sold the business in 2007. Using his experience with long-haul trucking and his existing transportation license, Hendrik then started a new business, specialising in the delivery of pipelines and sensitive technical equipment for the oil industry to onshore sites in Norway, Sweden, Finland, and Russia. This too became a success, as the company ended up leasing 24 trucks to make weekly deliveries. Besides making Hendrik a well-off man, this personal history of entrepreneurial success also made Hendrik strongly identify as a businessman, which shaped Hendrik's outlook for much of his career.

However, this all came to a grinding halt in 2014, when the European Union instituted sanctions against Russia as a consequence of the Russian annexation of Crimea. As half of his trucks were designated to drive to Russia and were modified for this particular type of transport, this cultural liability turned out to be a crippling blow to his business operation. While waiting for government compensation, which was promised to companies which were affected by the sanctions, Hendrik against better judgment decided to take out a business loan, hoping to keep his business afloat. To his dismay, the compensation did not materialise, yet another cultural liability which resulted in a € 6.8 million debt, which left Hendrik no other alternative than to sell his company with unfavourable terms. "Half your capacity, half your truck fleet becomes useless, and that breaks you down. It was something I had worked on day and night, to build something, and eventually it fell apart. With a lot of difficulties and troubles, eventually I sold everything to [a global logistics company]. And... we came out alright. At one point [the logistics company] would take over everything and also take care of everything, which left me behind with nothing. More or less destitute, with nothing except a heavy load on your shoulders." While Hendrik was glad that this meant that his employees did not lose their jobs, overall it was a bad business deal caused by necessity, rather than by his own choice.

As he was forced to sell his house, his economic liabilities worsened when he was unable to find affordable housing in his lifelong hometown¹⁰. Instead of moving away, Hendrik decided to rent an expensive apartment, in order to stay close to his social network. However, this social liability in turn quickly drained his savings and forced him to move into social housing in a different city, causing him to lose much of his existing social network. Now reliant on debt counselling and a food bank, while living on a minimal income, Hendrik was visibly frustrated with a new sense of dependency, a moral liability that stood in stark contrast to his past identity as a businessman: “You end up at the food bank, and that is a frustrating thing because it is never enough. You go there, once a week on a Friday. ... I mean, you get bread. That are 8... 11 slices. What am I to do with that? I eat 8 slices in the morning and 8 in the evening, and a hot meal around lunchtime. That is not sufficient. These are weird things. The biggest problem is that you cannot influence anything anymore. You cannot go your own way without the aid of others. That is the most frustrating, because you feel like, and that is what matters, how you feel, like you are on the sidelines of society.” It proved to be an emotional and difficult experience, instigated by the sense that his life was “taken from him”, by an injustice which was very difficult to accept and had forced him to start over from nothing.

Dewi

The life of Dewi started in Indonesia, from where, due to the violent unrest after the Indonesian National Revolution, her family fled to the Netherlands in 1959. There she had a rough landing, starting with a liability as she moved from city to city, lived in a boarding school, struggled with the Dutch language, and found it challenging to adjust to Dutch culture, norms, and values. She did however also improve her cultural assets, as she qualified as a hairdresser during this time. She met her first husband and together they became successful entrepreneurs in the clothing industry, eventually becoming regional managers overseeing several stores. It was an economic asset that lasted until her husband traded the success of their stores for the excitement of the market. “He found out it was much nicer, the free life. So he traded his very good job, including me... well not me, but I also lost my job. So that was over. And while it went alright at the beginning, as an entrepreneur you fail to notice some of the things that

¹⁰. The Dutch housing market separates subsidised, affordable housing from free market housing. Subsidised housing intends to provide housing to low income or special needs renters. The rent is generally lower than on the free market and is determined by a standardised points-based system. Due to a shortage of social housing the supply is limited and houses are often distributed by either a lottery system or by the length of time by which a person has been registered with a housing cooperation. In Hendrik’s case he had to many financial assets and did not have enough of these registration years on his record to have a reasonable chance at social housing in his home town, forcing him to move towards the city where social housing was more readily available.

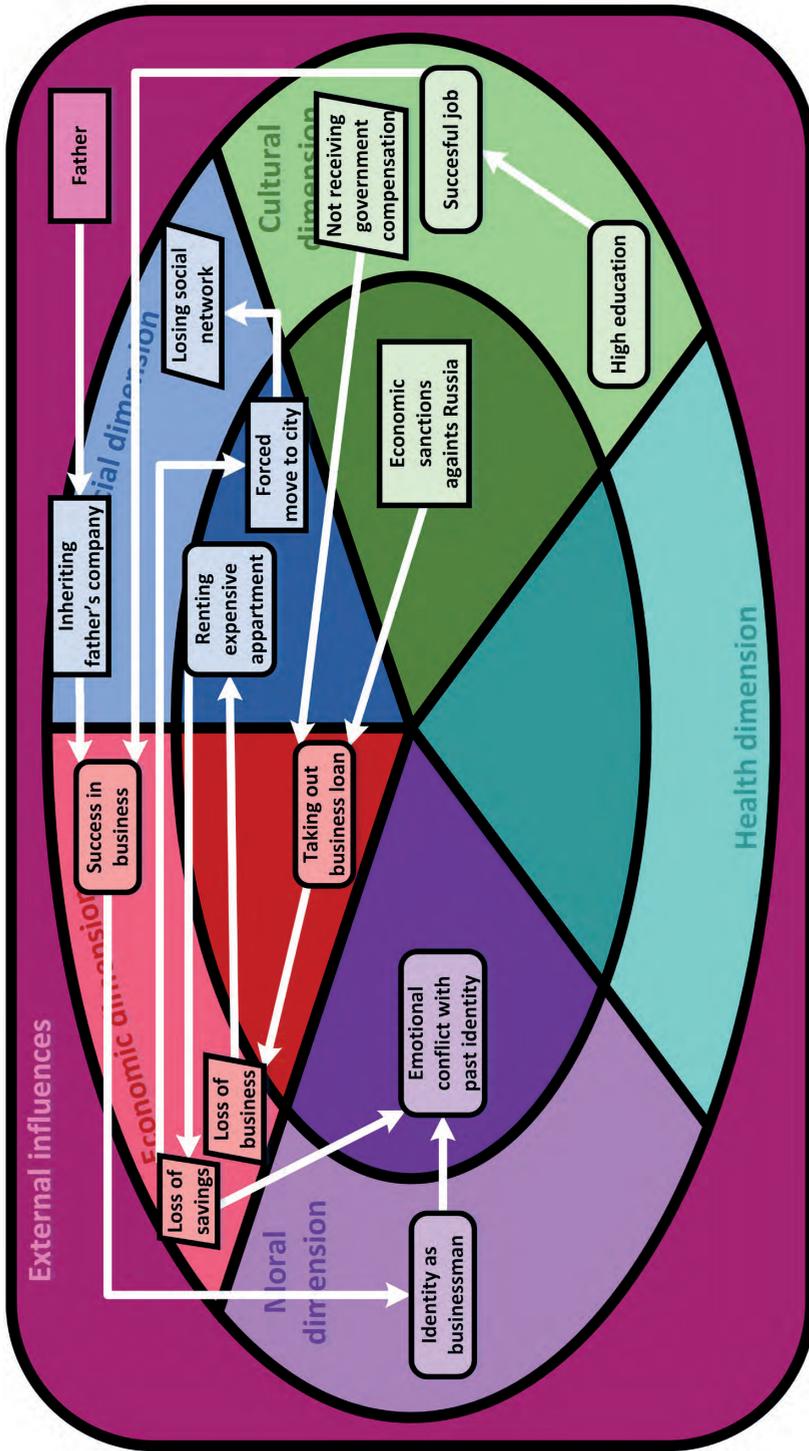


Figure 5.10 – Hendrik's Maelstrom

you encounter. That is because you are young, with a small family, we had a son by that time. We thought we could easily go on holiday, three times a year. Money in abundance, except that we also had to pay taxes at one point.” To resolve these tax problems Dewi started to work long hours as a hairdresser to earn additional income. However, when various logistics problems halted their clothing imports for months on end, their business could not survive, leaving the couple with new economic liabilities when they lost their business in the bankruptcy and were also evicted from their house. To maintain an income during this period Dewi worked long hours, bringing herself to the point of physical and mental exhaustion, a health liability which caused her to end up in the hospital for three months. Dewi’s life improved again when she left her first husband for another, this time a judicial officer. To support him Dewi started a new business, specialised in evicting people in debt. It once again proved to be an economic asset, bringing her financial success as the business thrived for over 30 years, while it also gave her a moral asset in the form of an intimate understanding of people living in poverty and indebtedness. In the later years of this profession, it did however also make her aware of a moral liability that had come with her entrepreneurial success, as she felt that she had lost sight of her two children and was burdened by their ongoing health concerns. These two sons, who both were diagnosed with autism combined with mental health issues, required constant therapy and attention, even more when they became addicted. “The hard work did not get me down; I function great under pressure. But what got to me were the children, that was very difficult. They became older, they got addicted, with drugs, and with alcohol.” The success of her business also did not last when her husband passed away and debt collection policies shifted away from house evictions in favour of helping people. In an attempt to turn things around Dewi once more started a business, this time selling used goods. Together with her third husband she hoped that this store could create new opportunities for her children, whose care had with the years increasingly become a social liability for her. It was at this point however that mismanagement and the exhaustion of years of hard work and taking care of her children led to a mental collapse and a definitive end to Dewi’s career as an entrepreneur. “Yes, my son, my eldest son, was there, but he was more concerned with his own business. And my sister considered it a platform to recruit Jehovah’s brothers and sisters. So that did not work out. And I thought because I organised it myself, in an association, that I had full control. But that was a miscalculation of me.” Following doctor’s advice, the used goods store was closed down in 2014, as Dewi found herself in a depression and even near a suicide attempt.

Comparison

When comparing the multidimensional maelstroms of Hendrik and Dewi several remarkable similarities stand out. As entrepreneurs both of their experiences were

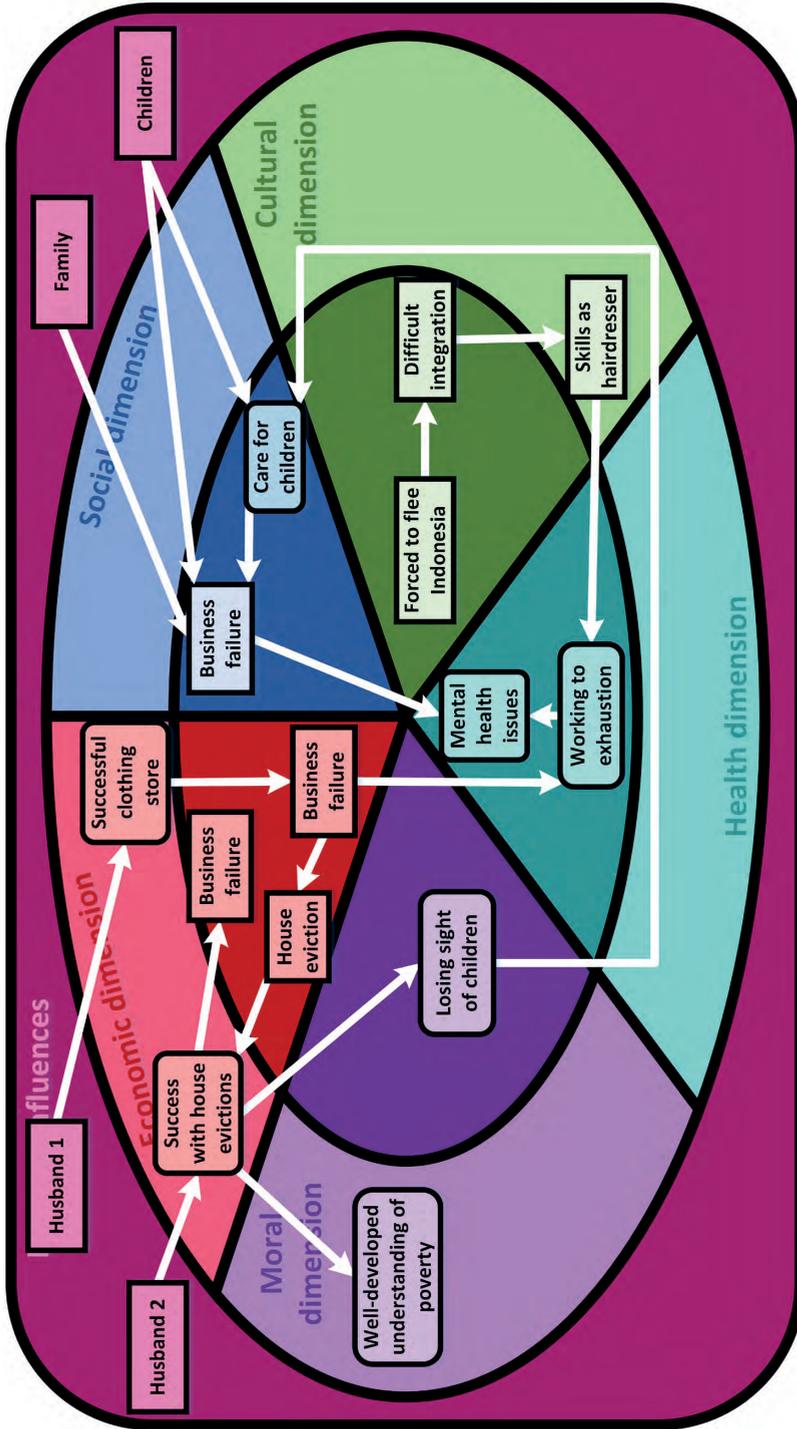


Figure 5.11 – Dewi's Maelstrom

infused with strong feelings of agency, as they had built their success and as a result acquired substantial assets throughout their entrepreneurial career. Hendrik had a very successful career up to the point where his business was compromised in 2014, in which he combined his own education and professional experience with the established business that he inherited from his father, resulting in a wholesale operation and later in a thriving international transportation company. Likewise, Dewi, despite her difficult start after she migrated to the Netherlands, accumulated a wide array of skills which she employed over the course of her career, both as a hairdresser, shop owner, market trader and while evicting non-paying renters. These were not just achievements, but personal success stories for which both entrepreneurs felt a lot of pride and felt like they had contributed an instrumental part. Ironically, it was this same sense of success that made the experience of the loss of assets all the more difficult, as these developments were often experienced as externalised processes in which the entrepreneurs felt that they were affected by outside influences and were not in a position to correct their course. Despite trying, Hendrik was unable to overcome the impact of the Russian boycott, while Dewi also expressed a sense of loss concerning her past business ventures, whose outcomes were largely out of her own control.

In comparison to the other elaborations of debt addressed in this chapter, the temporal perspective is quite different here, showing relatively favourable pre-existing conditions through a substantial accumulation of assets over many years, in which both entrepreneurs started businesses, expanded these over time, adapted to various challenges and were not afraid to start over when this seemed like the better option. For Hendrik, the first transition already occurred when he had to take over his father's fruit business, which he over time had to reinvent as a wholesale trader and ultimately sell when faced with stiff competition. From there he once more had to take his company in a different direction, using his license and experience to go into the gas- and oil industry. Differently, Dewi alternated successful enterprises with sudden course changes as a result of unforeseen circumstances. The success she started with as a regional manager of a clothing store turned into an uncertain existence as a market trader, but then became a thriving eviction business. However, this acquisition of assets could however not prevent the ultimate downturn, a critical moment after which their businesses started to collapse and a domino of liabilities took over. More importantly, these business problems did not stop at their professional lives but also came to negatively affect their personal lives, resulting in liabilities in a wide array of dimensions, ranging from economic hardship to Hendrik's forced decision to leave his home town or Dewi's struggle with physical and mental exhaustion.

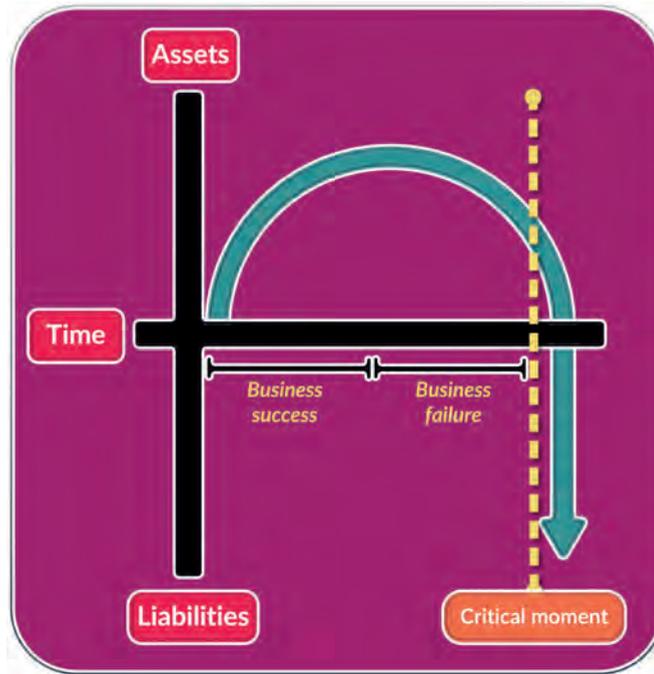


Figure 5.12 – The social trajectory of Dewi and Hendrik

In a spatial sense, both maelstroms contain a wide variety of elements that influence the accumulation of assets, but also liabilities. Especially for Dewi the relationships with her husbands were instrumental in the development of her assets, as she worked together with them in both the clothing stores and the eviction business. This made these two enterprises a success, but it also made them vulnerable, for example when her first husband switched to the marketplace or when her second husband passed away. Another complication for Dewi was the challenging relationship with her children, whose autism and addiction problems required a lot of her care, especially when they got older. Combining this with the tumultuous businesses and the side income which Dewi was earning to supplement her economic assets proved difficult, and at times resulted in major health liabilities such as exhaustion and depression. For Hendrik the spatial element was more or less restricted to his own success story, in which he expanded his father's company into a much larger venture. Since then, this was followed by the failure of his business, which Hendrik experienced as an increasingly smaller world, in which he had become dependent on debt counselling, welfare and the food bank, and in which he had lost the social network of his home town by the forced move to the city. Moreover, this new predicament also formed a moral liability as his new living condition clashed sharply with his past identity as a successful businessman.

Conclusion

The central theme of this chapter has been the accumulation of assets and liabilities, specifically in the timeframe leading up to a problem debt. By doing so we get a glimpse into the living conditions and experiences that people in debt encountered in the run-up to their problem debt, and which in turn influenced how they could respond to the often unexpected occurrence of other difficulties in their life. Based on the biographic profiles of various people in debt several types of accumulation have been addressed in this chapter. Firstly, there was the early life and inter-generational accumulation of liabilities, which has turned out to be a rather critical phase, as the lack of a solid foundation continues to affect the various dimensions of the maelstroms in the lives of youngsters. Secondly, this chapter addressed how a migration experience can cause financial hardship to occur, which in the narratives of this study was the result of a disruption of previously accumulated assets, coupled with newly introduced liabilities in both the country of origin and the migration country. Thirdly, there was an example of long-term accumulation in two biographies where the starting point had been relatively poor in assets and high in liabilities, which showed the lasting consequences of uncertainty and a repeated pattern of problem debts. Lastly, attention was paid to the rather specific but at the same time common experience of entrepreneurs, who stood out because of their capacity to accumulate assets by which they could bounce back from various setbacks. At the same time however the loss of their business showed that they were not immune from the damaging effects of a problem debt, which drained their assets and introduced liabilities to which they did not have an answer.

What unites these four pathways towards a problem debt is the existence of certain pre-existing conditions which affect the balance between assets and liabilities in each of these narratives. Whether it is through a particular upbringing, a migration event, past experiences with problem debts or the success and subsequent failure of a former business, in each narrative liabilities stacked up on top of each other and overpowered the assets that were present. For youngsters such as Matthew and Rachida this might be because, due to their young age, they never had a chance to accumulate the necessary assets. For migrants such as Kafeel or Karim the migration might “reset” the assets acquired in their country of origin, while a life filled with liabilities, as seen in the experiences of Paul and Karel, means that life may be uncertain, even at the best of times. Meanwhile entrepreneurs such as Hendrik or Dewi never expected to see the success of their business turn into failure, precisely because they had at one point a large pool of assets. These pre-existing conditions made it very difficult to prepare for the eventuality of a problem debt, meaning that when one such critical moment did occur there was not much that could be provided in terms of defence. Actions that

were taken proved insufficient solutions or were overwhelmed by liabilities in other dimensions. This is a perspective that is further explored in the following chapter, which looks at the critical phase during which problem debts can form and spiral out of control as assets are drained and liabilities are formed in an attempt to turn things around.



Chapter 6

The Downward Debt Spiral

Introduction

In the previous chapter the focus was aimed at what could be considered pre-existing conditions of problem debt, meaning circumstances which are instrumental in the accumulation process of both assets and liabilities and which can for a time be quite stable. However, this changes when a critical moment occurs. A business goes under, a person is forced to migrate, or some life event occurs that upsets the status quo and requires that a person in debt takes action. What actions are available to them depends on the assets they have accumulated, and how well these can be adapted to the new circumstances and used to overcome the liabilities¹. This chapter addresses narratives where this is largely impossible for any number of reasons. Sometimes there are no actions available, sometimes actions simply do not work out as intended or are even counterproductive, and again at other times even the best efforts are no match for external forces that are simply too big for any individual to overcome. This results in what can best be described as a downward spiral of liabilities, in which one liability proceeds to introduce new liabilities over time and causes the problems in one dimension to spill over into others.

To achieve this, the chapter follows the pathways of a select number of people who experienced a problem debt at a certain point in their lives, some of which have already been introduced in the previous chapter, and some of which are completely new. While they all ran into this downward spiral in the debt maelstrom, the pathways they followed through that spiral deviated in various directions. First, a recursive configuration is described in which past mistakes seem to haunt people in debt as they try to escape from their debt problems in the present day. Here, the liabilities that people carry over from their past prevent them from assembling new assets and overcoming present-day liabilities. Second, this chapter looks at people whose problem debts lead them down a path in which the continuous search for solutions is met with an equally constant surge of new problems. Here people in debt quite literally run out of options as they try to resolve certain liabilities by means of a dwindling pool of assets, only to lose oversight as they drift closer to the centre of the maelstrom. A third pathway that is investigated is the conflict which can exist between theoretical solutions and the harsh reality, which shows how seemingly straightforward ways out of a problem debt can still encounter roadblocks such as economic precarity or health problems. Fourth, this

¹ This process is often captured by the notion of resilience in policy research, in particular with regard to healthcare outcomes. It seems to be equally applicable to the skillset that is required to respond to financial adversity, however. Windle (2011) defined *resilience* as “the process of effectively negotiating, adapting to, or managing significant sources of stress or trauma. Assets and resources within the individual, their life and environment facilitate this capacity for adaptation and ‘bouncing back’ in the face of adversity. Across the life course, the experience of resilience will vary”.

chapter addresses the complicated role that government bureaucracy and dependency on debt counselling structures can have. While their role is generally to help people get rid of their problem debts, much can go wrong in the process of achieving this goal. While not common, the effects of bad advice, communication problems or blatant abuse leave permanent stains on the expectations of people in debt.

Just like in the previous chapter, these four configurations are by no means exclusive to these individual narratives, nor should they be considered bounded typologies. Overlapping elements exist between the narratives mentioned in these and other chapters. Instead, these pathways highlight four directions in which a problem debt can develop, often starting in the economic dimension but over time expanding to other dimensions or even across the entire maelstrom.

Escaping the past

By its very nature, a problem debt is a challenging situation for which a solution can be difficult, or even impossible to reach. This means that months or even years can go by with relatively little or no meaningful progress. These years are in themselves a risk factor; it is during this time that financial problems can spill over into the other dimensions of the maelstrom, further restraining the options available to a person in debt. In turn, these newly accumulating liabilities can become not just temporal delays with demotivating effects, but can also be counterproductive to the underlying financial situation as they hinder debt repayment or generate new debts. To better understand this progress, this chapter looks at the debt experiences of Matthew, who was already introduced in the previous chapter, and Kenneth, a man in his forties whose parents came from a Surinamese descent.

Matthew

As was described in the previous chapter, Matthew had a rough start in life even before his debt problems. Staying out of school, he had resigned himself to low-income jobs, mostly in the restaurant industry, an economic liability that limited his means of earning an income. At the same time, Matthew felt morally strong in his conviction to oppose welfare, since past experiences with this service had taught him that welfare came with mandatory requirements and only provided a meagre income. As a result, Matthew had gone out of his way to find a job that paid above minimal wage, which he had found in an Asian restaurant more than 65 kilometres away from his family. While this job did provide him with a decent income, this was offset by the additional cost of travel expenses and the cost of housing, which he rented from his employer. Due to the distance Matthew was away from home a lot, which meant he had infrequent contact with his youth counsellor, creating a cultural liability, while he also experienced the

moral liability of feeling disconnected from his family, in particular his siblings. “I have a sister and brother, I cannot miss them, never could. Sometimes I would not see them for one month, but then I had to go home that month, I had to, in order to see them. My father said, young children can easily forget you, older children will not. That is true, young children are still attached to you, when they get older that changes.” Much of the money that Matthew earned went to debt repayments of a substantial debt of € 20,000 which he had acquired shortly after reaching legal adulthood. The nature of this debt was complex. Some came from unpaid credit card purchases, others originated from not paying health insurance, again others were unpaid cell phone subscriptions, and there were also outstanding student loans. A substantial sum was, however, the result of a scooter accident in which another person got injured, which left Matthew with a € 9,000 bill to pay. This last one was particularly shameful for him, as the scooter was legally owned by his father. “I did not say anything that day, to my father. Suddenly he received a letter, I did not know that, I was only 19, 18. That was scary. I did have a fight over that with my father, we did not talk and everything. I understand, it was a large amount. That is part of my debts, and it ruined my life.”

While Matthew had for a time access to the cultural asset of a budget coach in the city where his father resided, this was only an informal agreement made possible by his youth counsellor, since Matthew was not formally residing in the city, a requirement for budget coaching. When this budget coach left for another job this informal arrangement ended, forcing Matthew to take care of his own finances again. This was a difficult task due to the social liabilities already discussed in the previous chapter, while Matthew also made it more difficult for himself by looking for ways to supplement his income while he was living from pay check to pay check. Most commonly he sought short-term economic assets which eventually cost him more in the long term, such as when he visited the casino, only to quickly learn that this was only going to lose him money. In a similar manner he also repeatedly pawned off a golden necklace that his father had given to him, which became a social liability that forced him to pay extra fees in order to avoid losing the necklace. “I pawned that necklace because I had borrowed money from people, and I had to repay this, you understand? That is why I bought the necklace back again this month. But it is tempting; if you do it once, you will do it again. That is a trap. It is difficult, because you have no money, and you cannot ask anyone, so that is your only option.” At other times, especially when his debt repayments came up, Matthew borrowed money from his sister or friends, trading in short-term economic assets for social liabilities. “In the summertime, I borrowed money, he [friend] borrowed money from his mother, to go on vacation. I had... I also pawned my necklace, but I was out of money. That is when I asked, ‘Can’t you arrange some money for me?’ That is when he lied to his mother, ‘I need a bit more money for

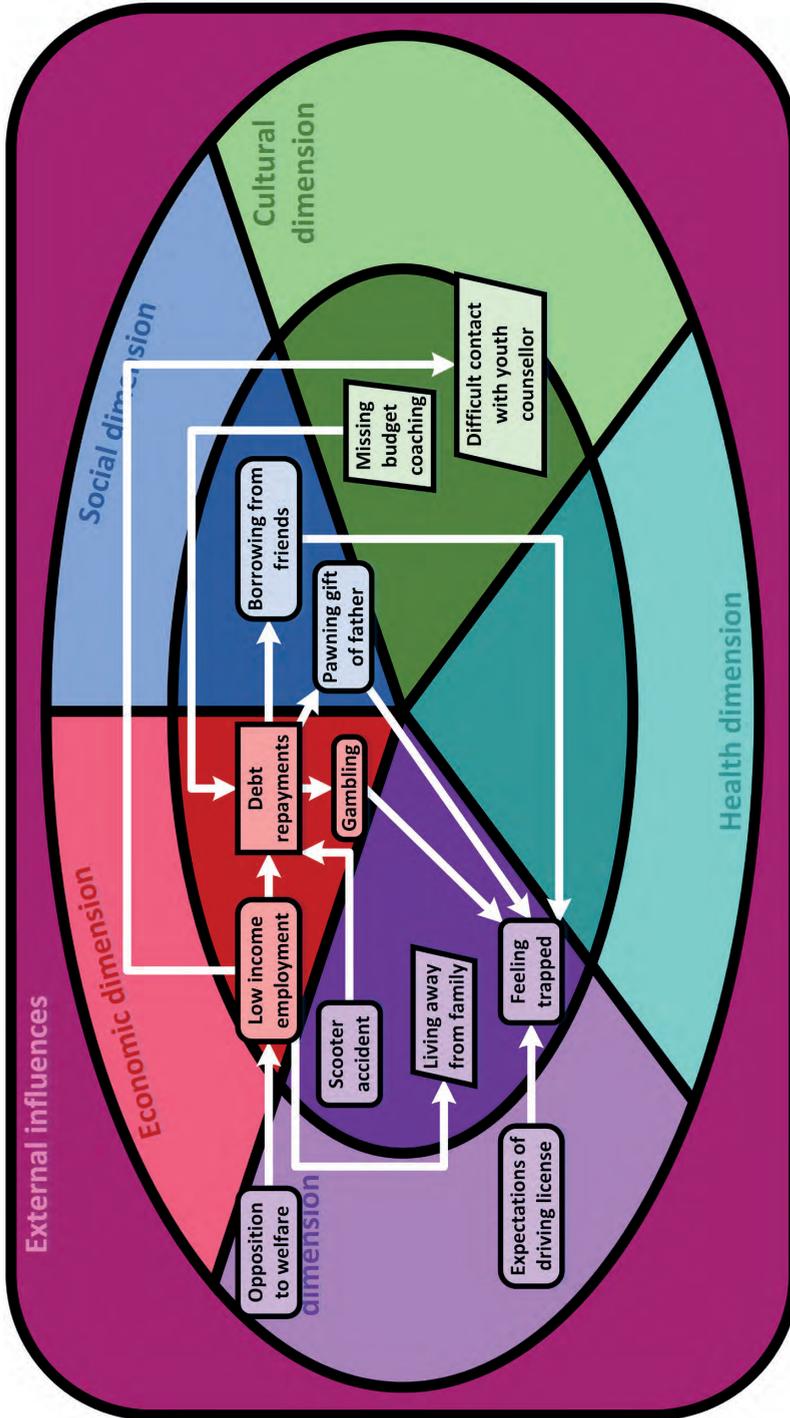


Figure 6.1 – Matthew's Maelstrom

my vacation' when it was actually for my necklace." It was an ongoing struggle in which he tried to make ends meet by whatever means available to him, but without sustained progress and a limited perspective on a debt-free life, this made him feel trapped. This made it a moral liability in which he saw friends move on in life, while his life was on hold and things such as a driving license were out of reach. "Because of those debts I notice that I am getting older. In my head I get older, you have stress, you think, 'I must still pay that, so I should work hard for that.' But there is nothing you can do anymore. A driving license becomes impossible, and so on. Because a driving license means that your debts will continue." It was only one example of the uneasy trade-off by which Matthew had to choose between delaying his personal goals or his debt repayments.

Kenneth

After spending his younger years at a boarding school, living at a distance from his family, Kenneth had a mixed start in life. On the one hand he used these years to build his assets by becoming skilled as a house painter, but on the other hand this also developed an economic liability in the form of a gambling addiction. "I turned to gambling because of my emotions and all the frustrations. At the boarding school there was a Moroccan guy. I never saw him again, but we spoke a few times. He taught me how to gamble, with slot machines. After that, I started to do that myself, gambling. Because that is what gambling does, gambling is for your inner pleasure, but also out of frustration. When you have stress, you make up for it with gambling." While Kenneth was employed as a house painter, he struggled with the money he earned, turning to criminal activities as a secondary economic asset that he used to supplement his income and pay the bills. "On the street, debts... they kill you. You want to eat and drink, have clothes... and nobody will hand you money just like that. So, what do you do? The choice was very easy to turn to crime. If you are not a dealer, and I know many dealers, for years now... I have been running with thieves, I have been running with some crazy guys, really dangerous ones." It was a lifestyle that caught up with him around the turn of the millennium when Kenneth landed in prison for five years. This proved to be a persistent cultural liability, which set in motion a negative spiral which lasted for almost 18 years, in which the desire for money led Kenneth repeatedly to commit criminal activities, which eventually sent him to prison. Then, when he was released, Kenneth once again experienced trouble regaining control over his finances, creating a new incentive for criminal earnings, and setting in motion a vicious cycle from which he had only recently tried to escape. One reason for this repeating cycle was the fact that Kenneth had bad experiences with rehabilitation assistance², which made him refuse this service and left him without a

² The Netherlands provides prisoners with assistance to help them re-integrate into society and reduce the chance of recidivism. This can include education, employment, debt assistance and psychiatric care during their stay in prison, but also assistance with getting an identity document, housing and health insurance.

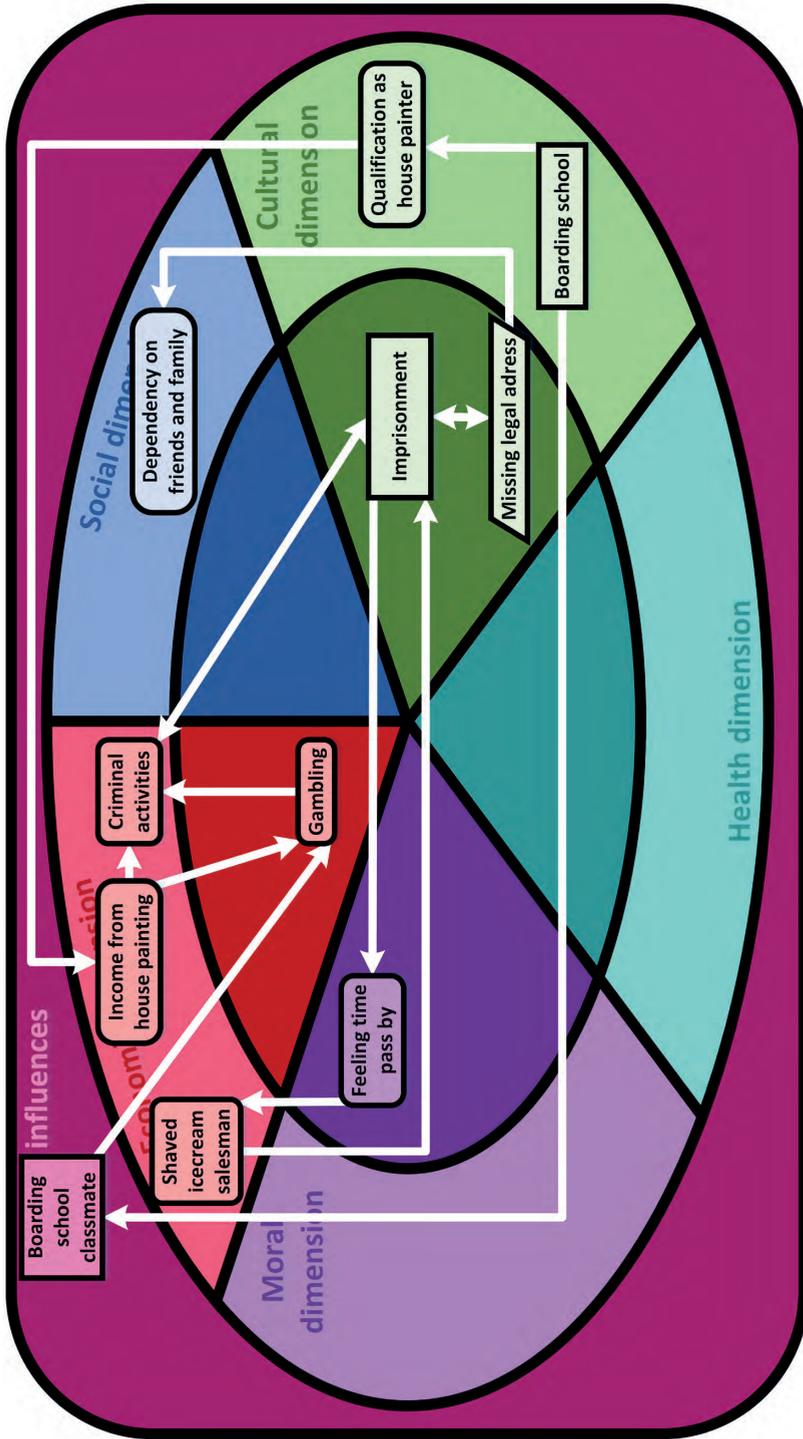


Figure 6.2 – Kenneth's Maelstrom

legal living address when he came out of prison, making him dependent on his social assets, in particular the goodwill of friends and family. While this made him untraceable for his creditors, it also meant that Kenneth had no access to welfare services and had practically no overview of the numerous debts that he had accumulated over the years.

In recent years, Kenneth had sought to turn a new page, seeing how his life had not amounted to much in comparison to family and friends, giving him a sensation of a moral liability in which his time seemed to be running out. “Now, in the meantime, I am 46 [years of age], and I still have no house of my own. I have no wife, only a girlfriend, but no white picket fence³. I do not have that, still do not have that. No driving license, even though I could have had that ages ago. Those are setbacks. My parents also died during my stay in prison. So that wrecked me emotionally, you understand?” It made him aspire to break with his criminal past while dreaming of saving up enough money to retire in Surinam. After his latest stay in prison, Kenneth had once again found employment as a house painter, while also picking up a side business as a salesman of flavoured shaved ice. This new venture was a promising one, as the Surinam variety of flavoured shaved ice that Kenneth sold during the summer on the street or at parties was in high demand, making this a lucrative economic asset. Misfortune did not abandon him entirely, however, as it was also this business which once again sent Kenneth back to prison for six months. This occurred when he and his companions were building a new street cart for selling the shaved ice in Germany, which was a violation of Kenneth’s parole requirements. “That was a risk, to build that cart, but that risk is part of life sometimes. I knew that I could be arrested, but I had been gone for 4.5 years. I thought, ‘With some luck that will not happen. Or the police will say, you have been gone for 4.5 years, that is enough, you can go.’ But that was disappointing in Germany, they were quite a bit stricter.” As a result of this incarceration any progress up to this point, especially for his financial concerns, was reset once more.

Comparison

In both the narratives of Kenneth and Matthew there are similarities to be found. While faced with significant problems, including financial debts, they did not take a passive approach. Instead, they opted to take the initiative, looking for a variety of ways to expand their assets, predominantly in the economic dimension. Matthew, while feeling trapped by a low-income job and high debts, nonetheless sought to smoothen his month-to-month income, either through pawning his necklace, borrowing from friends, or gambling. While these were hardly effective and more often than not created new liabilities in the social and economic dimension, one thing

³ The Dutch expression used by Kenneth is “huisje boompje beestje”, literally meaning “small house, small tree, small animal (pet)”. It refers to a stable and secure (perhaps even boring) lifestyle.

they nonetheless did was give Matthew some control over his money, allowing him to provide for family members or to have some short-term spending money. Likewise, Kenneth, feeling pressured by a gambling habit and a desire for a comfortable lifestyle, had also gone through life searching for ways to supplement the limited income of his formal career as a house painter. The decision for a criminal lifestyle was ultimately his own, providing quick ways to earn more money than he otherwise could, but at the continuous risk of imprisonment. In both narratives their decisions backfired, and instead of creating new assets ended up creating new liabilities, resulting in repeated setbacks and delayed progress out of their problem debt.

In a temporal sense this results in a development throughout time which shows only relative progress towards the acquisition of new assets, interchanged with consecutive and repeating moments in which liabilities take over again. While both Matthew and Kenneth were committed to change, making this a reality proved more difficult, resulting in various setbacks. While they did achieve short-term gain through the strategies employed in both narratives, these did not have a lasting impact and instead created new liabilities and obligations which warrant repayment and come on top of the already existing efforts required to resolve the problem debt. In a way the mistakes from their past kept chasing them, while they wanted nothing more than to move on. For Matthew this were the financial debts of his past, which needed to be repaid but also reduced his already limited income even more. Kenneth also dealt with financial debts, but before he could even begin to work on these had to deal with his past as a convicted criminal and the struggle that comes with rebuilding one's life.

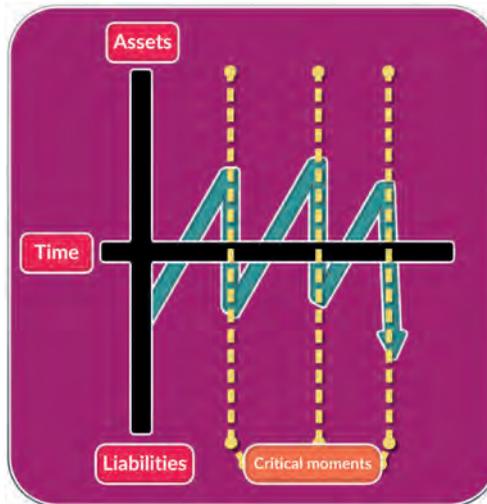


Figure 6.3 – The social trajectory of Matthew and Kenneth

Both narratives are also comparable due to a severely limited spatiality and the noticeable absence of a social network to fall back upon. As seen in the previous chapter, for Matthew the network greatly contributed to the liabilities in his life, while Kenneth actively avoided his family while he was in prison. Meanwhile, the efforts of professional support systems were also hindered by their circumstances, in the case of Kenneth because of his incarceration and consequently refusal of rehabilitation assistance, and in the case of Matthew because of his employment in a distant city, meaning that he lost the access to budget coaching and found it difficult to stay in touch with his youth counsellor. However, their social networks were important in the moral dimension, as both Matthew and Kenneth were inspired to break with their past because they saw others succeed in life. For Kenneth this was when he realised that he, well into his forties, was failing to achieve many of the accomplishments of other people around his age. Meanwhile Matthew felt himself “growing old”, feeling that his debts prevented him from growing up, getting a driver’s license, finding housing for himself, and going out with friends.

Out of options

Unlike the previous pathway, in which the problem debt was already firmly established, and the efforts of resolving this debt caused new liabilities to occur, it is also quite readily possible to start from a more balanced and established position, only to become embroiled in a downward spiral. In this scenario new liabilities call upon existing assets, but these can turn out to be either ineffective or insufficient, causing the new liabilities to tip the scale as the supply of assets runs dry. This presents a spiralling development of the maelstrom, in which one liability leads to the next, reducing the options until none are left. This is something which was experienced by Lars, a former entrepreneur in his fifties and Rachida, a youngster in her twenties who also figured in the previous chapter.

Lars

The narrative of Lars starts with the ownership of a rather popular board game store, brought to a halt when a series of misfortunes befell him around the turn of the millennium. The first of these was the discovery that his business partner had committed fraud in the business, a social liability which led to dire financial consequences in the economic dimension. “That was when I got, in the guilder era, 130,000 guilders⁴ in debt with retirement funds, contributions to unemployment benefits, those types of things. I did not know about that. They had to be paid immediately which meant that I was completely without money. But I solved that,

⁴ The guilder was the currency of the Netherlands before the introduction of the Euro in 2002. With the conversion rate of the Euro at the time of its introduction this amount would add up to almost € 59,000.

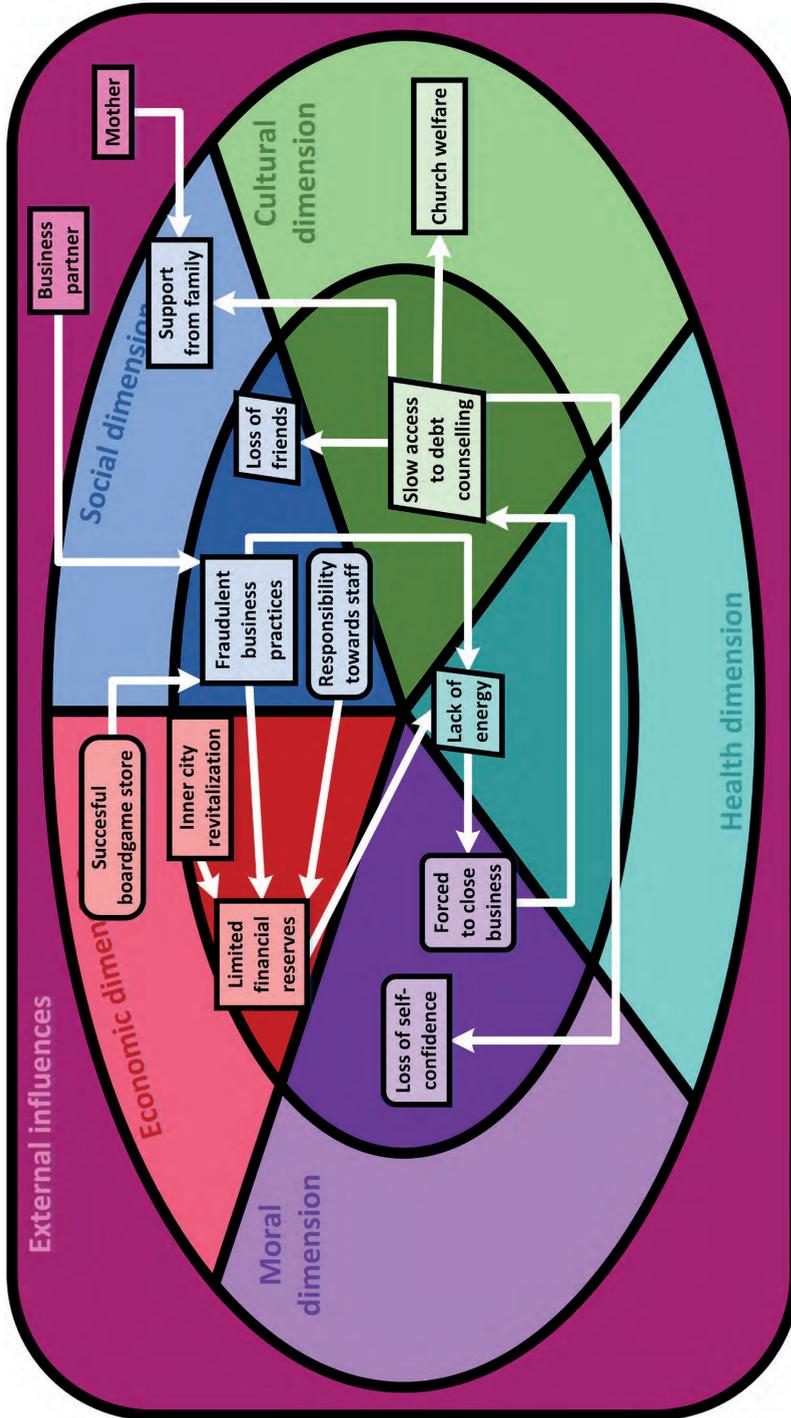


Figure 6.4 – Lars's Maelstrom

I went to all the creditors, all the suppliers, and I told them what was going on. All my payment arrears were frozen, I only had to pay upfront, and I could pay my debts whenever I wanted.” Unfortunately, right after he had resolved this issue, the municipality came with a plan to revitalise the inner city, creating a large building site in front of the board game store. This formed another economic liability, as it cut the turnover of the store in half, while his savings were gone. “My reserves were empty, I just solved the other problem, so I was out of money, but also out of energy because my personal reserves were drained as well. I could not handle the new situation as I should have, I should have fired my staff and operated the store by myself.” By keeping his staff on the payroll, he accumulated business debts, which became even more of a problem when the property owner decided to double the rent due to the now revitalised inner city. This forced Lars to move his store, rebuilding it from scratch even though he lacked both the financial means and energy to do so, creating even bigger financial and health liabilities. Severe exhaustion, rent arrears, outstanding debts and the Tax Administration demanding money led Lars eventually to the conclusion that this new store was never going to succeed with him as the owner. He closed the business down, resulting in the business debts becoming personal, after which his store properties were sold off. “It was quite depressing when you have € 60,000 in supplies in your store and they can buy it for € 8,000 from the Tax Administration. It would not have mattered, because € 60,000 was not enough to save me, but it felt like that. They took on the rent, with a new contract, but that was also sad, because I had three months of rent arrears, but with all the fees they [the property owner] let it increase to € 20,000. And when I wanted a debt rescheduling, they refused to cooperate, out of principle.”

Now well over € 120,000 in debt, the only option that remained for Lars was debt counselling, but months, and eventually years of delays meant that this cultural asset was a slow process and remained out of his reach. The cause for this was largely bureaucratic, as Lars had to wait for his tax return, but since he was only recently divorced, he also had to wait for the tax return of his former wife, whose tax return was delayed because of her own business. Then debt counselling demanded that his wife gave up her claims to the child support that Lars was supposed to pay, and when she did, they concluded that this had to be confirmed by a judge, requiring a lawyer which Lars could only afford after he could secure this expense with municipal social assistance⁵. This struggle with bureaucracy and the resulting delays affected not just his finances, creating ever-larger economic liabilities, but also drained his energy and self-confidence, each becoming

⁵ Besides monthly welfare payments low-income households can request extra social assistance (*bijzondere bijstand*), for necessary expenses that cannot be paid or compensated through other means. Examples are legal expenses such as a lawyer, medical expenses such as glasses, dental care or hearing aids, but also funeral costs, educational books or the expenses needed to participate in sports.

a health and moral liability in their own right. “I lived in an apartment, moved, and a month later the Tax Administration confiscated my benefits. So I had a house, with rental benefits, because before I had an anti-squat house⁶, and now I had a contract. But they confiscated my rental benefits and healthcare benefits. I only earned € 850 each month, and my monthly expenses were about € 850, so I lived off my benefits, which I now no longer received. So, I did not know... I sat at home, crying, ‘I do not know how to cook food for my children.’” Now surviving on the welfare of the church, the food bank and gifts of his mother and an anonymous donor⁷, the years took their toll on Lars. With time even his friends started to turn their back on him, reducing his social assets as well. “Half of my friendships were superficial, so you lose those as soon as you are in the shit, but that is not so bad. Then there were a lot of friends, I knew my friends mostly because we would go to a bar, fool around, and play games. That is fine in the beginning, but they will say ‘We will provide for you, it does not matter, we want you to be there, we will keep a spot open for you’. But for me that is cumulative. You might do it once, and once more, but you are not going to spend seven years going out with friends once every three or four weeks, during which your friends pay everything.” It resulted in an isolated existence, in which Lars lost much of his former support network.

Rachida

As became clear in the previous chapter, the early life accumulation of Rachida was unfavourable for a successful start when she reached adulthood. Nonetheless, initially she had some success, making a full recovery from the financial liabilities that she had accumulated. She paid back her debts, went back to school, combined a small social assistance payment with a side job in sales, and found a care provider who provided both housing and professional supervision for her. Unfortunately, this was not meant to last, as this care provider went bankrupt following allegations of fraud⁸. As a result of this cultural liability, former clients, including Rachida, were expected to move to temporary housing and lost their daily supervision. With such housing being in short supply and unclear communication between the care facility, the municipality, and clients it was only a matter of time before new financial liabilities, involving various creditors, started to arise. “There was no clear agreement between me and the real estate agent, which meant that I had to pay rent every month, but not the right amount. I had to pay double, to pay for the months I had lived there already. I

^{6.} To prevent squatting problems vacant properties are sometimes rented out as anti-squatting housing. This comes with the benefit of low rent prices but with the downside of basic amenities and limited legal guarantees, meaning one can be told to leave with as little as two weeks of advance notice and no guarantee for alternative housing.

^{7.} Lars suspected that these anonymous donations came from his ex-wife.

^{8.} It was eventually proven that a subsidiary of Rachida’s care provider had declared € 156,000 more than the actual care provided to four of their clients.

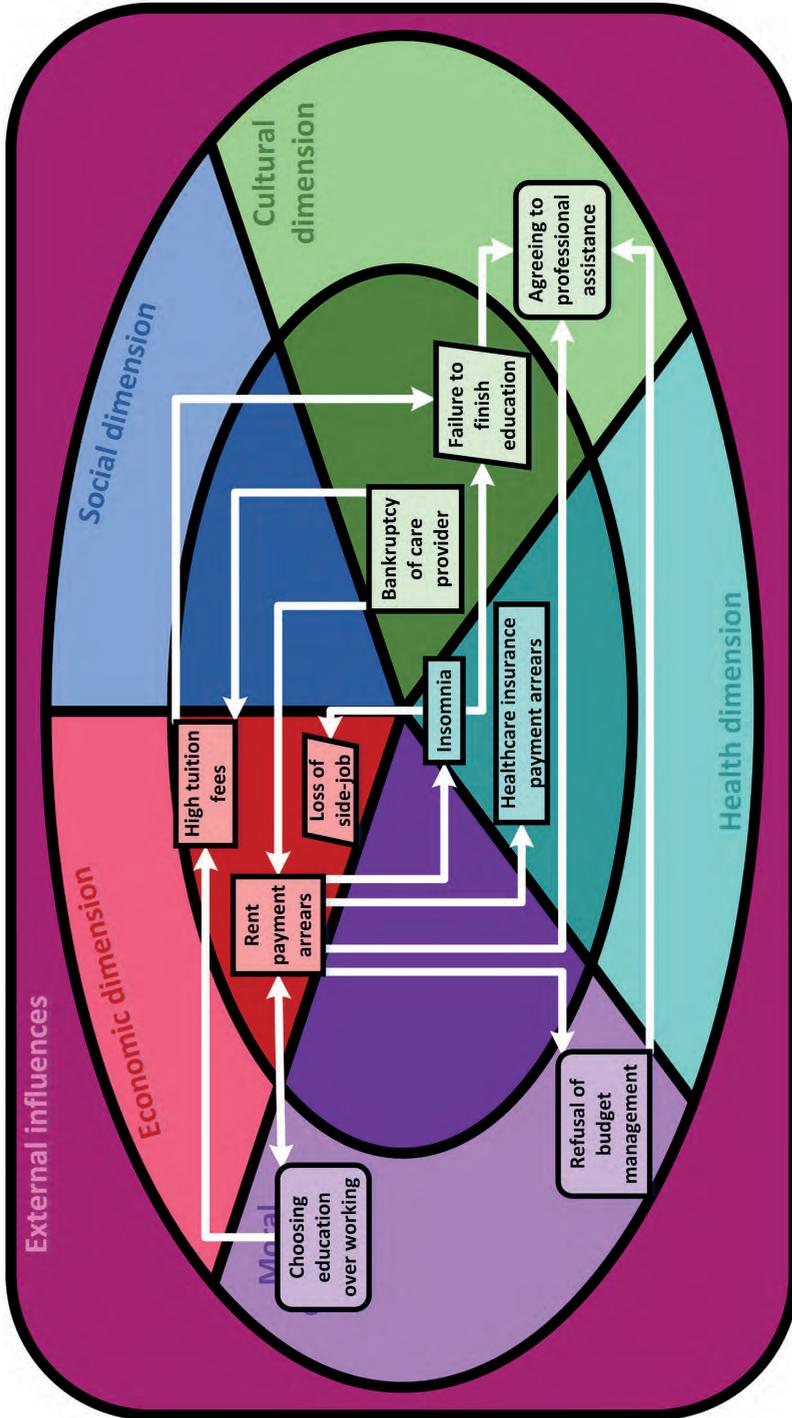


Figure 6.5 – Rachida's Maelstrom

had to pay € 2,500, almost € 3,000 in just a few months. That meant that my savings were gone. I could arrange something with the municipality, but before I knew it, I could no longer pay my health insurance.” Since the care provider was also expected to pay for her education, Rachida had at the time chosen a private school with high tuition fees. Faced with the economic liability of paying for this education without the care provider’s support forced her to make a difficult decision, either postpone her education and start working to pay her financial debts, or let these debts increase while she finished her education and accumulated more cultural assets for a prospect of a better income. Based on her past experience with debt, she adamantly chose the latter option, which with time had become somewhat of a moral asset that she was proud of. “I explained to them [debt collectors], this does not work for me, I will not postpone my education to work full-time and to pay my debts, while I remain stuck with a miserable wage. I am sorry, but I do not agree with that. ... That is when I thought, you know what? I only have three-quarters of a school year left. Whatever debts come, let them come. It will get higher eventually, but then I will at once have an income by which I can pay back half my debts. Then I might pay down my debts in just a year, because I do not want to remain stuck in this cycle.” Unfortunately, her health did not agree with this plan, as the combination of education while working a side job eventually led to the development of insomnia. Because of this health liability she got fired from her side job, losing her primary economic asset. While she was initially promised that the cost of her continued education was paid from the stipend of her internship, this promise never materialised, according to Rachida possibly because of the jealousy of other interns. This forced Rachida to pay her monthly tuition fees and living expenses with just the income from her student grant and an additional student loan, a financial situation which made every monthly payment to her school a struggle, and risked the success of her entire education.

At one point, her youth counsellor brought in a fundraiser, or “professional beggar”, as she introduced herself, in an attempt to find a private donation which could secure Rachida’s school payments. While this donation gave Rachida some relief and allowed her to continue her education, it could not prevent another cultural liability right before the finish line. “They told me, ‘You must have completed first aid’. I told them, ‘That is not what we agreed upon, we agreed on [the reports on] block 1 and 2.’ ‘Yes, but first aid is a part of block 1 and 2.’ ‘But I cannot write a report on first aid, that is an activity which I must undertake. I cannot do that. I got one week, how can I do that, when first aid training is only given four times in the year?’ ... ‘That is not our problem, you are hereby unenrolled.’ ... € 8,500 went right in the thrash.” At this point her youth counsellor had encouraged her to choose budget management, which would take the financial responsibility away from Rachida and allow her to focus on

her other challenges. However, based on the past experiences seen in the previous chapter, Rachida had always strongly opposed this, taking a moral stance out of fear that she would once again become dependent on others rather than learn how to do things herself. Although she maintained this view for a long time, the failure to finish her education made her eventually change her opinion. “It is your pride; you do not want to give that away. Like ‘I can do it, this and that’. But in practice that only results in more red numbers. So I thought, my pride is costing me a lot of money. ... It is now my second year that I am in debt, and I do not like it. All the goals that I have, to get a car, to get a driving license, you name it. I think, I make quite some money, if I just work a bit harder, I will be able to get fun things for myself. But that is not true.” At the recommendation of her youth counsellor, she therefore decided to sign up for budget management, hoping that this professional assistance would be able to stabilise her finances and allow her to work on her future.

Comparison

Somewhat similar to the previous two narratives, the predicament of Lars and Rachida was also met with a serious effort to fight back. For Rachida this meant that she had to deal with the bankruptcy of her care provider, which resulted in both rent payment arrears and a high tuition fee, after which she made the conscious decision to focus on her education, rather than employment, an escape route which might have enabled her to pay back her increasing debts. Meanwhile, Lars unexpectedly met with a series of setbacks when his business partner committed fraud and when the revitalisation of the inner city caused problems for his store, for which he actively sought solutions by expending his financial reserves and moving his store to a different location. Unlike the previous narratives, however, their efforts were primarily held back not by the choices of their past but by new and unforeseen challenges. Lars felt responsible for his staff when keeping them employed was not a sensible business decision, while the emotional and physical toll also became too much over time. Rachida found out that her plans did not play out as expected when she developed insomnia and failed to finish her education on time.

When plotted on a timeline, this suggests that, while there were adequate assets at the beginning, these quickly diminished when the initial crises and subsequent liabilities presented themselves. Then, while both Rachida and Lars sought to recover some of these assets, this process was further destabilised by additional liabilities, which their assets, especially in the health dimension, could not overcome. This presents two critical moments, the first one which appeared to be manageable to some extent, while the second was a definitive crisis from which recovery was much more difficult. At the time of this second critical moment, both Lars and Rachida had invested all of their

assets into solving the first crisis, draining both their financial and personal reserves to a point where any additional setbacks would cause the house of cards to tumble down. In their own way, this also led both of them to look for professional help, when Lars decided to close down his business, while Rachida eventually admitted to herself that her strong conviction to resolve her problems without giving away control over her life to others was not doing her any favours.

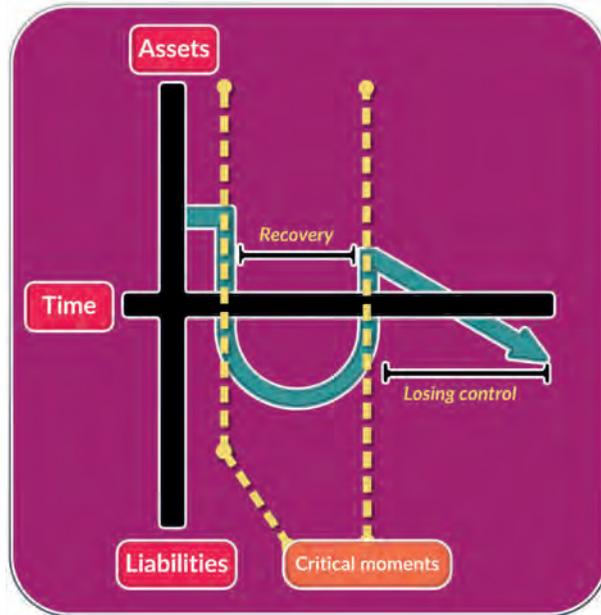


Figure 6.6 – The social trajectory of Lars and Rachida

Both narratives also hint at a shrinking spatiality contained within these problem debts, as both Lars and Rachida saw the assets in their support structures disappear one at a time. Lars saw his marriage fall apart, lost his business partner, saw the success of his board game store disappear, and then had to move his store and come to terms with his lack of energy to start anew. Even getting professional debt counselling was a slow process, while he also lost many friends in the process. Similarly, Rachida first lost the safety net of her care provider, then the assurances of finishing her education, followed by increasing pressures to either drop out of school in favour of working or to accept professional help, going against her moral convictions which she adamantly refused to give up due to her past experiences with indebtedness. As a result of this, the space available for assets became increasingly smaller, while the limitations of tightening liabilities increased, meaning they both ran out of options, leaving only the option of professional help available to them.

Stuck between a rock and a hard place

Whereas the previous two pathways and their accompanying narratives originated from the desire to take initiative and find solutions, even when faced with a growing number of liabilities, there are also narratives in which this active approach is far more limited due to external circumstances. Sometimes the combination of liabilities in someone's life simply means that they end up stuck in the equivalent of a fish trap as various liabilities reinforce one another. Working on one solution to escape from this predicament is made exceptionally difficult because of other, parallel problems, created by additional liabilities. Resolving a problem debt becomes conditional in these narratives, first requiring various other problems to be resolved. When these conditions cannot be met, for example, because they are related to health concerns, then the result could be a chronic problem, for which the solution is often not straightforward. It is in the narrative of Karim, also seen in the previous chapter, and of Angela, a woman in her fifties who came over from Curaçao, where it is possible to see how such a combination of liabilities can set in motion a downward spiral.

Karim

When Karim was introduced in the previous chapter, it was already clear that his migration and subsequent years in the Netherlands had been difficult for him, costing him many of his former assets and introducing new liabilities such as the remittances requested by his family in Sudan. His life improved however, when after some time he met and eventually married a Dutch partner. This marriage encouraged him to develop his Dutch language skills while he also gained an appreciation of Dutch society. "My wife is not from my country, she grew up here, arriving here at the age of three. So she only speaks Dutch, and thus communication was only in Dutch. Also, because you get children, and you only speak Dutch to the children." Even though the couple divorced after some years, the four children they had together became an important moral motivation in the life of Karim, which instilled him with the desire to turn over a new leaf. "I just chose for a future. For a different future. I want to live free, I want to act normal, I want the opportunity to buy a house, to leave something behind for my children. The children should not just see the negative things of me, they should see positive things as well. But these positive things I must produce by myself, create myself." With this motivation Karim managed to find employment, seeing this as an alternative for his past life in which he had been dependent on the Sudanese community.

Despite the work experiences he had accumulated over the years, so far he had only been able to get temporary jobs via an employment agency, most often for logistical or factory work. "I started six months ago, that is when they tried me out, to see if I

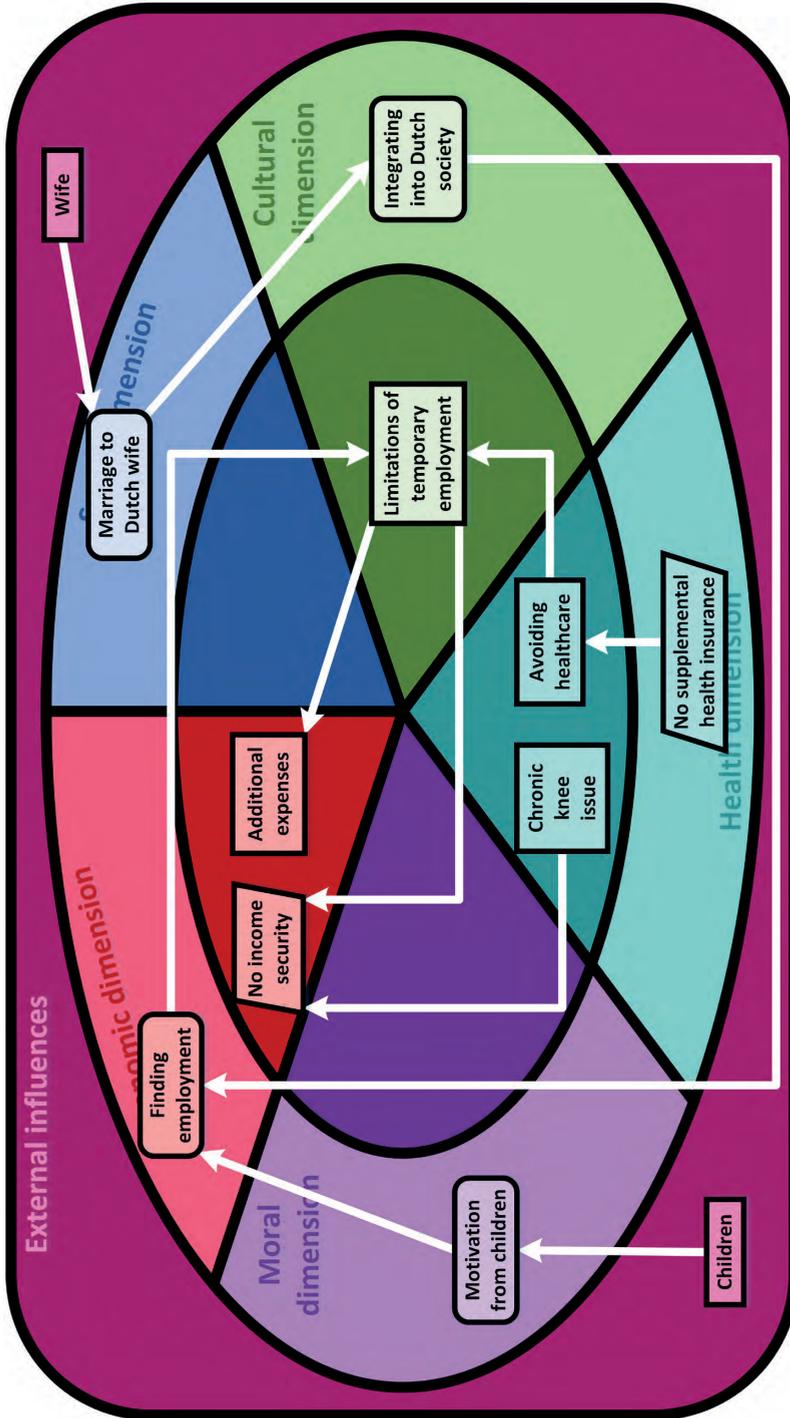


Figure 6.7 – Karim's Maelstrom

can handle the work. ... The employment agency just introduced me, saying 'We have someone who can try, you can see if it is a good match for the position'. I learned it quickly, and I am still happy." These moments of success could however not cover up the precariousness of his temporary employment, which meant that there was little job security, nor a steady income that could keep up with his debt repayments. "I apply for a job which suits my CV, and I always get the same answer from companies, they do not see a connection between my CV and the job. Yet I apply for a job for which I have two certificates. How do they not see a connection and ask me for that position? ... I am not being hired, I am not being seen, nobody trusts me. How that happens? Perhaps my name⁹, perhaps not. But there is no trust." When a chronic issue with his knee flared up and prevented him from lifting and walking, the sick days only paid him 70 per cent of his income, immediately putting pressure on Karim to cut back expenditures and lower his scheduled payments. While Karim found another job as a forklift driver, which he hoped would spare his knee, the longer distance to this new job also required him to get a car, which introduced new monthly expenses for insurance, taxes, and gas.

The issue with his knee was also relevant because the health insurance debts which he had accumulated in the past also prevented him from getting supplemental health insurance. This left Karim no choice but to avoid medical care that he could not afford, such as when he got dental problems, which in turn increased the precariousness of his employment. "Last Friday I had serious pain throughout the night, a few nights I was completely exhausted. I could not move. I just had to call in sick. Then I got a phone call on Tuesday... Monday, saying that I did not have to come back. It was the first time that I reported in sick. They never said it was because I called in sick, but because the work was slowing down. There was no more work." It took two months before he found employment again, yet this was enough time to aggravate his economic liabilities once again, for example when he got a side job in the city. "On Saturdays I go with another friend, but on Fridays I work there and leave my car in the city. I returned and got a fine. I returned again, and I got a fine. I remembered that it was free to park there, but these days it is no longer free. I did not know. So every Friday I got a € 60 fine. And I only make € 70! Three times in a row." Financial incidents like this just added to the already existing debts, further complicating his financial problems.

Angela

The narrative of Angela started with a social liability, one that appeared unexpectedly when the partner with whom she was living started to use drugs, quit his job, and

⁹ There is a growing awareness that the hiring process for employment and internships in the Netherlands is affected by ethnic discrimination due to both implicit and explicit hiring attitudes (Blommaert, 2013; Blommaert et al., 2012; De Klaver et al., 2015).

eventually disappeared out of view. “I thought he was a good man, in essence he was good, but when we arrived here, he started to do weird things after some months. He stayed outside, he did not come home. I called him, he picked up the phone once, when I asked, ‘When will you come home?’, ‘I will be home soon’. When I called again the phone was turned off. I cannot live like that.” With her partner’s departure Angela also lost his share of the rent payments, leaving her in an apartment which was too expensive for her own income, thus creating an immediate economic liability. The small income that she earned from two cleaning jobs was almost entirely spent on the rent that she now had to pay by herself, while this rent cost was at the same time also too high to qualify Angela for housing benefits. This combination left little money for food and other essential expenses, which meant that other monthly expenses had started to fall behind, resulting in various other payment arrears in the economic dimension. It was clear to Angela that she had to move into a smaller, more affordable apartment, but doing so was by no means easy. While only Angela’s name was on the apartment lease, both Angela and her partner were registered at the address, which meant that the municipality could not easily remove his registration¹⁰. This issue, essentially a cultural liability when combined with a difficult housing market with a severe shortage of affordable social housing, meant that Angela had thus far been unable to find suitable alternative housing, even though she had employed many of her social assets to find a solution. “Nobody can help me to get a house. I ask all my friends and acquaintances if they have seen anything, a room, a studio apartment, but everything is too expensive. ... The municipality does not want to help me, they said ‘You are there [in an apartment], people with children have priority.’”

The situation became even more dire when it became clear that Angela needed knee replacements. This meant that she had to give up her two cleaning jobs at a school and a hotel for four to six months, meaning she was now dependent on a combination of sickness benefits and social assistance, resulting in an income that was significantly lower than her previous earnings and creating further economic liabilities. She felt some moral support from the fact that she was promised that she could get her job back after she had fully recovered, but the knee replacements still became a health liability when the recovery went slower than expected. “This is where I feel a lot of pain. I cannot walk right. I walk without crutches, but sometimes I really need the crutches, because I get back pain. I told my counsellor, ‘If this stays like this, then I am not going back to work. I do not feel right yet. I am not feeling well, if I go to work and get back pain, or my leg hurts, then I cannot work. Then I will need social assistance.’” This recovery time prevented her from working, even though she needed the money to pay off the

¹⁰ Having the lease in her name made Angela responsible for the payment arrears, while she was unable to remove her partner from the registration of her address without his explicit permission.

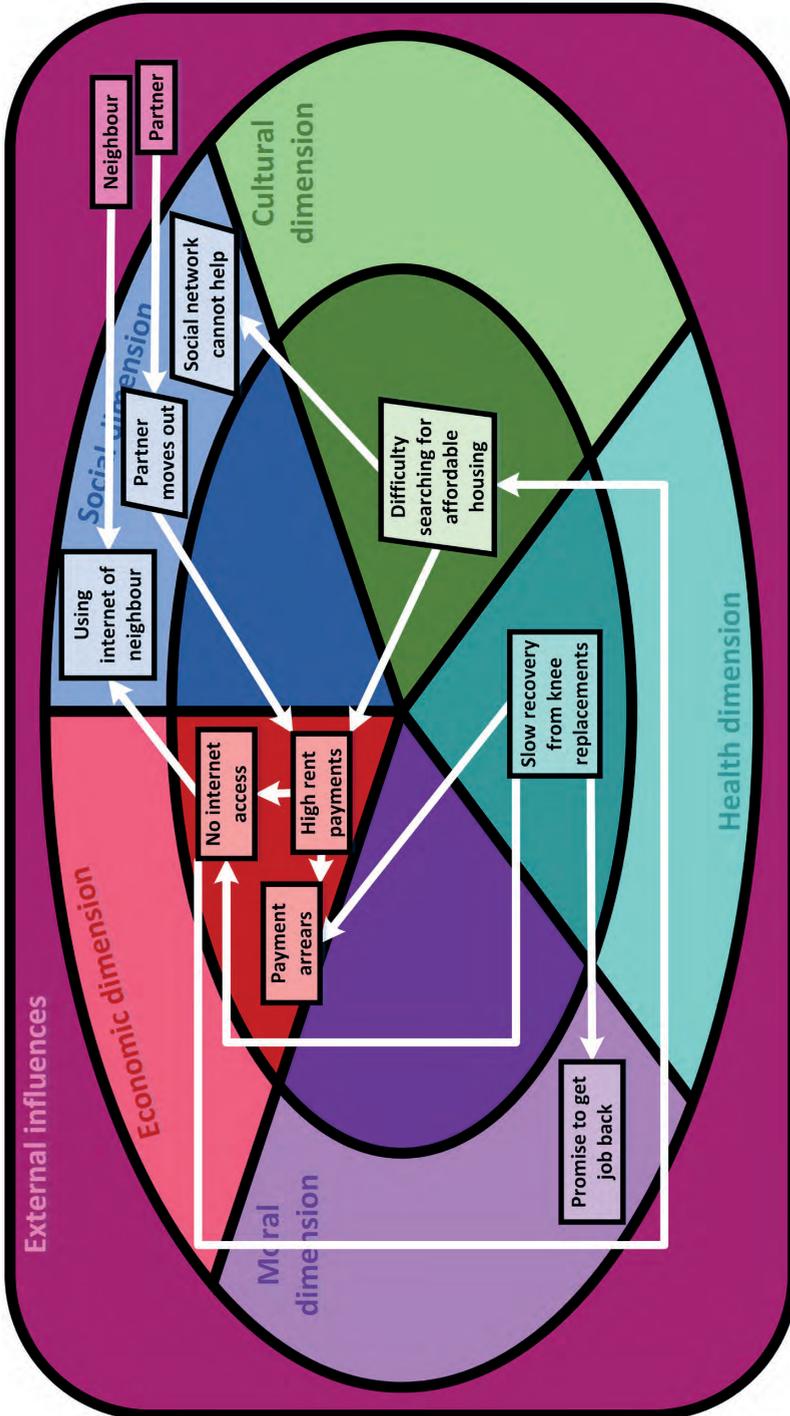


Figure 6.8 – Angela's Maelstrom

expenses and payment arrears that she was accruing. At one point she even considered working during her recovery, but found that her employer disagreed. “I had called. ‘I am ready to work.’ ‘Yes Angela, when did you get surgery?’ I said, ‘the 27th of February’. She started to count and called me back. ‘Angela, no, you start to work after the vacation, in August.’” Most frustrating of all was however that this health liability also limited the extent to which Angela could look for new apartments, making it even more difficult to get out of her predicament. Not having enough registration years meant that she was reliant on the lottery system, and having no internet at home meant that she had to walk approximately 800 metres to use the internet of a neighbour. Now that she was struggling with her mobility applying to the housing lottery twice a week had become an almost daily struggle. “There have been a few months where I did not respond because the woman whom I visit to respond became ill. Now she is back, but today... every Tuesday and Friday I visit this woman, but today I could not go, because my leg hurts. I called her, she responded over the telephone, she responded for me by telephone. But whenever I respond I receive no news... I get really, really, really tired of these things.”

Comparison

As mentioned before, what sets the narratives of Karim and Angela apart is how they are locked in their problem debt situation, with no effective escape routes. This not only made their problem debts true problems, but it also limited the initiative they could take to improve their circumstances, as the various liabilities were sustaining each other. In the case of Karim, his desire to work and lead a steady life was compromised by his dependence on temporary employment, which carried with it a lack of income security. At the same time, his health condition and lack of supplemental health insurance also limited when and where he could work, requiring additional expenses such as a car and further adding to his lack of income security. Meanwhile, Angela could do little to escape her predicament in which high rent payments and the necessity to look for more affordable housing were hindered by a difficult search process, for which she needed internet. At the same time the effort to look for housing was itself also compromised by the slow recovery process that was required for her knee replacements, which not only reduced her income further but also limited her means of physically going out to look for more affordable housing.

From a temporal perspective this suggests that both of these narratives follow a cumulative pattern, in which the initial problem is compounded by a secondary, and then tertiary problem, each adding more liabilities to an already precarious balancing act. These subsequent liabilities make it very difficult or downright impossible to work towards a solution for the earlier ones. As far as both Karim and Angela might have answers for their initial problems, finding an affordable apartment for Angela, and

staying employed for Karim, the underlying secondary and tertiary problems effectively block these paths. Especially the liabilities in the health dimension are critical in their narratives, as these are out of their control and directly affect any effort to make progress in the other dimensions. Not having supplemented health insurance meant that Karim was avoiding healthcare, which in turn meant that he could not work in the more physically demanding jobs, or had to call in sick, which undermined his already vulnerable position on the labour market. For Angela, her knee replacement was equally problematic, because it disrupted her income, while her limited mobility as a result of this knee replacement also prevented her from searching for more affordable housing.

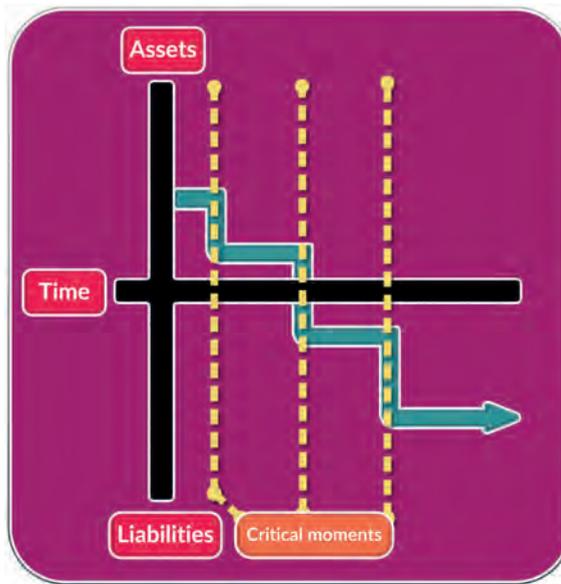


Figure 6.9 – The social trajectory of Karim and Angela

From a spatial point of view, both were already in a vulnerable position even before the first tipping point occurred, as they were employed in jobs with low wages and relatively precarious working conditions. For Karim this was because of the field in which he worked, which relied heavily on temporary jobs coming from employment agencies, while it might also have been negatively affected by ethnic discrimination. Angela, while having assurances from her employer that she could return after her knee replacement, nonetheless was reliant on low-wage cleaning jobs which required her to be physically fit, meaning that prolonged recovery of these knee replacements also interrupted her means of earning an income. When subsequent critical moments introduced even more liabilities, they eventually became stuck altogether, as their ability to work, the necessity to pay back debts and their health condition were

keeping each other hostage. While both Karim and Angela turned to professional debt counsellors, they too could not provide them with a satisfactory answer, in the case of Angela because the subsidised housing shortages meant that there was no affordable housing available, while debt counselling could only help Karim when there was a steady income by which they could organise his debt repayments.

Running into a bureaucratic wall

Debt counselling is in many narratives vital support which can make or break the escape route from a problem debt. In many, if not most narratives, this works out well for people in debt, as these structures provide important assets such as advice, oversight, and greater control over finances, and in some narratives even clear debts in their entirety via a debt rescheduling. However, this dependency on the debt infrastructure also creates risks for liabilities in various dimensions of the maelstrom. Bureaucratic mistakes, lost forms or missed deadlines can all cause delays or setbacks in the form of liabilities. These not only cost time but also money, as debts increase and interest adds up, while these experiences also lower the trust that people in debt have that a positive outcome is within reach¹¹. Examples of this can be seen in the narratives of Geert and Sara, a couple in their forties, and Bert and Esther, a couple in their fifties.

Geert and Sara

Geert and Sara first saw their debt problems arise during the 2008 economic downturn when these vast global developments resulted in a changing economic climate that eventually also came to affect Geert's security firm. Up to that point his career as a security guard had been a success story, as he had started his own business at the age of 30, expanding it over time to the point where he employed five people and had a very positive reputation in the field. This success was however first challenged when Geert increasingly had to compete with government-subsidised security staff. According to Geert, in an effort to reduce unemployment the training requirements for security staff were lowered, with unemployed people being allowed to start security firms while retaining some of their benefits. As a result of this change, unqualified security staff started to compete at lower wages, while also relying on more intimidating practices to get their work done.

¹¹ One major Dutch example of this came to light in 2018 and involved childcare benefits that had been distributed as far back as 2005. During these years tens of thousands of parents were wrongly accused of making fraudulent benefit claims, forcing them to pay back tens of thousands of euros and often resulting in severe personal and financial hardship due to disqualification from any debt settlement procedures (Parlementaire Ondervragingscommissie Kinderopvangtoeslag, 2020). The scandal, caused by discriminatory practices of the Tax and Customs Administration and a political crusade to fight benefit fraud, ultimately resulted in the resignation of the Third Rutte cabinet.

While Geert had tried to adapt to this changing landscape, this cultural liability did not do his business any good when subsequently the effects of the financial crisis also reached the Netherlands. “Two companies went down, which was not so much of a problem, even though I was supposed to get paid for 500 hours of work. But alright, they go down, you know how it goes, you can forget about your money. You can crawl after it but eventually, it is over. That is when the trouble started, people expected the invoice that I would send after 36 days. Then it took another 36 days for them to pay. Then you had some who only paid after the first reminder, the second reminder, or third reminder, which takes another 36 days.” With limited funds available in the firm, the decisive blow came when Geert tried to obtain additional economic assets by taking out a loan, hoping that he could use this to pay the wages of his employees that he had lost as a result of the two clients going bankrupt.

Knowing that there was still money in a special bank account¹² Geert estimated that he could safely borrow € 10,000. He expected that the Tax Administration would take their money from this special account, after which he could use the remaining money to pay this loan. This plan fell through however around the end of 2009. “I got a phone call from the bank, ‘Sir, you are 25 eurocents above your limit, would it be possible for you to pay back something?’ I said, ‘Sure, I own a G-account with you, that contains € 12,000. I am up to date with taxes, so I will resolve it that way.’ ‘You own a G-account with us?’ I said ‘yes’. She said, ‘Are you sure this is with us?’ ‘Yes, I can even read you the account number.’ ... So, it turns out that the Tax Administration decided that I was a sole proprietorship and thus did not require a G-account, so they closed it down unilaterally.” It was a mysterious disappearance that was never resolved.

With neither Geert, his bookkeeper nor the Tax Administration being able to explain what happened to the money in the bank account, this new economic liability rapidly escalated the couple’s predicament. Geert could no longer pay back the loan, was unable to hire staff and as a result had to cancel his contracts with his clients. He turned to municipal debt counselling, trying to explain that his company had plenty of viability and just needed more time to recover the € 10,000 loan. Given the economic crisis the municipality did not go along with the plan, and instead of advising Geert to declare bankruptcy, advised him to formally close his business. “I did everything that the

¹² A G-account is a separate bank account which entrepreneurs like Geert can use to fulfil their taxation obligations towards hired staff. Because this account is kept separate the money cannot be used for other purposes, other than the payment of wage tax and value-added tax. The client will pay a certain percentage of the payment for a job into the G-account of the person providing the hired staff, allowing this person to pay these taxes. This serves as a protection for the client, who would otherwise be responsible for these tax payments if the person providing the hired staff fails to fulfil these obligations.

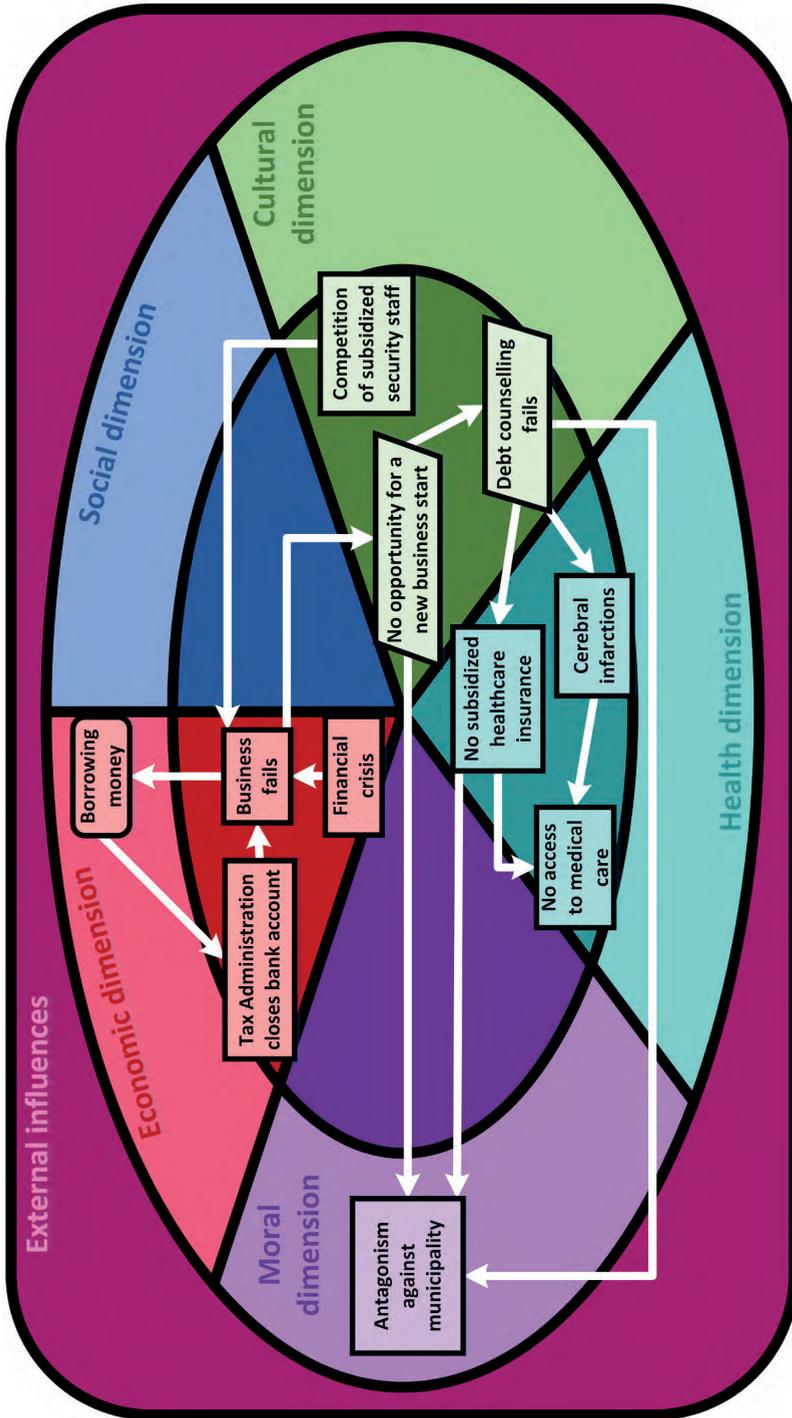


Figure 6.10 – Geert and Sara's Maelstrom

municipality asked of me, tried to close down the business in a proper way, so I went to the Tax Administration, I went to the Chamber of Commerce, I went there. I did everything because then they could help me faster. But when everything was done, they asked me, 'How are your accounts?' I told them, 'Well you know I have no money, so the books are not balanced.' 'Well, we cannot close them for you, that means there is nothing we can do for you.' " With no means to balance the company books, this miscommunication between the municipality and Geert made it impossible to get a debt settlement, and consequently set in motion a decade of debts and payment arrears.

During these years the municipality had become somewhat of an antagonist for Geert and Anna, as the municipality had refused to help them, repeatedly demanded, and then lost their paperwork, and had also giving contradicting advice on how to proceed. "They sent me to you, but you say, I do not know anything about the bill, so I cannot help you. But I think you need to be over there. Well then I go there, and he also does not know about that procedure, so I return to the municipality. 'No, that is not how I explained it.' But by then three months have passed. There have been debt collectors again, they have gained more authority and more possibilities." While the couple was proud of the moral victories they had obtained with the assistance of lawyers and other professionals, it had been an uphill struggle. When their health insurance payments fell behind the municipality did not provide them with subsidised health insurance, after which they became flagged as defaulters and got an additional increased premium on top of their regular health insurance payments. While this did not exclude Geert and Sara from basic healthcare, it became a problem when Sara developed severe health issues. In recent years she had experienced four cerebral haemorrhages, which the couple blamed on the intense stress they had been under as a result of their economic problems. More recently Sara had also broken her leg following an unfortunate fall. While she had received the most urgent care despite their problems with the health insurance, it did become a problem when Sara required aftercare. "So there is not going to be any physiotherapy, which dooms her, to remain cripple. Those are all little things that flow against the current. That keeps her occupied, that keeps us occupied." Since the first 20 sessions of physiotherapy had to be paid out of their own pocket, the couple stood with their backs against the wall.

Bert and Esther

For Bert's wife, Esther, hardship had already started years ago, when she went through a very dark phase in her life. She found herself in a hostile relationship with her ex-husband, during which Esther and her young daughter experienced various forms of abuse, one of which involved her ex-husband forcing Esther to commit fraud with

welfare and PGB money¹³, which added up to a total sum of € 50,000. “Even then people still said, ‘It was such a lovely man, that Fred, this and that, he was such a sweet man’. But he did put her in a tight spot. She had to collect social assistance, otherwise she would get a beating. She had to do that out of necessity, she had to do that out of fear.” The nightmare seemed to end when her ex-husband committed suicide, leaving Esther with nothing but roughly € 75,000 of debt in her name. Her ex-husband’s family rejected her, going as far as taking away the caravan in which Esther and her then three-year-old daughter were living. Only with the assistance of a friend did she recover somewhat, as she had to wait for six months before she qualified for social assistance, after which she also met Bert, her current life partner. To start anew, the couple purchased new furniture and household items. To do this the couple relied on the economic assets provided by the high-interest store credit offered by various retailers, while also paying for extra insurance against a default on these loans in the event that Bert would lose his job. At first, this seemed sensible, particularly when Bert did indeed lose his job not long after when he was held responsible for a safety violation at work. Besides creating a new economic liability, to their dismay the couple also found out that the insurance that they had been paying for years for the store credit was not applicable in case of job loss with an employment agency. It meant that they were now fully responsible for these debts, resulting in wage garnishments for the couple while Bert went through various jobs in logistics, skipping holidays to pay back as much as he could. While the couple was absolved of some of the fraudulently acquired debts of Esther’s ex-husband, they still ended up repaying for ten years before the remaining debt sum was acquitted.

During these years Bert and Esther at one point decided that their finances would be better managed in the care of a financial guardian. However, this turned out to be an unfortunate decision, as over the years that followed this financial guardian not just

¹³ The personal budget (*persoonsgebonden budget*, PGB) is meant to give people in need of long-term or chronic care more freedom to choose their own care providers and thus how their care is organised. It is a budget which can be used as the person in need of care sees fit, for example to pay a professional caregiver, to buy medical necessities such as a wheelchair or to compensate family members who provide a significant amount of care. It is an alternative to care provided in kind, which is organised by the municipality or the health insurer and does not involve monetary transactions. For a variety of reasons the personal budget is at risk of fraudulent behaviour, which has in the past led to various criminal convictions for family members or care providers of people in need.

failed to do his duties by not paying the monthly bills of the couple, but even went as far as pocketing the income of the couple for himself¹⁴.

“Frequently something was cut off. I thought, ‘damn it, how is that possible?’ I would call him, and he would say ‘Oh, I will transfer the payment.’ Then he sent the money, but two days later it was the internet that stopped, or I had no television anymore, nothing. I had a black screen; all I could do was watch some DVDs.” The financial guardian confiscated the couple’s bank cards, which left them blind to their own financial affairs, and stole at least € 18,000 from their daughter’s PGB funds, something they later found out had also happened to other clients. Only when their housing association started to threaten with house eviction did the couple start to suspect something was wrong, a feeling which became stronger when various parties began to warn them about this financial guardian. While they sought legal recourse to get their money back, the financial guardian sued them as well, and when the dust settled it was clear that the financial guardian had entered bankruptcy and that there would be no compensation.

Now again deep in debt, the couple at one point decided to move away from their current city, partially because Esther did not feel at home in the region, and partially because they had failed to enter into a debt settlement. While this was initially good news, it also came with drawbacks, as the unexpected move forced Bert to reject a job offer that promised a chance at a permanent contract. To Esther’s regret, this decision to move meant that Bert, now seven years later, had been unemployed ever since. Bert himself saw it differently however, appreciating the view from his current house and being realistic about his declining health in recent years, which had led to diabetes and severe knee problems and would likely have made him unemployed regardless. After arriving in the new city Bert and Esther again requested budget management as a way of managing their debt problems. What followed were difficult years in which the couple was very dependent on charity. “I asked sometimes if they [debt counselling] had some reserves, if the washing machine would break down, or the fridge. But we got nothing, nothing at all. Nothing, no present for birthdays, no Christmas present, they said, nothing. I walked on Crocs, in winter as well, Crocs! Shoes I got from the clothing bank, I did get shoes, but these were truly second-hand shoes, and that is all you had.” Three years later this debt

¹⁴ Ever since the profession of financial guardianship was created there have been cases of financial guardians who were either making serious mistakes in their practice, who charged costs for non-delivered services or who were wilfully taking their clients’ money for private use (Kuitert, 2020). The impact of these fraudulent actors has increased over time as financial guardians became professional offices which often assist more than a 100 clients. One example of this is one case in which more than € 300,000 was stolen from 178 clients by a financial guardian with a gambling addiction (Smit, 2021). The problem is exacerbated by the growing number of clients who rely on financial guardianship, as this limits the ability of judges to adequately review cases.

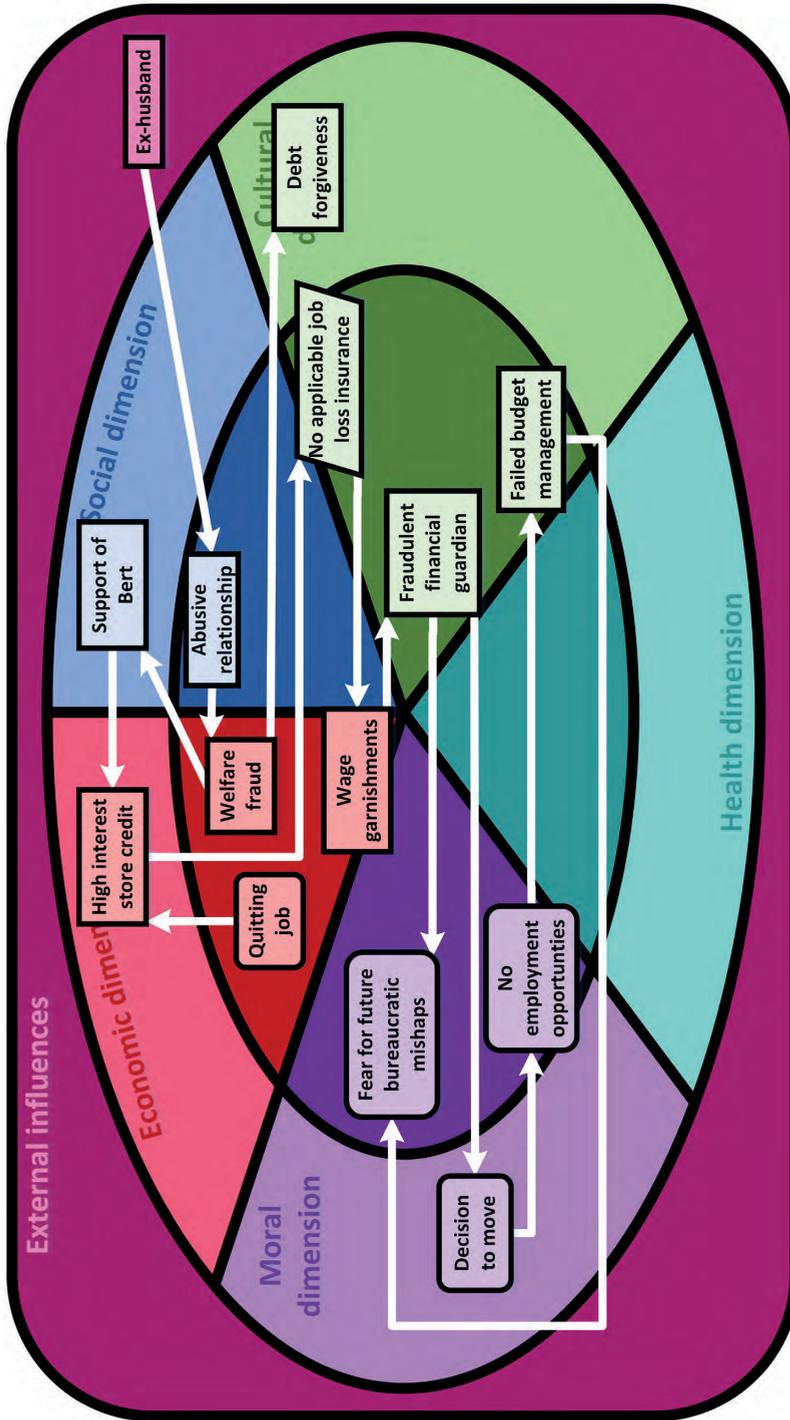


Figure 6.II – Bert and Esther's Maelstrom

counselling ended, and all they received was a large administration with more debts than they had started with. Since then, things did improve, as neighbourhood coaches had intervened and arranged a debt settlement for their financial problems.

Comparison

These narratives overlap in the rather profound impact which various debt structures have on the progression and duration of the overall problem debt. Unlike previous narratives which have been described in this chapter, in these narratives the dependency on the structures of formal assistance backfired, causing delays and setbacks for both of these couples. Both couples had only limited assets on which they could rely, leaving them exposed to various economic liabilities. Lacking these assets, the liabilities quickly made both couples lose much of their self-reliance, making them largely dependent on external forces, ranging from debt collectors to financial guardians to municipalities, each steering them in a different direction, but never showing the pathway out of their indebtedness. While Geert and Sara, but also Bert and Esther, tried to take action by themselves at times, this was largely neutralised by a bureaucratic wall that imposed new challenges, many of which were too substantial and too big for the couples to overcome by themselves. This resistance in the economic and cultural dimensions actively hindered them and multiplied their problems.

When placed on a timeline, these narratives appear to be noticeably affected by a “bureaucratic wall” that destabilises their problem debt almost immediately after an initial setback throws their assets and liabilities off balance. For Geert and Sara, the loss of Geert’s security business was met with bad advice from the municipality, causing their problems to get out of control as they could not enter into a debt settlement. Meanwhile for Bert and Esther, the dependency on debt counselling, financial guardians and budget managers only escalated their problems further, instead of presenting a workable solution.

In a spatial sense these maelstroms also illustrate how a rather clear, straightforward problem can become a complex maze in which one becomes largely dependent on welfare and debt professionals, each introducing its own bureaucracy while at the same time expecting people in debt to be pro-active. Whether it is the various forms of fraud committed by the financial guardian that Bert and Esther approached to help them with their debt problems, or the problems that Geert and Sara encountered as they could not complete the business closure of Geert’s company, in both narratives the accumulation of liabilities led to a situation in which further progress was made almost impossible, as neither the couples nor the professionals around them could see a feasible way out of their predicament. Besides the financial hardship in the economic

dimension this also affected the moral dimension as Geert and Sara had become wary of any promises that governments or welfare professionals made, while sensing that the municipality was actively working against them. For Geert and Sara this already started with the way in which Geert's value as security staff was downgraded, but it was further cemented by the way the Tax Administration lost track of his bank account and the lack of assistance he received to either restart or close down his business. Likewise, the negative experiences of Bert and Esther, first with a fraudulent financial guardian and later on with years lost in a debt settlement procedure in which they had to endure further hardship, also left their marks. While years later they had been provided with a debt settlement, promising a debt-free life in due course, the incidents from their past had made them hesitant to trust the outcome of this procedure, fearing that a new bureaucratic misunderstanding could once again cause trouble.

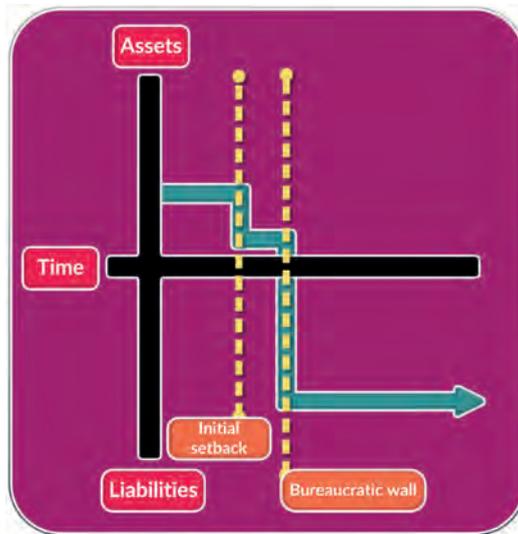


Figure 6.12 – The social trajectory of Geert & Sara and Bert & Esther

Conclusion

Similar to the previous chapter, the various narratives analysed in this one provide means by which it is possible to distil common pathways of indebtedness. Unlike the previous chapter, in which pre-existing conditions and the way in which they were affected by critical moments were discussed, this chapter moves beyond that point in a narrative in order to raise the question of how a problem debt, once created, can worsen over time despite a person in debt doing whatever is in their ability to correct its course. This appears to be a critical phase in which people in debt discover that they either lack the assets to adequately overcome the obstacles on their path, or

that certain liabilities (or combinations thereof) make this impossible for them. This suggests that on a certain level, all people in this chapter tried to actively respond to their problem debt, often by taking the initiative and employing the assets they thought were available to them, only to fail when their liabilities turned out to be persistent. Despite their efforts, they encountered barriers which were difficult to overcome, as neither the people in debt themselves, nor the professionals surrounding them, had a suitable solution. In the first set of narratives of Matthew and Kenneth this was a pervasive influence of past decisions and mistakes, which negatively affected their well-meaning initiatives to get out of debt as liabilities from the past repeatedly impeded progress. For both Kenneth and Matthew their personal support network was limited, while their professional support networks could only address the most immediate crises, and struggled to make durable progress. The second pathway, with the narratives of Lars and Rachida, showed how the accumulation of several different liabilities over time increasingly reduced the available options, acting as a chokehold on well-meaning efforts to resolve problems with existing or newly acquired assets. While recovery might at first have been attainable, this became an increasingly more difficult aspiration when new liabilities piled up. In line with this, personal support networks disappeared over time, while professional support networks were only activated when the problem had grown out of control. The third pathway takes an entirely different perspective into account with the narratives of Karim and Angela, namely the contradictions that can exist between various liabilities, each holding the others hostage and making it exceptionally difficult to resolve any of them. In these narratives overcoming one liability would be dependent on overcoming various others, for example health concerns, meaning that overall, there is very little agency left for a person in debt. Because of this, support structures, whether these are debt professionals or helpful members in the social network, struggle to provide meaningful assistance, as they too do not have a suitable solution which resolves all liabilities at the same time. Lastly, this chapter mentions the effects of a bureaucratic wall, which can act as a secondary effect following an initial setback, often with dramatic consequences as a result of the insurmountable barrier which this bureaucracy can form. In both of the narratives of this pathway people in debt found it difficult to act decisively, as the resistance that they experience “from the system” presents itself as a paralysing effect, resulting in delays and limiting the extent to which they can rely on their accumulated assets. In this pathway, support structures can actually have a counterproductive role, either because they fail to present a solution, or because they consciously act against the interests of a person in debt.



Chapter 7

Weathering the Debt Storm

Introduction

While the previous chapter introduced various rather grim narratives of worsening debt problems, suggesting that there is little improvement as liabilities stretch themselves between the various dimensions of the debt maelstrom, this chapter seeks to address the opposite, showing that a partial recovery from a problem debt is also possible. While the substantial financial problems that make up the core of most problem debts often require the intervention of professional debt counselling, this can work in parallel with initiatives that people in debt take informally, either by “fighting back” against the liabilities that negatively affect their life or by the accumulation of new and durable assets which help them cope with their circumstances. These are in essence “microstrategies”, everyday techniques and efforts which solve a small segment of the much bigger problem debt, often improving those dimensions of the maelstrom that professional assistance cannot reach.

Four strategies are investigated based on the various narratives which have been encountered as part of this study. First, this chapter addresses microstrategies aimed at securing extra income or saving money on expenses through side hustles and unreported income. This recovery strategy mainly affects the economic dimension, as it allows people in debt to accumulate more economic assets than they would have available to them via regular income such as employment or social assistance alone. Second, this chapter looks at microstrategies which are located in the social dimension and are based on the support and thus social assets provided by the network surrounding a person in debt. While the support of a network tends to be part of many debt experiences, the narratives that are investigated here are exemplary because people in debt themselves pointed out how the network had been of critical importance in the recovery process. Third, this chapter also considers a type of microstrategy that is aimed not so much at acquiring a material benefit but rather at finding inspiration, motivation or meaning as a way to alleviate the otherwise limited availability of assets. The narratives covered here are noticeably affected by a lack of manoeuvrability in all dimensions of the maelstrom, meaning that people in debt must seek small victories which have very little impact on their overall problem debt. A fourth microstrategy that is discussed in this chapter looks at the desire among some people in debt to combine their recovery with a transfer of knowledge and experience towards the benefit of others in a similar position. While this is to a lesser extent common for people in debt, the narratives described in relation to this strategy have taken this one step further, with people in debt becoming so-called *experience experts*. In this capacity, they use their personal experience with debt and its multidimensional impact as a shared bond which helps them to reach out to other people in debt.

It might come as no surprise that there is some overlap between these various microstrategies, predominantly because most people in debt tend to use one or more of them at various times and in various contexts. As such the narratives discussed in this chapter should be considered apt illustrations of rather common experiences which occur in the lives of every person in debt to some extent. Similar to the previous chapters, these narratives have been selected because they constitute coherent pairs that share a common pathway through the debt maelstrom.

Earning your keep

Despite their rich variety, financial debts often boil down to a balancing act between income and expenses, as people in debt struggle to save money or prepare for unexpected financial incidents. In these circumstances a little bit of extra money can go a long way to create a financial buffer or to save money towards a certain goal. This is especially true when this extra income can stay off the radar of welfare agencies and debt collectors, meaning that it is available for necessary expenses, small luxuries or as a way to help others without being at risk of being confiscated. The first microstrategy of this chapter therefore looks at the various ways in which people in debt try to accumulate extra economic assets through side hustles, saving strategies or unreported income. While the gains of these strategies are minimal compared to the outstanding economic liabilities, their flexible use makes them important to the everyday experience of people in debt. Examples of these strategies are plentiful in almost every narrative, but two telling examples can be found in the narratives of Karel and Anna, as well as Geert and Sara, who each developed their own microstrategies by which they earned extra income.

Karel and Anna

For this narrative, we return to Karel and Anna, who were already introduced in a previous chapter when they narrowly avoided a house eviction and were left with substantial economic liabilities. Karel only recently had managed to get a subsidised job, cleaning a school in the evenings. He was unsure how long he could keep this up, since he was continuously in pain yet at the same time deliberately postponed knee surgery out of fear of losing the job. Nonetheless, having this income did improve things for him. Besides taking away some stress and earning him some extra income, this shift away from social assistance paved the way for him to return to the marketplace, hoping to earn a bit more money now that he was no longer being restricted by the conditions for social assistance. Previously Karel had already been doing that occasionally, despite the limitations imposed by social assistance, but only by assisting an acquaintance on the market, while making sure to only get paid in

groceries¹. While a new cultural asset in the form of a formal debt settlement could have resolved their problem debt, the couple did not choose this option, primarily caused by a past experience with such a settlement, a refusal which over time had become somewhat of a moral asset for the couple. “Then there was a man, and for one reason or another he hated me, I think? Or we were not getting along? I had to call every month, ‘Sir, have you transferred my money yet?’ ‘Oh, I forgot, let me press the button’ he would say. Everybody had money with Christmas, we would only get it after New Year’s Eve. It does not work that way. Three years in a row. He used to do that on purpose. Those people also exist. They are there to help you, but some of them also harass you, they have power over you, and they start to play a game with you.” Another reason Karel and Anna were rejecting this cultural asset was because it would clash with the accumulation of various informal assets on which they had come to rely². They felt that by staying out of a debt settlement they could earn extra income or save on expenses, when otherwise this money would disappear towards repayments under the terms of a debt settlement. Anna remarked for example how the tightly controlled budget of such a settlement would make it impossible to accumulate economic assets by buying products on sale. “You cannot say, that meat is on sale, I am going to get some of that. Because you do not have it, the money. You cannot do that, and now you can. If I see something on sale, five bottles of detergent for € 10, well then it is very cheap, but I can get that.”

Besides saving money the couple also had a very active network with whom they had reciprocal relationships, allowing them to convert various assets into everyday economic assets. The most direct relationship was with Anna’s daughter (Karel’s stepdaughter) Irene, who lived in their house and contributed economic assets in the form of groceries, while Karel and Anna in return looked after Irene’s son when she was not able to do so. The parents of Karel and Anna also helped out, for example by bringing groceries for the couple or presents for Irene’s son, or by allowing Karel to earn some money. “With birthdays he [Irene’s son] always gets 50 euro. That is a lot of money for a child of seven years old. We use that to buy shoes or clothing, we do

¹ Municipalities tend to enforce strict rules on how much a person on social assistance can earn on the side, resulting in enforcement practices that have in recent years seen increasing critiques for being overly rigorous and distrustful, invading the privacy of social assistance recipients and punishing them for receiving gifts from friends or families. In the narrative of Karel and Anna, the couple knew that their side hustles put them on thin ice with these rules, however they dealt with this by being very upfront about their side hustles to avoid misunderstandings with the municipality.

² A debt settlement would impose strict limitations on the income of the couple, in order to assure a maximum repayment of the outstanding debts. All income would have to be reported and most of it would enter into the debt settlement, leaving the couple only with a small stipend. See Chapter 2 for a full explanation of the requirements of a debt settlement procedure.

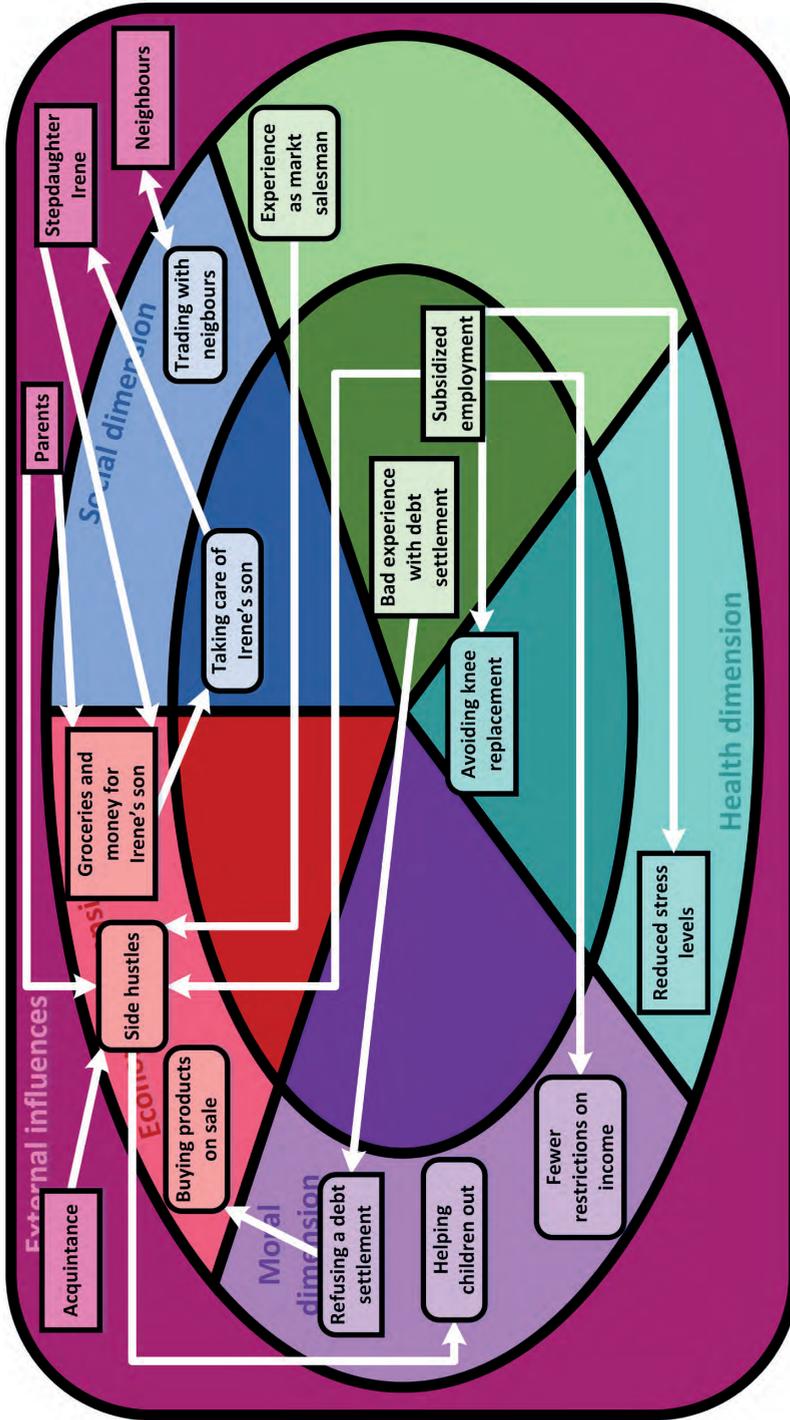


Figure 7.1 – Karel and Anna's Madstrom

nothing crazy with it. He is lucky in that way. Sometimes he [Karel's father] has a job, he makes zinc rain gutters, and he brings the old ones home. He will tell me, 'I have some zinc laying round, lead or copper, bring that to the metal scrapyards.' Likewise, the couple maintained a reciprocal exchange of social assets with their neighbours, by giving out small loans, sharing counterfeit cigarettes, trading groceries, or helping each other out with do-it-yourself jobs. "Well lending, you just give it away. You lend out € 10 or € 20 to people. Sometimes they ask, 'Can you lend me something?' Then you lend them money, even though you only have € 50. We reason, if we have € 50, you can lend out 25. You give it away, and you will get it back, but often much later. ... Like that detergent, I buy it and tell them, 'Would you like a bottle?' Sometimes they get it, and then I get one." Karel would also frequently fall back on his cultural assets accumulated as a market salesman, using his experience to buy things which he knew would sell for a higher price, often picking goods up for next to nothing on online webstores or auction sites and selling them for a small profit. "We picked up shoe laces, supposedly 21,000 pairs, all in neon colours. For free! We also got plastic crates with them. They came from a shoe store. ... Everything for free. When we put those crates online, it must have been less than a half hour, already sold. 200 crates, I had stacked them all out in front of the house, and took a picture. A half-hour later, € 225." What they could not sell, Karel and Anna tended to donate, especially to children in need. Reflecting on the abuse from his childhood, Karel valued the moral asset gained from handing out toys or from bringing extra cans of lemonade when he visited an amusement park, seeing this as a way to help out others in need.

Geert and Sara

Losing the security business to an administrative error, getting bad advice from the municipality, and subsequently going through years of bureaucratic problems, delays and complaint procedures left their mark on Geert and Sara, a couple first introduced in the previous chapter. Perhaps even more than their financial problems, they felt as if they had a moral liability working against them, for which they were prosecuted by the homogeneous mass of what they termed the '*roverheid*'³, whose bureaucracy frequently demanded from them that they send a range of documents for one thing or another, sometimes repeatedly as documents got lost or different departments failed to communicate. "These are things which I do not wish upon my greatest enemy, to be in a situation like we are. You are almost wearing a star⁴ by which they want to deport you, that is how it feels. ... We wanted to move, and we had to ask permission to see if

³ *Roverheid* is a portmanteau for *rover*, meaning robber, and *overheid*, meaning government.

⁴ This is a reference to the yellow badge which Jews were ordered to wear at various times throughout history, most noticeably during the Second World War and the Holocaust.

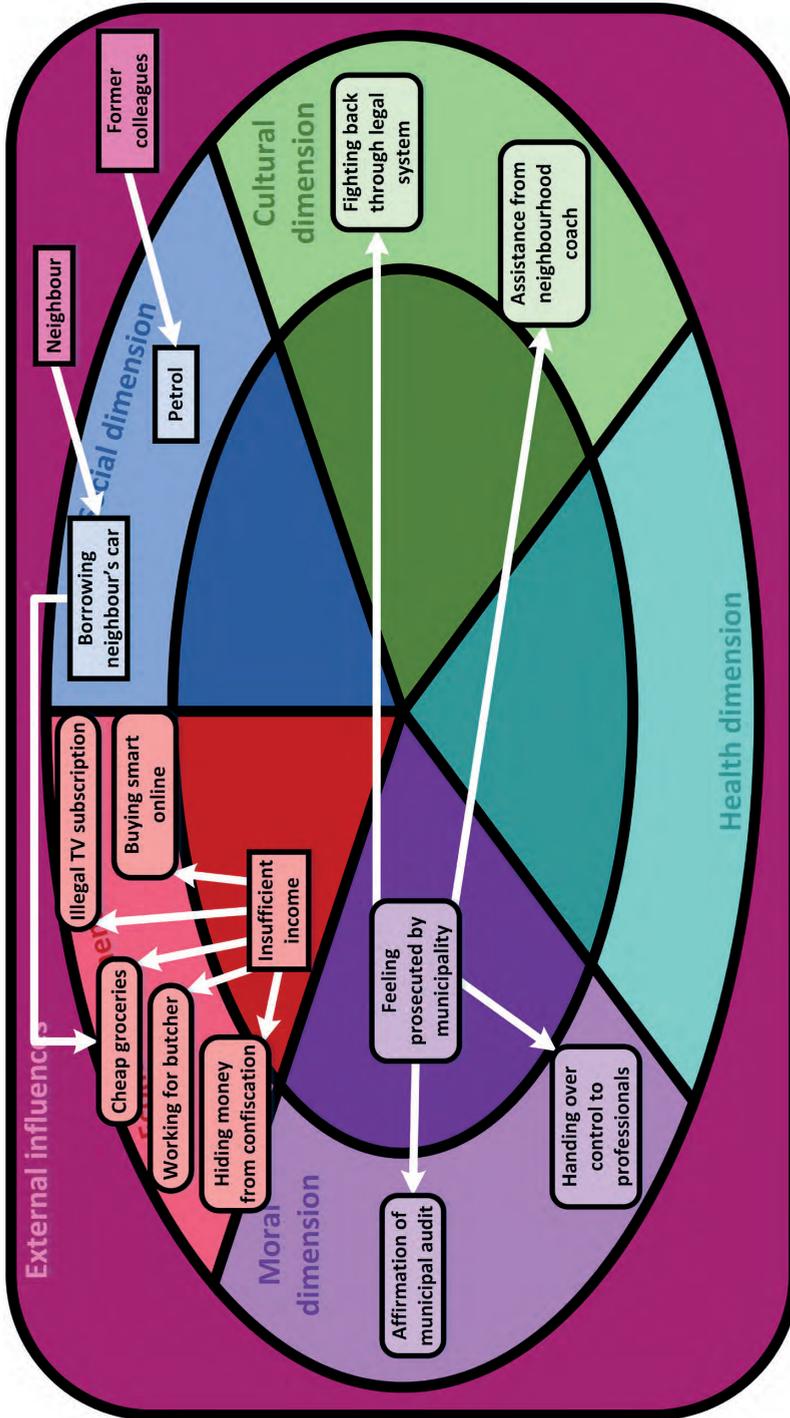


Figure 7.2 – Geert and Sarra's Maelstrom

we were even allowed to move. We had to ask permission, even though we had already moved. 'Yes', she said, 'but we will make sure that you do not get any assistance there.'

Far from passive, the couple fought back against this bureaucracy, relying on the cultural assets provided by a neighbourhood coach and social counsellor⁵ and turning towards the legal system when they thought their rights were being violated. With the years they had learned to deal with this day-to-day hardship by learning the rules and playing along when it was in their interest. "There comes a time when you are fighting against yourself. That starts in the morning, you run into yourself, you know that you are right, on the one hand, you just have that feeling. But you keep running into the same wall. What I learned by now, even though it is difficult, is to play along with the game. The same tactic that I used to employ with my employees, I now use with the municipality. I let the government institution come with their own ideas." While the couple did not like the idea of handing over control, seeing how this strategic manipulation provided tangible results did give them the feeling that they were in control, a moral asset which they greatly valued. Redemption also came in the form of a municipal audit in which they could participate, where Geert, along with other people in debt, could speak out about their past experiences. The couple felt supported by the recognition gained from the conclusions of this audit, which suggested that the existing structure of debt counselling was ineffective at resolving household debts. It reaffirmed their feelings about the municipality, even though they knew it would not help them personally. "You know, there is nothing you can do with it. For me, it is a very sour apple. So they know they made mistakes, that the municipality made mistakes, but it does not solve anything for me. That is not bad, for me the most important thing is that people do not end up in trouble again. If they get in trouble again, they will have the same ritual as I had, and that should be prevented."

While the couple had lost many friends along the way, they nonetheless retained some social assets as well. A neighbour would lend his car to them to buy groceries in Germany⁶, and a group of former colleagues from his days as a security guard would occasionally chip in for petrol so that the couple could attend a family function. For the most part, the couple relied on their ingenuity however, doing what they could to save money. Geert made the most of his economic assets by buying from affordable Chinese online stores instead of locally, while Geert and Sara were also avid participants on

⁵ Social counsellors are legal workers who provide information and assistance with questions related to social security, taxation, housing, labour rights, family rights, consumer rights, education and welfare services. They work independently from the municipalities, but often do get paid by them. Their services are always free of charge for citizens.

⁶ Due to a combination of lower prices, lower value-added taxes, larger supermarkets and low petrol prices Germany is a popular shopping location for Dutch people living close to the border.

auction websites where they could get affordable entry tickets, allowing them to go out. Finding out about IPTV boxes⁷, Geert had also found a way to watch television for next to nothing. “It allows me to see all channels, you normally have to pay a lot of money for them, while I only pay like € 100 each year. For all those channels. I am laughing myself out of my pants because I can watch television like normal. The only thing is that I hear my neighbour cheer for a goal, then it takes 20 seconds before I get it.” Furthermore, Geert also accumulated economic assets by helping out a local butcher, while the couple also employed strategies to keep money hidden from judicial officers, such as by hiding some of their money in a separate savings account. “At one point there was a judicial officer who tried to collect money three times every month. At some point you know that, but you also know that they cannot take it from your savings account. So, what did we do? We built a buffer on that savings account, to buy some time. A lot of people do not know that. We hear about people with similar problems, then we will say, ‘Once you get your money, put some money in your savings account.’” When combined, these microstrategies helped the couple to make ends meet and to get around collection practices, while it also provided them with opportunities to go out, visit family and friends, or enjoy a day at the spa when this was otherwise impossible.

Comparison

What the narratives of both Karel and Anna and Geert and Sara share are the various side hustles and saving efforts which they employ, in particular within or related to the economic dimension. While they were not afraid to fall back on formal types of assistance, such as the subsidised job provided to Karel or the neighbourhood coach and social counsellor available to Geert and Sara, they went beyond this support infrastructure which was provided to them and sought out their own solutions as well. Karel and Anna mainly aimed to increase their economic assets by earning extra income, for example through the groceries provided by their (step)daughter, monetary gifts from their parents, the sale of scrap metal, unreported employment on a marketplace, the exchange of money and goods with neighbours and a lively sale of goods which were bought online. Meanwhile, Geert and Sara were mostly trying to save money, allowing them to reduce their expenses and get cheaper products or services, for example by borrowing a neighbour’s car to get more affordable groceries, buying electronics from Chinese online stores, using auction websites to get cheaper entry tickets, and hiding money away from debt collectors. All these side hustles and financial savings could be considered microstrategies, because the actual financial gain acquired by them is minimal compared to the much larger economic debts in

⁷ Internet Protocol TeleVision (IPTV) offers television via the internet. While commonly available as a paid service provided by television providers, the required technology can also be acquired from illegal sources at far lower costs.

their lives, making them mostly ill-suited for debt repayments. Their real value was in the extra possibilities which were enabled by them, which allowed both couples to do things that they otherwise were not able to afford financially. It meant for example that Karel and Anna could take their grandchild to an amusement park and that Geert and Sara could spend a day at the sauna, which in turn gave them some sense of control over their lives.

What is remarkable is the moral grey zone in which these microstrategies were employed. While many of the assets that were acquired this way are legal, the legality of other methods is questionable, involving unreported income sources which, if found out by municipal welfare providers or debt collectors, could get them in more financial trouble. The same applies to other microstrategies such as counterfeit cigarettes or illegal television setups. It seems these risks were small trade-offs which both Karel and Geert considered justified in light of their situation and the limits imposed upon them by their financial precarity. In terms of the balancing act of assets and liabilities over time this suggests there is a level of “shadow bookkeeping” going on, in which there is a formal level of assets that is visibly, out in the open, perhaps bolstered by formal structures of debt counselling or social assistance. This formal level is however significantly lower than a more secretive and informal asset level where people have access to a range of microstrategies which are not out in the open and instead are only known to themselves and perhaps a small and intimate social network.

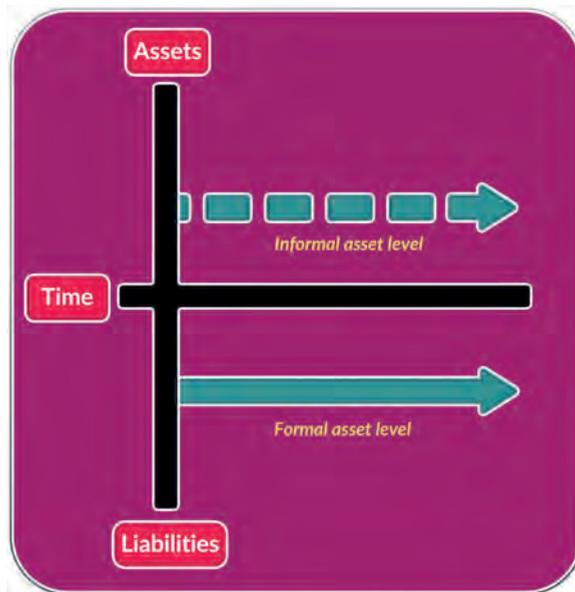


Figure 7.3 – The social trajectory of Karel & Anna and Geert & Sara

This shadow bookkeeping is reflected in the perception that both couples had of professional assistance, which they both thought had been far from helpful in the past. Karel and Anna had gone as far as refusing a debt settlement that could have resolved their economic debt problems, based on negative experiences with a previous settlement, as they felt harassed and had learned that the strict repayment schedule of such settlement hampers their financial flexibility. Likewise, Geert and Sara had a particularly difficult relationship with the municipality, which had failed to help when Geert's security firm went out of business and which in their opinion obstructed and challenged them at every turn. Perhaps these ways of gaining informal assets were their way of compensating for the lack of formal cultural assets that they received from professional assistance, even though these households were also embracing municipal assistance whenever it was beneficial to them. Karel eventually found temporary employment via the municipality, and Geert and Sara were trying to navigate the municipal bureaucracy to get access to a subsidised health insurance plan. This suggests that in these narratives a purposeful mixing occurred, between, on the one hand, informal microstrategies that are not reliant on professional assistance and, on the other hand, formal structures of poverty alleviation. Instead of relying on either one of these, the households were more concerned about one not interfering with the other, allowing them to gain the benefits of both. At the same time, both couples tried to use these microstrategies not just for themselves, but also to help others, possibly converting some of these economic assets into social assets as well. Geert and Sara tried to advise people in their network on how to deal with financial hardship, sharing information about their run-ins with the municipality and the side hustles they employed. Karel and Anna, partially motivated by Karel's abusive childhood, went out of their way to help neighbourhood children by buying more ice cream or lemonade than they needed themselves or by giving away toys or second-hand mobile phones acquired through their side hustles.

The strength of a network

In everyday life the interpersonal social network is often the first layer of support to which one can turn when faced with challenges or problems. This is no different for people in debt, for whom the social network can be an important pathway to the calmer waters of the debt maelstrom, as others can contribute assets in each of the dimensions that a person in debt would otherwise not have access to by themselves. While these assets are rarely enough to resolve the full scope of a problem debt, the microstrategies employed within a social network can still make an important difference. This is what is investigated in the two rather different, but at the same time also similar narratives of Kafeel and the couple Bert and Esther.

Bert and Esther

In recent years Bert and Esther, who were already introduced in a previous chapter, had managed to somewhat improve their situation. With the assistance of municipal debt counselling they had accumulated new cultural assets in the form of a debt settlement, which, if successful, would remit all their economic debts after three years. During these years their finances were managed by a financial guardian, meaning that monthly expenses were paid for them and their creditors received a repayment based on the income of the couple, leaving the couple with a small stipend which could be used for personal expenditures. With these financial debts somewhat under control, the couple had also begun to rebuild their assets in other areas. As the couple strongly desired to keep living in their current home, even though both Bert and Esther had developed chronic health issues, the support of the municipality provided them with a stair lift in their home, while Bert thought his son-in-law would help him take care of the garden when he no longer could do so himself. The couple was also appreciative of their neighbour, who provided them with a social asset in the form of transportation, which Bert reciprocated by doing household chores for him. “Sometimes my neighbour brings something home, or he takes us somewhere, to Germany. To Germany, to get groceries. He comes along, he drives on liquefied petroleum gas, so this costs nothing⁸. You do not have to pay petrol money. And then he [Bert] is ready to help him, that way we help each other. He [the neighbour] is not so handy in things, while I [Bert] am, with putting up wallpaper, painting, and these things, fixing some things, I do that for him.”

Another way in which the couple accumulated new assets was via a church community which they had joined. According to Bert and Esther the community was started by a couple who themselves had fallen on hard times, and who were now seeking to redeem themselves by helping others, in particular homeless people and drug addicts. Bert and Esther had found comfort here, a small community of friends who had also encountered hardship during their lives. Bert and Esther participated in activities such as a drawing class and a singing group and on Sundays attended a church service which included praying and singing, as well as a free meal. Bert and Esther emphasised however that the material gains were only secondary to the moral asset gained from the emotional support they felt there. “You can cry there, you can laugh there, you can be yourself. If you want to cry, well feel free to cry for a while. That is fun, that is beautiful, very beautiful. They do not judge you. Nothing, so nice.” With Christmas and Easter, Bert and Esther had received a care package from the church, and the couple who started the church visited almost weekly, providing an economic asset in the form of groceries and a social asset by helping with the upbringing of Bert and Esther’s

⁸ In the Netherlands liquefied petroleum gas (LPG) is a substantially cheaper fuel when compared to petrol and diesel.

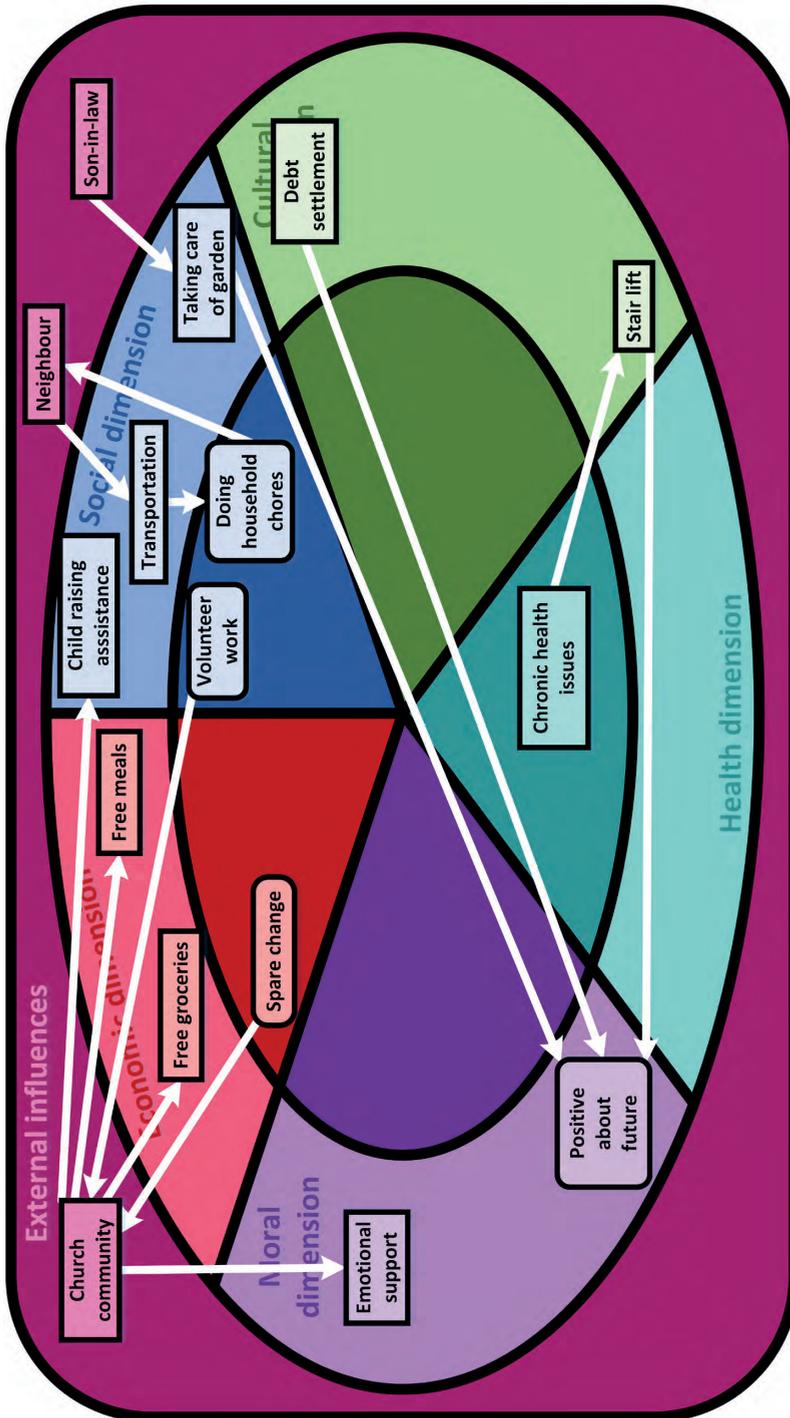


Figure 7.4 – Bert and Esther's Maelstrom

daughter, who was dealing with attention deficit hyperactivity disorder. In exchange, Bert and Esther gave back what they could through the social liability of volunteer work; hence they reciprocated this assistance by folding flyers, baking a cake and an economic liability in which they donated what little spare change they could miss every week. “I always give something, when we have eaten, I give € 1 or € 2, depending on what I have. Look, they pay for it out of their own pocket, so I always give something. Most often we save spare change. Five cents, twenty cents, we throw it in a jar, and that adds up to € 4. Then we take that jar with us and add it to the donation can.”

Kafeel

When Kafeel was first introduced in a previous chapter, his life had been greatly upset by the closure of his mail delivery business and the multiple sclerosis of his wife Aarya. A new problem arose some years later when the couple lost critical cultural assets when the Immigration & Naturalisation Service delayed the extension of Aarya’s residence permit by as little as a day. Lacking this formal status caused Aarya’s social assistance to be automatically suspended, and with that also her subsidised health insurance. While this should have been restored once the residence permit was reinstated, this somehow did not happen, meaning that while the insurance payments were withheld from Aarya’s social assistance, they were not paid to the health insurance provider. With Aarya’s frequent medical expenditures related to her multiple sclerosis it did not take long for new medical debts to appear as a major economic liability, which in turn made it impossible to get full healthcare coverage, which again caused more medical debts and as such created a vicious circle. Besides a dire financial problem, this downward spiral also strained the couple’s relationship, as Kafeel was struggling to find a solution, saving on groceries and postponing dentist visits, while Aarya remained seemingly oblivious to their problems. This was because Aarya had never learned Dutch or integrated into Dutch society since moving to the Netherlands following their arranged marriage, while she did become deeply religious within a small network of similar-minded Islamic women. “I often say, ‘Allah gives nothing’. No, I need to work or receive money from someone, and you need to watch that money closely. Allah does not do that, Allah does not do that [laughs]. Also, the assistance that I give to her. I stopped working because of the large responsibility at my home. That is why I stopped. But she does not think I help her, that I give my time to her, no, that is Allah. That hurts me.”

It was an antagonistic marital struggle which took the form of a painful moral liability for Kafeel, as the conservative and religious views of his wife clashed with his own open-minded and more liberal upbringing, which made him feel part of Dutch society and made him openly disagree his wife’s views. While Kafeel had considered divorce

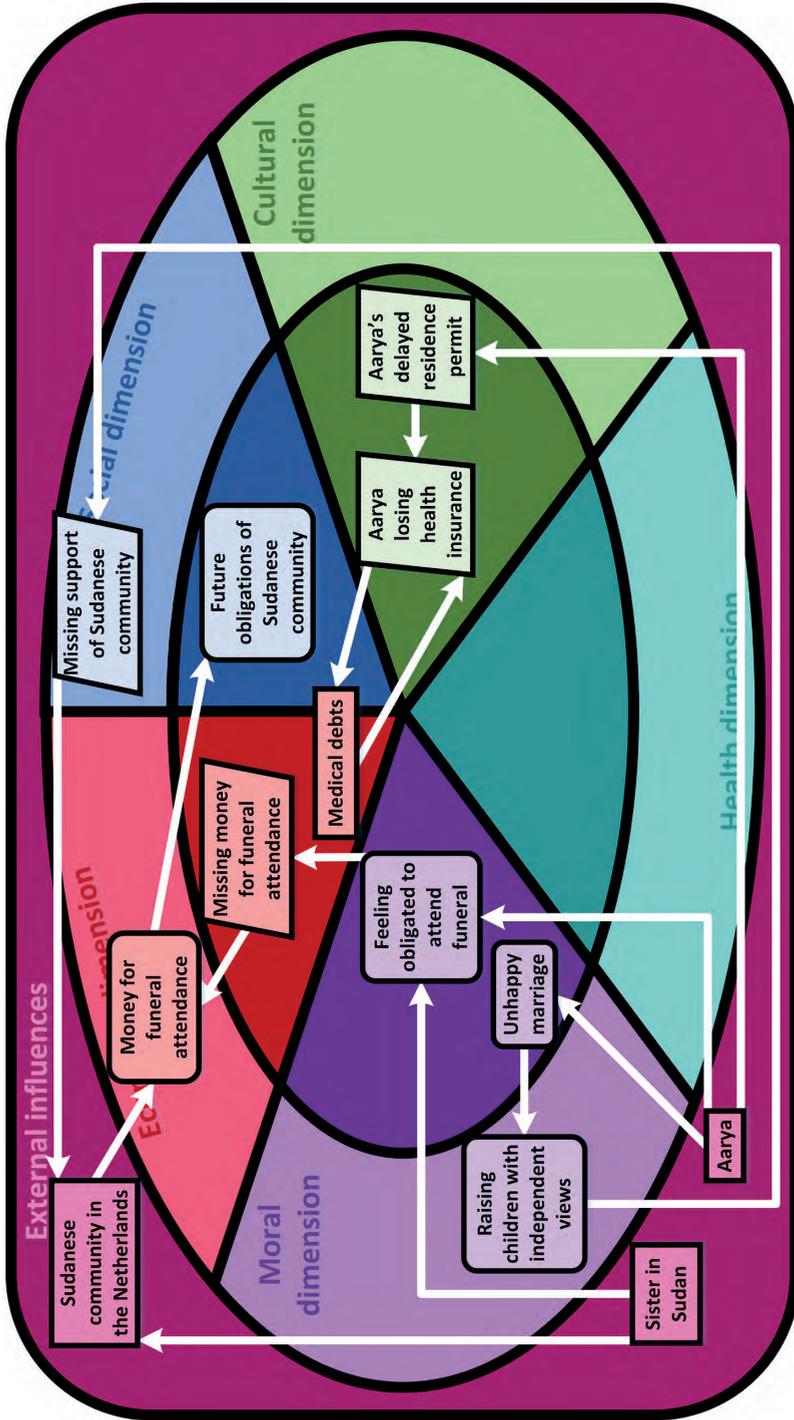


Figure 7.5 – Kafel's Maelstrom

in the past, he had chosen against it to protect his children from these religious influences, whose independent upbringing was an important moral asset in his life. It was a personal decision which did not come easy, as it also meant that he was missing the social assets provided by the religious Sudanese community in the Netherlands. “They [Kafeel’s children] are very content, they are part of Dutch society, they are raised Dutch, European, thinking freely. ... Three years ago, she asked, ‘Can I wear a headscarf?’ I told her, ‘No, you cannot.’ Her mother asked, ‘Why not?’ I said ‘No, she is too young to make these decisions, I do not want her to go crazy’. It ended there, but she [Aarya] asked other people in the city. I was rejected by the entire community, which caused me a lot of problems.” Ironically it was however Aarya’s assistance that Kafeel had to rely on when he was confronted with a critical moment at the time of the unexpected death of his sister in Sudan, for which Kafeel felt that his attendance was of great importance. This created a moral liability that extended into an economic liability as Kafeel lacked the financial means for the travel to Sudan. While a good friend could provide him with the aeroplane ticket, Aarya was able to reach out to the Sudanese community. “We have a saying, death is the only thing that has no insurance. ... When a family member close to you dies, you have no plan prepared. This means that it is possible that you have an empty wallet. Then you start calling, calling, calling. That is how it is done now, but in the past people would visit, all at once. You would say to a friend, ‘I have nothing’, and that friend would tell the other people, and right away start to collect money with pen and paper.” By putting aside his differences with his wife and accessing his wife’s influence in the Sudanese community, Kafeel could at that moment fall back on this tradition to acquire the economic assets that enabled him to travel to Sudan, at the expense of incurring new social liabilities within the community.

Comparison

Despite their different backgrounds one thing which the narratives of Bert and Kafeel share is the reliance on the social network as an important microstrategy to address some secondary challenges which are indirectly linked to their financial debts. While this in itself is not unique to their narratives, as social assets appear to be a valuable positive influence in many narratives, for these two narratives the social network and the safety net it provided was specifically identified as an essential solution for some of the negative consequences of a problem debt. For Bert and Esther the various sources for social assets included neighbours, family members, professionals, and a church community, suggesting a dispersed yet at the same time very personal and close-knit social network on which they could fall back for various benefits. For Kafeel the value of the social network came in the form of more abstract and more impersonal ties which were shared between members of the Sudanese migrant community. Moreover, the economic assets they could provide to him were only available because

While both of these narratives suggest that the contribution gained from social networks is mostly material, covering practical needs such as affordable groceries or travel expenses, the actual meaning of this pathway seems to be much more extensive. In the narrative of Bert and Esther practical improvements such as a stair lift and their expectation that family would help them with the maintenance of their garden gave them the confidence that they would be able to stay in their current house, even in the event of worsening health problems. The couple also attached a great deal of value to the emotional support provided by their church community, where they could share their experiences with others and rely on the support of other church members, for example when it concerned raising their daughter. Likewise, while the direct benefit which Kafeel derived from the Sudanese migrant network was financial, indirectly this travel made it possible for him to attend his sister's funeral and to live up to his responsibilities towards his Sudanese family. This suggests that relying on a social network contributed more than just practical benefits, and instead was a vital strategy on which people in debt called for a wide variety of reasons.

It is the little things in life

While the two pathways discussed so far offer examples of ways in which people in debt can accumulate assets, even with a problem debt, these are not accessible to everyone. Previous chapters have shown that the downward spiral of debt can sink to great depths, cutting off access to existing assets in all four dimensions of the maelstrom. These are narratives where the financial problem becomes insurmountable, where the reciprocity sustaining social bonds breaks down, where societal support structures cannot provide answers and where even maintaining a sense of self-worth becomes a struggle. Still, even under these circumstances, hope is rarely lost in its entirety, as people in debt take what little they have left and rebuild themselves from the ground up to the extent that the accumulation of assets allows them. This can for example be seen in the narratives of Hendrik and Paul, two people first introduced in previous chapters, who were both approaching retirement age.

Hendrik

Hendrik lost his business following a life of entrepreneurial success, which forced him to move away from his hometown, reducing his social assets. In addition to this, following a series of epileptic seizures he could no longer drive a car, which meant he became dependent on public transport, reducing his mobility and adding to his already limited expenses: "I told you about the example of the *OV-chip kaart* [public transport card], now that is something I have never heard of before. Or never heard of, that is too crazy, but never thought about. You must get one, that costs € 7.50... then you need to think when to pick it up, but it must be done before December 19. So you must subtract

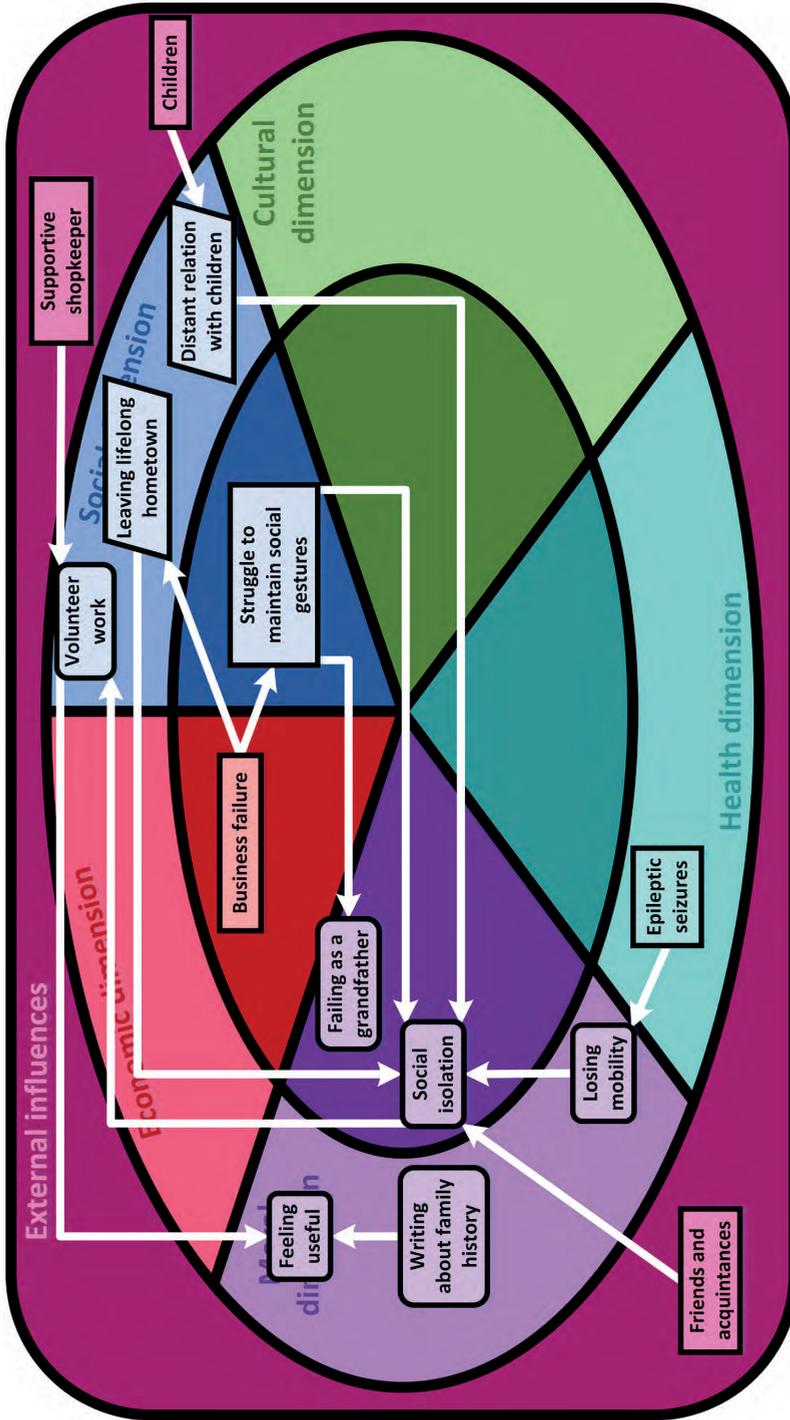


Figure 7.7 – Hendrik's Maelstrom

money from your living expenses, because I am now in a situation where I only have so much money to spend, while I also need to save. How can I save with nothing?” His social assets were further reduced by a difficult relationship with his children, who had been distant to him, following a troublesome divorce from his ex-wife a few years before he lost his company. Even though his children still visited him from time to time, they did not want to discuss their difficult relationship, something which Hendrik believed they did in an attempt to spare his feelings or because they were upset about losing their inheritance. Besides this missing social asset, Hendrik also felt the social liability that resulted from his poverty, as he was unable to afford small social gestures, for example around Christmas time: “Another example, Christmas is coming, and I was used to writing Christmas cards. But I no longer have the money. That is a problem because you can no longer give your acquaintances, your friends [falls silent] that what you would like to give them [falls silent].” These drastic changes in the social dimension meant that Hendrik felt isolated, a moral liability which stood in contrast to his active social life when he was still a successful business owner. In particular the feeling that he could not live up to his role as grandfather was a heavy moral burden for him, as his grandchildren were still too young to understand why he could not be more like a grandfather to them, since for example buying birthday gifts was out of the question.

One answer Hendrik had found in response to these moral liabilities came unexpectedly, when he met the owner of a local clothing store, who was himself very active for the community. This person helped Hendrik to regain some of the social assets he had lost, by suggesting that he would be a good candidate for various board memberships. “I ended up in a situation, but I taught myself to crawl out from under there, and to serve my community. In this case in various associations. That is what I am grateful for, because he [the store owner] did it differently. He said ‘Oh Hendrik, I heard this and this, I have a board position with an annual neighbourhood festival. You are on the board now. I said ‘Excuse me, do I still have a say in this?’” This was not the last time the store owner had asked Hendrik, and as a result he was now active as secretary of a residents’ association, while he was also a member of the organising committee of an annual flea market and occupied various other board positions concerning sports and youth activities. He considered this a good way to find his bearing in his new city, as he was developing a new social network and above all could feel useful again, a moral asset which he had not experienced since he had lost his business. “Now you walk your dog, something I used to do before, but then you walked by yourself, alone, there was nobody. Now you meet people, and those people you really get to know. That is how you develop new ideas about life. A simple example, I know a cleaner in the shopping mall. I think that I would never have noticed such a person in the past... I did not have

the time, but now I talk to him.” In a similar effort, Hendrik had also picked up an old hobby of his, writing about the history of his family. “You have nothing anymore; you cannot build anything. That is also a frustrating feeling that you have, for yourself. Not for others, nothing at the expense of others. That you can no longer participate. That you are stuck, in some way. That was the reason I started to write a book about my family. It will be finished soon, although it is not too big, only 1184 pages with 800 photos.” For him this was yet another moral asset, which, unlike his business, provided a lasting contribution that would outlive him.

Paul

As previously described, Paul’s journey throughout life was not without any obstacles. He felt trapped in a downward spiral, with very few social assets, living largely in social isolation as he had no contact with his children, lost touch with most of his former friends and was especially missing a romantic partner in his life. It left him feeling lonely and unsure of what the future had in stock for him, which Paul experienced as a moral liability. “There is nothing you can do! I told Anna [neighbourhood counsellor] once, ‘One day I will get stuck’. She told me, ‘Just do what you must do, and if you ever get stuck, I will come to you, and then someone must help you.’ I do not think they will help me then. I do not see a way out of this, really not.” Despite the municipality trying to help him, Paul was unhappy with the many hoops he had to go through, for example when he could not afford new dentures but had to purchase them first before a charity foundation provided him with a reimbursement. “The bottom dentures cost [€] 358, the deductible of € 130 you need to pay for yourself. So that means it would cost more than [€] 5[00]. How should I pay for that? They make you sicker this way, they make it so that you never get out and fade away like dust.” Paul felt a lack of understanding for his circumstances, for example when he asked for his municipal taxes to be cancelled. “Municipal taxes, last year. I took care of everything; I did not have to pay anything. But now it appears that you need to ask it again every single year. Why not ask it once for five years? ‘Yes, but imagine you would find a job’. I said, ‘I can no longer work, that is stated there as well. I am 64 years old; you want me to work?’ ... When I tell my story people think, ‘Oh, he is complaining again’. It is like the opposite side thinks, ‘he is asking for attention.’”

One person who at least tried to improve Paul’s moral assets was a personal coach, who visited him from time to time. “He told me at some point, you go to the community centre, you start to volunteer. That is how I got involved with the Socialist Party, and how I did a lot of volunteer work. But now I no longer can do that, it has become less, and he tells me, ‘Only you can feel that. You are 64, which is not as old as people see you, but your body is old.’” Paul was a long-term member of this political party, starting

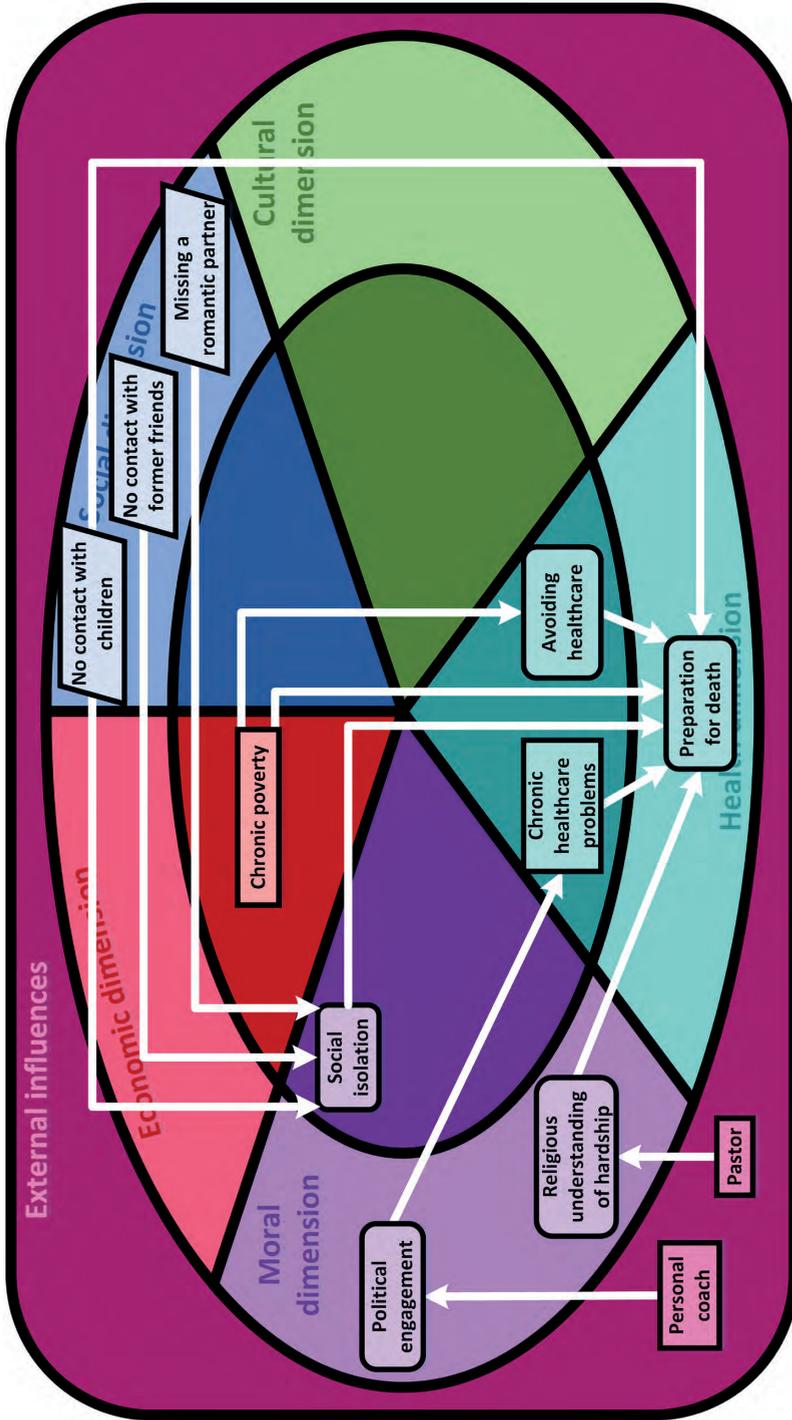


Figure 7.8 – Paul's Maelstrom

in his previous neighbourhood, where there had been no playgrounds, despite the many children living there. With permission of the Socialist Party, Paul and others had organised a protest where they illegally removed street tiles. To his satisfaction, this protest had been successful, and by the time he left the neighbourhood there had been playgrounds everywhere. Since then, Paul's engagement with politics had only grown, as he could sharply criticise the long-ruling centre-right political parties whose policies, according to Paul, had had disastrous consequences for low-income households, including himself. Another moral asset came from a certain acceptance of his hardship, which in the narrative of Paul took the form of a religious perspective. He actively prayed, meditated, and met with a local pastor. This pastor had taught Paul that the pathway that God had set out for him was never meant to be smooth, but instead was supposed to be one of success and failure. Living with his health concerns, loneliness, financial problems, and other hardships might seem to last for an eternity, but in the end, he would be received by God and no longer be alone. This religious view had also changed his perspective on death, a health asset that was frequently on his mind. "You get to a point, God gave everyone a number, at birth. And when your number is called, that is when you go. Whatever you do, you will go. Nobody can outrun that. That is also what the pastor says, and he is right on that. You cannot outrun death." For this reason, Paul had made detailed arrangements on how his sister should proceed upon his eventual passing. He did not wish to trouble her with the planning of his funeral, so he had made sure that his funeral ride would be in a white car and he would be buried in a white coffin while Led Zeppelin was playing in the background. "The inventory too, that will all be taken away, and the children will not get any of it. They will not hurt me anymore. That is what I learned from the coach, I love them, I treated them with love, but now they hurt me too much. ... I do not want to leave my sister with all of these problems. Because I know how it goes in my family, if they can get their hands on something they will be first in line." It would be his final act of defiance against his children, making sure that they would not get to inherit anything.

Comparison

The common ground between the narratives of Hendrik and Paul can be found in the extent to which their problem debt exhausted most of the assets in all four dimensions of their life. As seen in previous chapters, they both dealt with severe and long-term financial problems in the economic dimension, in the narrative of Hendrik because of the substantial economic hardship resulting from his business loss and in the case of Paul from the chronic lack of economic assets as a result of the mismatch between his income and expenses. For Paul, this was something which he expected to last for the rest of his life, while Hendrik had been living in poverty for years in anticipation of a future debt settlement. On top of this, both Hendrik and Paul saw themselves

confronted with health problems, which in turn affected almost all other dimensions, such as how much energy they had during the day, the extent to which they could travel and their general enjoyment of life. This combined financial and medical hardship also negatively affected their social assets, which were already vulnerable even before they encountered their financial problems. Both of them had had one or more divorces in their past, and both had troublesome relationships with their children, to the point that Paul had no contact at all. Over time their ability to maintain a social network had further decreased as they struggled to stay in touch with their past networks, as fewer people reached out to them and meeting new people became more difficult. When added up these severely reduced assets and persistent liabilities created circumstances which left them with relatively little agency to affect their maelstrom. It took the inspiration of others to draw them out of their predicament and to explore new avenues in which some assets, mostly in the moral dimensions, could be regained.

What this suggests is that both Paul and Hendrik employed their own microstrategies as a way to alleviate some of their hardship. While they both were in some sense “stuck in limbo”, they each sought to give meaning to their life in a way that accounted for the aforementioned limitations. For Hendrik this came in the form of the various organisations for which he became a board member or a volunteer, something which he happened to stumble upon because of a local shopkeeper. While different from his old life as a businessman, these roles nonetheless provided him with a sense of purpose, allowing him to make himself useful and accumulate new moral assets. Meanwhile Paul found his purpose in different ways, as his health problems meant that even the volunteer work he had done in the past had become too strenuous for him. Instead, Paul mostly tried to come to terms with his precarity, for example by supporting a political party that was particularly outspoken about the needs of the poor, and by embracing religious views about hardship and his eventual mortality. It was a framework that allowed Paul to understand his own condition, for example by telling him that he was not alone when it came to poverty and by giving the assurance that everything would be arranged to his wishes when he passed away.

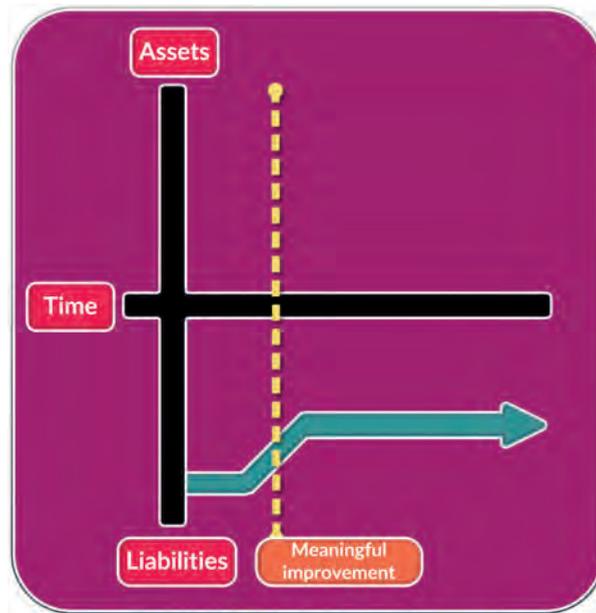


Figure 7.9 – The social trajectory of Hendrik and Paul

Helping yourself by helping others

So far, this chapter has addressed pathways out of the debt maelstrom whose primary aim was to help people in debt via the accumulation of new assets, often concentrated in one or more particular dimensions of the debt maelstrom. In those narratives it was possible to see aspects of reciprocity and exchange within networks, as people in debt not just seek to help themselves, but also others in their close proximity, often receiving small but meaningful benefits in return. Two narratives that stood out in particular in this regard concerned debt *experience experts*, who not only try to recover from debt problems themselves but also went out of their way to help other people who are experiencing a problem debt⁹. In this capacity, they share their knowledge and experiences with debt, providing assets for others who are going through a similar

⁹ Experience experts (*ervaringsdeskundigen*) tend to be people who have a certain experienced knowledge, which, upon reflection (and often after some form of training), can be related to similar circumstances of other people. The resulting sense of connection, based on a shared experience, allows experience experts to serve as role models for others in a similar position. Moreover, experience experts can offer advice to professionals who are trying to help affected people, and also act as spokespersons in conversation with policymakers, for example by pointing out policies that are considered patronising. Since the 2010s there have been various Dutch municipalities that employed experience experts in an effort to reduce poverty and debt problems (Odekerken et al., 2021).

experience. Running parallel to this, their role as experience experts also guides the stabilisation of their own debt maelstrom, as they develop themselves in a new professional capacity or find a new purpose in life. In that sense, helping others regain their assets also contributes to the rebuilding, or indeed reinventing their own lives. For this the chapter looks at Lars, already mentioned in a previous chapter, and Wendy, a relatively new experience expert in her late forties.

Lars

In the previous chapter Lars had accumulated a sizeable economic liability following the loss of his board game store, while he also struggled with a cultural liability when he did not receive adequate assistance from debt counselling. Even when he received a substantial tax return of € 12,000, debt counselling was still slow to respond. “Whenever I went to debt counselling, I was dealing with someone else, because then that person had maternity leave, and then there was a new job for that person and you would get someone else. These were all... young people, arriving straight out of school. I had zero private debts, only business debts. Even when things got very difficult, I still paid my rent, paid everything. But then you arrive there, and you are treated as if you have a massive credit card debt.” In the end Lars felt forced to take matters into his own hands, and together with a lawyer he approached his creditors for a debt settlement. When they refused to accept, Lars could now legally compel debt counselling¹⁰ to take up his case, eventually getting a judge to approve a debt settlement. As Lars decided that he no longer wanted to be an employee at his former store, he also got in touch with a job coach, who suggested that he could rebuild his lost self-confidence by volunteering for a debt counselling organisation. “Well, all my life I wanted to help people, so I wanted to do something in that direction. Then we looked at everything, and in the end it became clear that I could do something with my background of debts.” A while later, not long after the debt settlement had run its course, the same debt counselling organisation offered Lars a paid job as an experience expert.

In this capacity, Lars tried to make a difference, helping people in debt with practical knowledge while also trying to motivate them by showing a heartfelt understanding of the difficulties they were experiencing. In his experience, debt counselling was often focused on tasks and appointments instead of providing a solution for the problem debt. “I went to a gentleman with a neighbourhood coach, and we talked; then later

¹⁰. One of the requirements before one can enter into a debt settlement via the legal process provided by the Debt Rescheduling for Natural Persons Act (*Wet Schuldsanering natuurlijke personen*, Wsnp) is that one must have approached creditors with the offer of an amicable debt agreement. In general, a person in debt can apply for a statutory debt settlement only when creditors reject the amicable one. Creditors are however encouraged to choose for this amicable agreement, as their pay-out will be higher because a Wsnp legal procedure involves a financial guardian who gets paid from the money that is accumulated for the debt repayment.

I asked how it had turned out. ‘Yes, this man was not present, so we kind of assumed that he does not want the help anymore. Then I e-mailed back, ‘We did the intake together, this man explained that he was struggling psychologically and found it all very difficult, even though he did want our help’. ‘Yes, that is true, this man wanted our help, and has psychological issues. But we assume that if someone does not show up on an appointment, they do not want our help.’” Using his experiences, he took a different approach, while also educating debt counsellors about the importance of staying in touch, no matter how difficult this might appear. He understood that people who do not show up for appointments or fail to do the required tasks are not unwilling, but rather unable to find the energy reserves necessary for these things. “You call back ten times. What does it cost to call for a minute, to say, ‘We were supposed to meet’? I always call one week, then the next week I send an app message, and then I send an e-mail. You keep that up until you get a response. If someone says, ‘I do not want it’, fine, that is clear. But if someone says, ‘I want’, but his behaviour shows otherwise, then something needs to happen. That does not mean that he does not want it.”

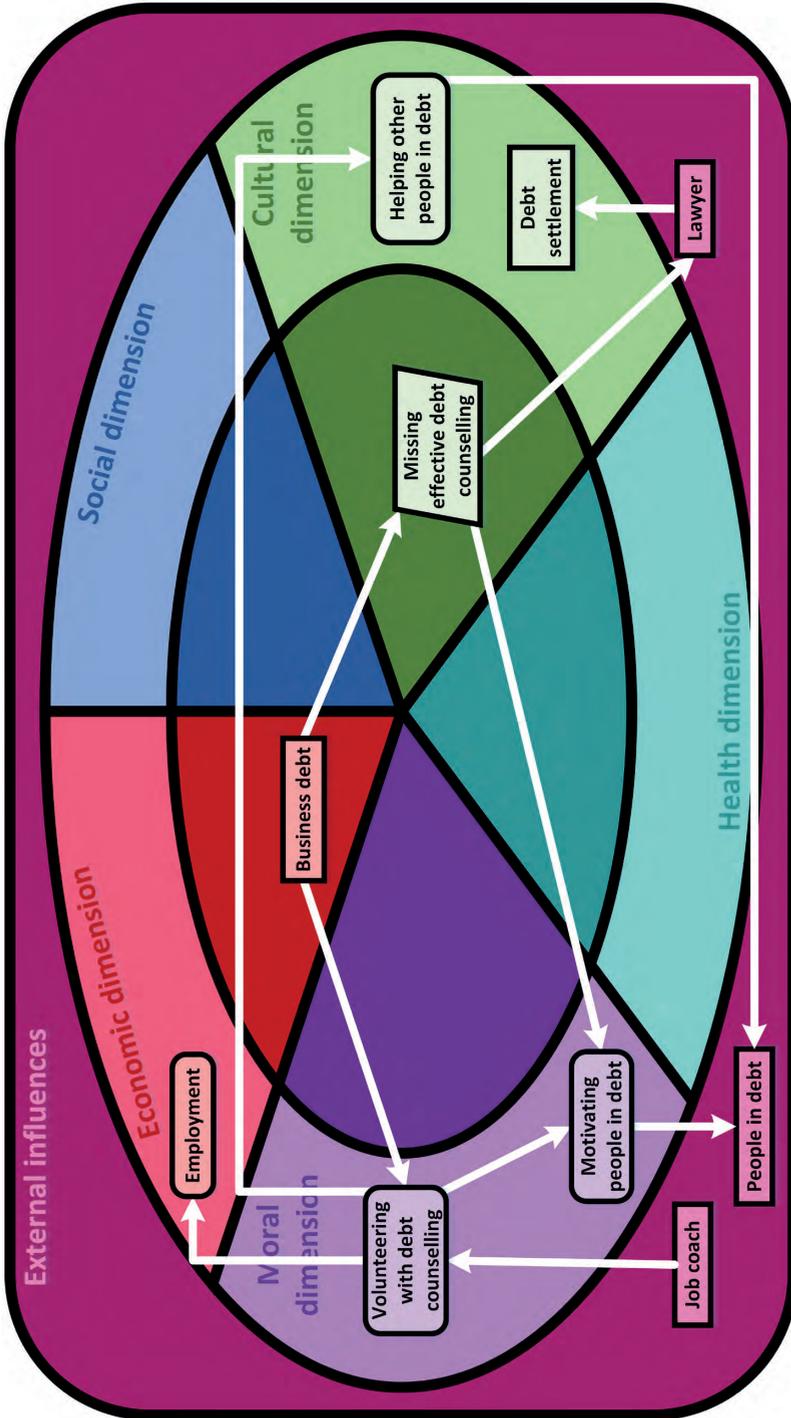


Figure 7.10 – Lars's Maelstrom

Lars could also rally against other structural issues, such as judicial officers who refuse to suspend their collection practices when asked and creditors who disagree with reasonable repayment plans, even when this meant that the financial problems of the people he tried to help would increase. “Nobody wonders if it achieves anything, it just happens. I mean confiscating cars, when people have a car that is worth € 300. The confiscation itself costs way more. But they [creditors] do it anyway, because people often need that car to earn a living, or because they have mobility issues. So people will go to great lengths to keep that car. They will borrow money, or stop paying something else.” In his role as an experience expert Lars tried to counteract these problems, by turning his past experiences, such as the missing cultural asset of debt counselling, into renewed energy for the people in debt he tried to help. Lars also saw it as his duty to provide people in debt with renewed moral assets, as he knew that they required some light at the end of the tunnel before debt counselling could proceed. Thinking back to the liabilities in his own debt experience, he sought to motivate people in debt to show up at appointments and to do their tasks by giving them a firm belief that a solution for their problems exists. “For me, there was a moment when I lost that belief. If I thought about my debts, ‘Oh no, how am I going to find a solution?’ The easy solution was to climb on a bridge and jump off. That is how it felt. I would never do it, I have children and I am a very positive person, but another way out seemed simply impossible. That is how it felt. As long as that feeling exists, when you have no perspective, and do not believe that you can get out, where can you find the energy to do anything at all?” In response to this Lars advocated for fewer rules, and more flexibility in the time allotted to debt counsellors to help a person in debt. Lars felt that debt counselling needed to think out-of-the-box, and with some level of freedom. He understood the need for oversight, but complicated issues take sometimes more time than might be allocated by the bureaucratic constraints in which debt counselling operates. In his opinion, as long as this extra effort was justified, the eventual outcome was better than the alternative where sticking to the rules would cause people in debt to give up and debt problems to increase.

Wendy

Wendy’s debt problems had a rather straightforward origin when she lost her well-paid job in sales due to a health liability coming from occupational burnout. Now reliant on unemployment benefits, she struggled to adjust her lifestyle to her reduced income level. “My hardest time was at the time when I earned more than the minimum income, during my unemployment benefits. You cannot apply for anything, you receive 70 per cent of your last earned wage, with a maximum¹¹. Well, I had earned more than

¹¹ What Wendy explains here is that her unemployment benefits were too high, meaning that she did not qualify for the various welfare services available to people who live within range of a minimum income.

that, so my income fell by 50 per cent, while I earned more than 120 per cent of the social assistance standard. So my income was high, but I had a house, my expenses, a lifestyle adjusted to your income.” When Wendy thought she had recovered, she tried to become a self-employed professional, only to see her problems escalate further when she felt emotionally drained and developed another moral liability as the new business did not succeed. “Because my energy levels were still not right, and a lot had happened, both privately and with my job. I lost my job, broke up with my partner, and had to sell my house, and not even because of the divorce, as it was entirely my house.” Since her business never took off when her burnout came back, an administrative error with the Tax Administration led to a problem debt, which came on top of an already existing consumer credit, the franchising costs of her former business and other payment arrears. Now both financially and emotionally drained, Wendy had to fall back on social assistance, while she tried to piece her life back together. “I am not using debt counselling myself, consciously... because I do not want to surrender it, can surrender. I have a little bit of control, I think, I arrange it myself. I always arranged things myself, I refuse. ... I do not want to give up my car, I do not want the pressure of ‘you must work’. Even though I want that [to work] very much, I really want to see, what suits me, so that I will be deployable in a sustained manner.”

It was around this time that the experience of the hardship from her problem debt inspired Wendy to look for ways in which she could help others while rebuilding her own energy levels through volunteering. “I did not understand some things, while reading. Something happens, I do not know what it is, but something happens that makes it no longer function upstairs [in the head]. I thought, me, with my education, already requires so much time and energy to understand ‘where can I arrange something, what must be done for that?’ There are so many people who lack that capacity.” As a result of this, Wendy was now volunteering for a local debt counselling organisation, where she tried to help others based on her own experiences. By doing so she could convert her experience with her own liabilities in the various dimensions into moral assets as she tried to help others, something which she felt made her accessible to other people in debt. “I notice that people appreciate that, because you know what it is. They have the idea that you help them because of your own experience, instead of only the rules, or because I want to tell them how they should do it. Because that is not my role, even if I could tell them, but what do I have to say about what another person should do?”

Wendy also felt that the health liability of her occupational burnout gave her a better understanding of the people she tried to help, allowing her to provide not just financial, but also emotional assistance when this was needed. “You maintain the pace that the

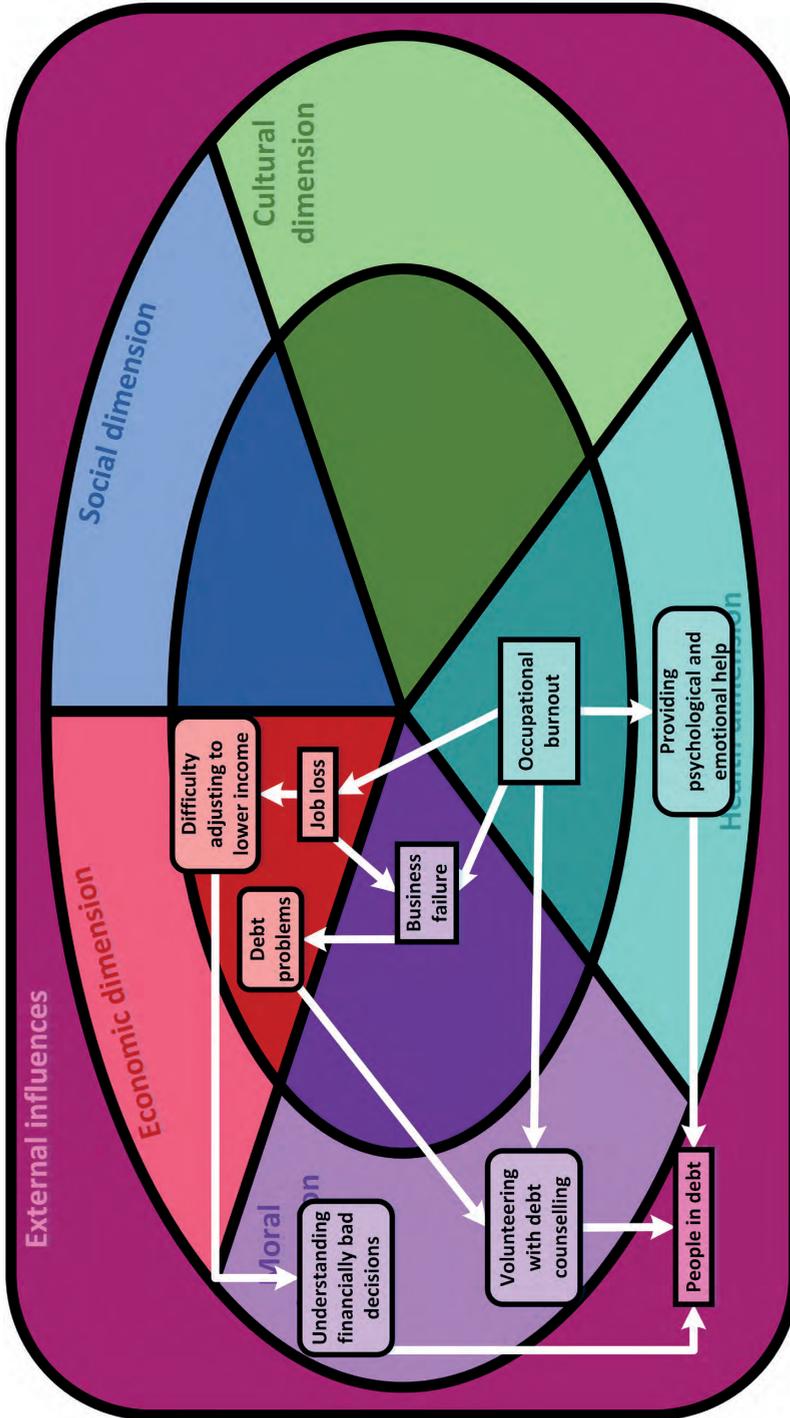


Figure 7.11 – Wendy's Maelstrom

other person needs. Even when you tend to say ‘We are going to do this, there is a big pile [of paperwork], so part of you feels like, let’s go’. But you want the other person to come out stronger, to provide them with the belief that even if it is a big pile, eventually you will get through it. I think you contribute more to someone that way.” Because of her experiences, Wendy believed that debt problems are as much psychological as they are financial. This notion helped her throughout her volunteering, for example by creating space for the emotions of other people in debt instead of focusing on the bureaucratic priorities, as she sensed that this could overcome feelings of shame. Another example that Wendy could recall was the financial burden of her addiction to cigarettes, an experience that helped her understand the financially poor decisions made by others. “It provides people with a handhold... of course that is a farce, that is a false security, it is also about letting go of your old habits. But if you have nothing else, what is left? On the one hand, it is very sad, when the only thing left is your cigarette, I imagine, and non-smokers probably wonder, how is that possible? But I understand. Not just because I am a smoker, but also, it is about patterns. When you are doing something, you work towards a break. That break is your cigarette.” While these handholds could take many forms, Wendy felt that their importance could not be overstated.

Comparison

One thing that stands out in both the narratives of Lars and Wendy is how they shared more or less similar experiences. Both started with successful careers with ample access to assets, only to encounter unexpected hardship as a result of a series of misfortunes. When Lars had to give up his board game store and Wendy became unemployed due to an occupational burnout, they both lost the driving force of their lives, while they also had to deal with substantial financial debts. Similar to many of the other narratives seen in this chapter they counteracted this predicament not just through the formal system of debt counselling, which in the experience of Lars was rather slow to respond, but also through their agency as they looked for ways to regain lost assets. In response to these challenges, Lars and Wendy took somewhat of a proactive approach, with Lars taking the unusual step of organising an amicable debt settlement by himself, which, after it was refused, put more pressure on debt counselling to help him with a legal debt settlement. Wendy decided to forego professional assistance altogether, choosing instead to organise her own recovery plan for both her financial problems and mental health.

In both narratives they found an answer by volunteering for debt counselling, which allowed Lars to regain the self-confidence which he had lost as a result of his problem debt. Meanwhile, helping others allowed Wendy to work on her personal energy levels.

Having first-hand experiences with the challenges and the emotional rollercoaster that accompanies a problem debt, while also experiencing the slow, bureaucratic, and error-prone process in which people in debt can find themselves, positioned them both in a rather special position from which it was possible for them to reacquire new assets. This suggests that, from a temporal perspective, while there was a stage in which both Lars and Wendy had to deal with their own problem debts, for example through the debt settlement provided to Lars or the social assistance for Wendy, the ability to apply this experience to the assistance to others was a second step that since then had continued to help them climb out of their problem debt.

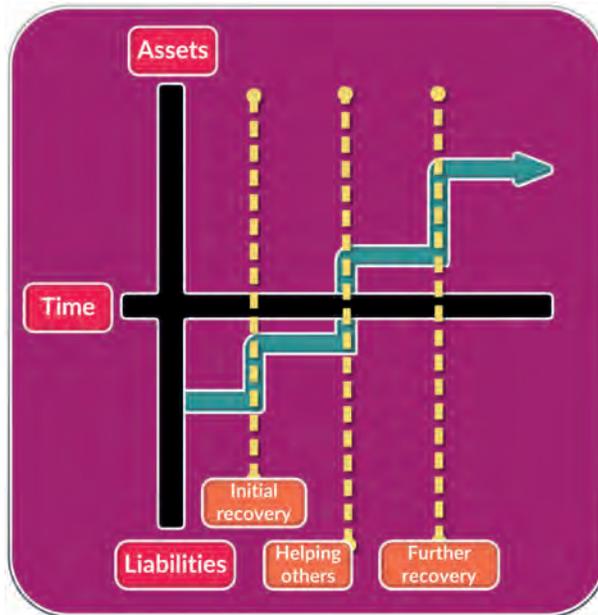


Figure 7.12 – The social trajectory of Lars and Wendy

In their roles as experience experts both Lars and Wendy emphasised the centrality of the human experience of debt, by first trying to rebuild moral assets rather than by addressing the financial problems. In practice this meant that they tried to combine practical financial advice with the extra effort of reaching out to people. Both of them tried to go “beyond” what was required, hoping to reach people in debt who might otherwise avoid professional assistance. At the same time, they also tried to address the needs of people in debt in their own way, for example when Wendy focussed on the emotional experience by rebuilding self-confidence, while Lars tried to give people in debt more perspective on a better future, something which he felt was almost a prerequisite before someone could be helped in a financial sense. While

these are rather exceptional examples in which new assets were accumulated, other narratives in this chapter have also shown that people who encounter poverty and debt try to help one another, even if the extent to which this is possible is restricted by their own availability of assets. In return, people often receive small but meaningful benefits, whether these are economic assets that enable simple day-to-day living, or more durable cultural or moral gains such as career opportunities or a boost in self-confidence. Narratives such as these therefore suggest that, as we have seen in many examples, the reciprocity that results from helping others is what gives value to this microstrategy.

Conclusion

Following the first empirical chapter, addressing the pre-existing conditions in which a problem debt can take root, and the second chapter which describes how a problem debt can enter into a downward spiral, this chapter takes a more upward perspective on the means of recovery which are available to people in debt. Instead of looking at professional debt counselling, which is often considered the most direct way of overcoming a problem debt, this chapter describes four pathways which, while not necessarily helping a person in debt to repay their financial obligations in full, nonetheless allow for the renewed accumulation of assets in one or more dimensions of the maelstrom. The four narratives described in this chapter provide insights into how these new assets can be discovered, even when the accumulated liabilities remain high and past assets have all but disappeared. Between these four narratives we see a great variety of microstrategies, both in scope and in sustainability, with some only providing a minimal and temporary contribution, while others appear to be durable long-term improvements. What is also found is that these strategies are not necessarily exclusive to one another, as most people in debt combine various microstrategies depending on their needs.

The first two narratives discussed in this chapter concentrate on the economic dimension, where a combination of side hustles, saving strategies and unreported income makes up a secondary income stream which Karel and Anna, and likewise Geert and Sara, employed for their everyday benefit. This “extra” money enables them to save money on other expenses, to help others in need or to go out and have fun. The second pathway was centred on the social network of people in debt, which provides them with new assets that can assist in times of need. The narratives introduced in this chapter show that this can be an emergency buffer, used irregularly, as was the case with Kafeel, while it can also be a sustained social bond from which benefits are acquired over time, as was seen with Bert and Esther. Thirdly, this chapter pays attention to the small but important ways in which Hendrik and Paul found renewed

motivation in activities that reaffirm their sense of purpose or control. Even in these extreme cases where almost all assets in the maelstrom are exhausted by a problem debt, the inspiration found in small things, such as volunteer activities or a personal understanding of hardship, seems to be capable of forming a new foundation from which assets can be derived. Lastly, this chapter addressed a fourth pathway by which Lars and Wendy sought out ways to combine their own recovery with the desire to share their experiences with others. Here we see how the hardship encountered as part of a problem debt can motivate someone to take on a mediating role between professional assistance and the everyday rollercoaster experienced by people in debt, often driven by the complexities and challenges they had to overcome themselves.

Based on the three phases of indebtedness which have been explored in these empirical chapters, the next chapter can now begin to formulate a synthesis, bringing together the numerous narratives seen in each of these stages with the intent to construct a new understanding of what a problem debt is and what the operationalisation of a problem debt as a maelstrom of assets and liabilities can contribute to this understanding.



Chapter 8

Redefining Problem Debt

Introduction

Following the extensive empirical investigation in the previous three chapters, the goal of this synthesis is to reflect on how these observations in the world “out there” make sense in light of the perspective of the debt maelstrom. This synthesis seeks to translate the complex and often unique narratives of the everyday experience of people with a problem debt into a more structured framework that helps to understand the numerous conversions, feedback loops and trade-offs that appeared repeatedly in the debt maelstroms. In this synthesis this study intends to show that more so than a new perspective on empirical data, the maelstroms also define a new understanding of a problem debt, one which makes it possible to approach the “experiential understanding” of indebtedness first introduced at the start of this study. At the centre of this synthesis is the awareness that a problem debt is not defined by the “debt”, but by the “problem”. While this problem can be financial in nature, and thus align itself with the common understanding of what constitutes a debt, the problem can also originate from any of the other dimensions of the maelstrom. In some narratives it turned out to be less of a problem and more of a chronic condition, while in other narratives the problem debt had led to new and sometimes even productive turn of events. These did not take away the burden of the persisting financial debt, but did give the experience of the problem of indebtedness a different meaning.

The first step towards a new understanding of problem debt must therefore challenge the common interpretation of what defines the everyday experience of a problem debt, which this study has done by taking it outside of its financial constraints and by instead using a novel multidimensional perspective that addresses other aspects of indebtedness through the visual metaphor of the debt maelstrom. Then, by applying the assets and liabilities found in the narratives of people in debt to this maelstrom, the study attempts to understand the problem that people in a financially vulnerable position seek to solve by taking all of these dimensions into account. To conclude this exercise this chapter develops the “action interchange”, a framework which can be applied to each of the individual narratives in this study. This framework takes both a temporal and spatial perspective on the redefined problem debt by considering the use of assets and liabilities at various phases in the experience of indebtedness: those assets and liabilities which might be present before a financial problem occurs, the impact of a critical moment at which the problem debt presents itself and the actions which people in debt can take to address their situation. Moreover, this debt interchange also introduces a feedback loop which can act as either a positive or negative spiral as problems get worse or situations improve and the assets and liabilities in the life of people in debt change accordingly. In a third and final step, this chapter returns

to the groundwork that was laid out by Bourdieu (1977, pp. 487–488) to address the reproduction of the structure of problem debt, by addressing the interaction between the social field of debt and the “players” who navigate it. The aforementioned feedback loop can be seen in this light, as the choices people in debt make and the actions they take can change the conditions of the social field, and with that the positions from which people can proceed with future actions.

The objective of this synthesis is to bridge the gap between the social field and individual players moving across it. The result of this exercise is not a generalised, let alone a predictive model, but rather the groundwork from which future hypotheses may be developed regarding many aspects of poverty and indebtedness. Inspiration for these future studies can be found everywhere in debt-related literature, for example in the time it takes for people in debt to recognise that they need to call in professional assistance, the struggle people in debt experience to show up for appointments or the failure to fulfil payment obligations with debt collectors (Keizer, 2016, p. 16; Odekerken, 2017, p. 253; Tiemeijer, 2016, p. 36). Each of these examples could be related to the mechanisms described in this synthesis, with the shifting balance of assets and liabilities being the thread that connects them all.

The action interchange of indebtedness

The narratives which have been analysed as part of this study show that the economic liability, often the dimension in which a “typical” financial debt is located, is generally only one dimension of a much larger experience of problem debt. This full experience is not just concerned with financial precarity, but also with a wide range of consequences that both precede and culminate from this financial vulnerability, ranging from limited opportunities in life, changing ties to a social network or a fluctuating perception of self-esteem. It is this complexity that this study has addressed through the five dimensions of the debt maelstrom and the various assets and liabilities which are contained in them. What the first empirical chapter has shown, for example, is that certain pre-existing uncertainties can already be latently present in different dimensions, long before economic liabilities manifest themselves in a discernible manner. Likewise, this study has also analysed narratives in which solely the financial aspects of a problem debt were brought under control, while liabilities in other dimensions persisted and with time introduced new problems, financial or otherwise. This suggests that a problem debt should not be understood as solely a financial problem, but as one involving several challenges that can arise in situations where a person accumulates liabilities in any of the five dimensions of the maelstrom. While the quantifiable nature of the economic dimension might make these particular liabilities more explicitly visible, the debilitating effects of a liability

can come to affect any of the dimensions when they are not adequately addressed. Similar to how using a credit card comes with an obligation to repay the outstanding balance, the same applies to liabilities in the other dimensions. Here, too, obligations instigate an implicit call for repayment, and the question of whether or not someone can live up to these obligations is critical for the development of a problem debt and the way in which a person in debt experiences their narrative. The irony of this is that, while there are ample services able to provide financial assistance in various forms, the liabilities in these other dimensions are often either left undiscussed, left for the individual to resolve by their own means, or addressed by a range of different and often disconnected welfare institutions. As a result, the liabilities in other, non-economic, dimensions tend to be more difficult to resolve in narratives where the balance between assets and liabilities is lopsided, while insight into the conversions between the various dimensions of the maelstrom is lost altogether.

The preceding empirical chapters show how the analysis of the various debt narratives, made up of assets and liabilities across five dimensions, provides a more detailed understanding of the structure of problem debt as a whole. This chapter proceeds to take this one step further, separating the numerous conversions between assets and liabilities from their narratives and instead classifying them according to various phases by which they relate to the overall debt problem and the limited possibilities available to people in debt. Instead of the empirical maelstrom where one sees the numerous conversions in relation to each other, this analysis simulates a temporal perspective in which people in debt go through numerous iterations during which they assess their situation, take actions, and adapt to changing circumstances. One schematic representation of this temporal perspective can be seen in Figure 8.1. This presents an “action interchange of indebtedness”, allowing each of the narratives discussed in the previous empirical chapters to be included in the overall analysis of this redefined problem debt. In this figure, section A represents the circumstances under which a problem debt comes into existence and changes shape over time. Section B reflects upon the spectrum of actions available to people in debt once they find themselves in a problem debt situation.

The phases in section A of the action interchange could be considered the structures to which a person in debt has to relate as they are confronted with a problem debt, while the repeating actions which a person in debt takes in section B reflect their agency and the room available to them to change the structures in section A. These phases in both sections of the action interchange are directly derived from the various times at which assets and liabilities have made an appearance in the maelstroms found in previous chapters. Pre-existing conditions refer to (missing) assets or already

existing liabilities that reinforce the problem debt, often at a time when there was still a balance between assets and liabilities in the maelstrom. In most of the narratives of people in debt this relative stability changes suddenly, in one or more critical moments in which the balance is unexpectedly disturbed for one reason or another.

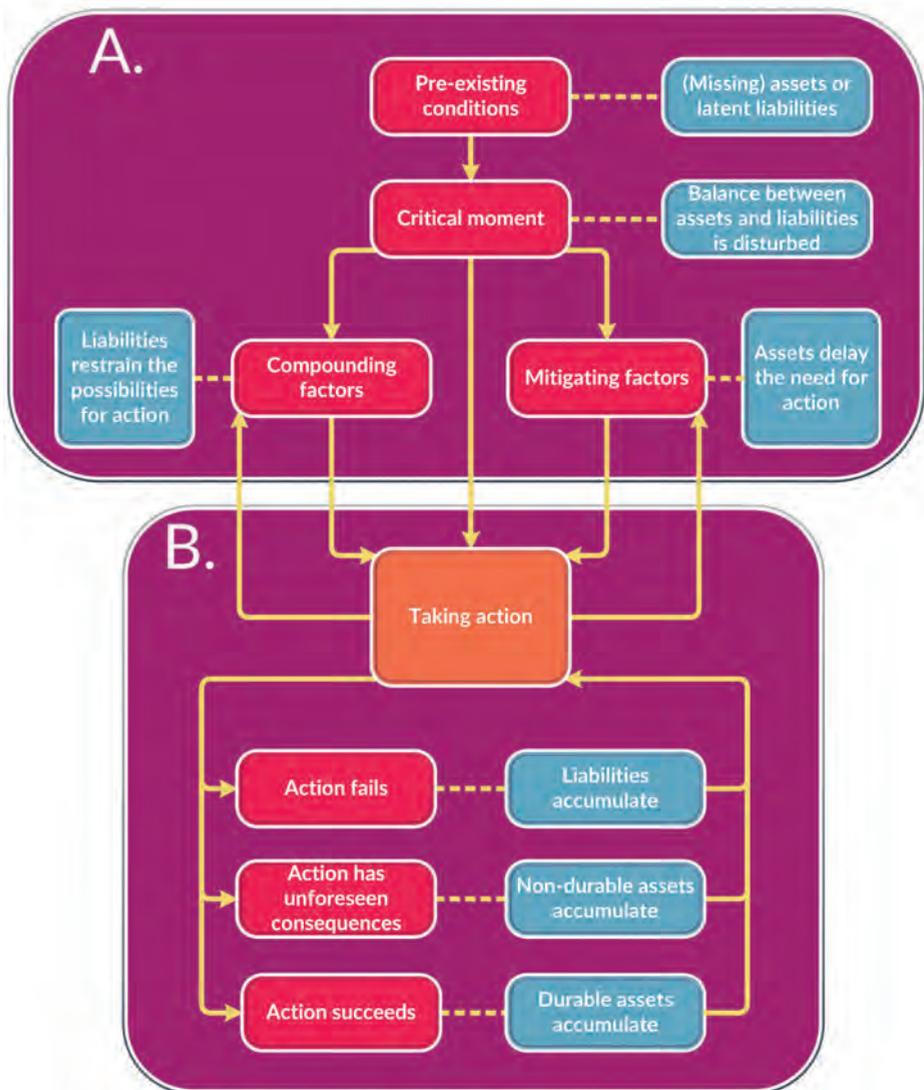


Figure 8.1 - The action interchange

These critical moments introduce new liabilities in the maelstrom or take away past assets on which people used to rely. Extensive examples of these initial two phases can be seen in Chapter 5. Chapter 6 and 7 build on this and analyse how a problem debt changes over time, as various mitigating and compounding factors, made up of newly introduced assets or liabilities, are introduced to the maelstrom. These changes could be the result of subsequent critical moments, but more often are the outcome of the various actions which people in debt undertake in section B. Depending on the outcome of these actions new assets become available or new liabilities increase the precarity of the person in debt, which is reflected by newly introduced assets or liabilities in the maelstrom.

Of critical importance is the interchange that occurs between section A and B, as actions result in enduring conditions which then proceed to guide the possibilities or impossibilities for future actions. As such there cannot be a definitive outcome, a person can only improve his or her conditions to the point where he or she can formulate an effective response to the challenges on their path. This mirrors the feedback loop which is seen in the maelstrom of people in debt, where a multitude of liabilities can set in motion a negative spiral, resulting in increasingly more liabilities, while the accumulation of assets enables new routes towards a solution. As can be seen in Figure 8.2, this is an iterative process which takes place continuously and bounces between the structures in which people in debt exist and the actions they undertake to address these circumstances.

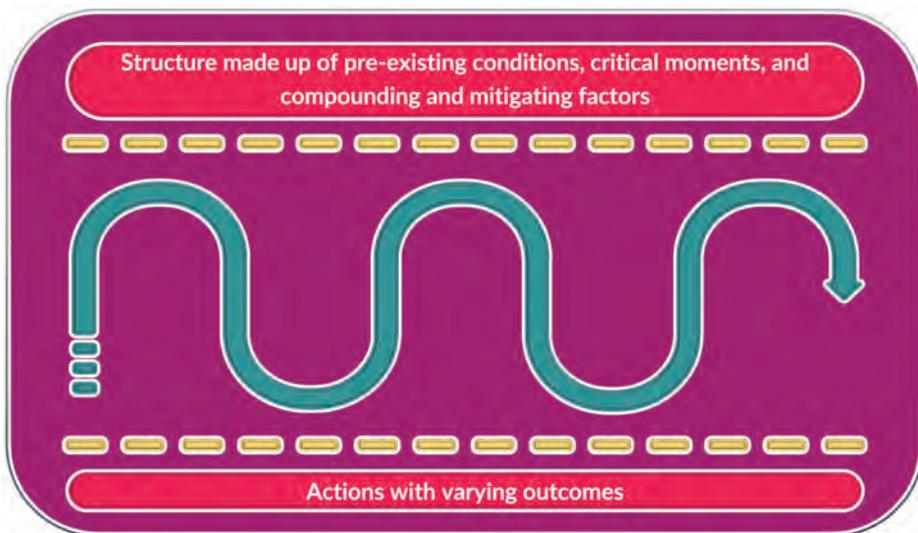


Figure 8.2 - A visualisation of the iterative process in the action interchange of indebtedness

In some sense, these iterations mirror Durkheim's views (1982) on social facts, the values, norms and social structures that are affected by a certain level of social control. Social facts determine how people organise present-day experiences and how they act along the lines of a normative reality perceived in their past, while vice versa present-day behaviour common to the social surroundings of a person goes on to impact the perception and behaviour of a person at future events (Beuving & de Vries, 2015, pp. 31–33). Given the narrative nature of the retellings of the people who participated in this study, in which people in debt locate themselves at various points in time and reconstruct how both externalised structures (e.g. debt counselling) and their own internalised actions have had certain outcomes, this study provides a glimpse on the process that hides behind these iterations of changing meanings and repeatedly reconfigured social facts. To better grasp these iterations this synthesis proceeds to analyse each of the various phases of the action interchange in order to better explain their roles.

Pre-existing conditions

One aspect that has repeatedly been part of the narratives discussed in the empirical chapters is the presence of pre-existing conditions, which involve a wide range of (missing) assets or latent liabilities. These pre-existing conditions might in themselves not present a problem at first, but they do set the scene for a level of precarity that only reveals itself at a later date. These conditions can thus be seen as a lack of “starting capital”, by which later investments become more difficult and are less likely to pay off. They often appear to be inter-generational in nature, involving assets and liabilities that are inherited from parents, whether this is economic wealth, a social safety net or a particular upbringing. These pre-existing conditions are also noticeable by their absence, often taking the form of conversions originating from or leading to durable liabilities or missing assets that are introduced before the problem debt itself sets in, in particular in the cultural and social dimension of the maelstrom. This suggests for example that not accumulating a certain level of cultural assets early in life, or acquiring cultural liabilities during one's upbringing, can sow the conditions which make recovery from a later problem debt significantly more difficult. Observations such as these are grounded in a wide range of sociological research concerned with the effects that pre-existing conditions such as parental socioeconomic status or migrant background have on poverty and indebtedness (Kalthoff, 2020).

In this study, pre-existing conditions are seen in various narratives analysed in this study, such as in the childhood of Rachida, who lost her father at a young age and whose mother was deemed unfit to care for her children, resulting in Rachida going to a boarding school. Here the controlled environment did not prepare her for

the independence expected from her upon reaching adulthood. The absence of these cultural and social assets meant that Rachida was unprepared for the requirements of living on her own, thus making her largely dependent on professional assistance. It was this overabundance of assistance that Rachida considered the root cause of her initial debt problems. In other narratives, the lack of a solid upbringing and education made it difficult to acquire a higher income later in life, when it would have assisted in the struggle against certain liabilities. Paul felt he never had the opportunities that he deserved, mostly because of the missing social asset of not knowing his father and the cultural liability of growing up in an impoverished family that did not encourage him to pursue an education. In a similar way, Karel was also confronted with a difficult childhood, as the moral liabilities of abuse and the cultural liability of a lack of education left him with limited job opportunities later in life. This mirrors the narrative of Matthew, who never excelled in school and decided for himself that instead of gaining cultural assets he was better off accumulating economic assets through working, which suited him all right up until the point that he was confronted with a substantial problem debt.

Migration also played a noticeable role as a pre-existing condition in the experiences of some people in debt. While these are certainly not all disadvantageous experiences, having a non-EU migration background does appear to introduce a cultural liability in the form of a certain level of unfamiliarity with the Netherlands or a lack of recognition for assets that have been attained abroad (Betkó et al., 2023). While some of the people in this study managed to make up for this liability over time, others were still struggling with it while also facing a bigger problem debt. Dewi was one such person who eventually overcame the cultural liability that came with her migration and the adaptation to Dutch society, even though the experience was far from pleasant. For Karim, these liabilities were still affecting him, as he was hindered by the cultural liabilities of an unexpected migration and the difficulty of settling in the Netherlands, the invalidation of the cultural asset he brought over from Sudan and the moral liability of leaving his family behind without being able to support them as much as he wanted. As a result of this, Karim had started with various liabilities before he ever got in financial trouble, something which can be contrasted with the migration experience of Kafeel who managed to avoid these pre-existing conditions, as he migrated to the Netherlands with fewer obligations to the family in his country of origin and with a faster adaptation to the Netherlands.

While early life attainment and a migration background are the most distinct examples of such pre-existing conditions, they are also present in other shapes. The political decision to lower the standards for security staff could be considered one such cultural liability which befell Geert, reducing his economic and cultural capital and challenging the success of his security company, while Lars was confronted with the fraud committed

by his business partner and subsequently had to expend much of his economic and moral assets to address the situation, leaving him vulnerable towards the future. In a similar way, Karim had been dealing with knee problems which flared up from time to time, creating a pre-existing condition in which he was unable to work and was at risk of losing the temporary employment on which he relied. For Paul another example was the fact that his ex-wife had refused to work, leaving him solely responsible for the household income despite their high expenses. What these restrictions share are the limitations they impose on the availability of predominantly economic assets, thus making any future financial setback more difficult to overcome.

Here it seems important to mention that these examples of pre-existing conditions are perhaps not a predictor for a later problem debt, but these do appear to be conditions whose indirect effects have long-lasting consequences in the lives of the people in debt. On top of this, these pre-existing conditions are generally beyond the control of the individual, making them a latent vulnerability until the moment these conditions suddenly become apparent. This can for example be when they prevent a small debt from getting resolved or make it substantially more difficult to adapt to life with other liabilities. These pre-existing conditions thus make a person in debt vulnerable, first by creating a risk for liabilities to occur and then secondly by limiting their means to repair them.

Critical moments

Each narrative that has been part of this study seems to contain one or more noticeable “critical moments”, unexpected events which suddenly introduced new liabilities to the maelstrom or caused pre-existing ones to become critical. In the past decades these critical moments, sometimes perceived as “fault lines” or “tipping points” have been at the centre of various publications that sought to better understand what the unpredictable events, exceptions and outliers of a given situation have to say about the state of affairs in general. These studies suggest that little changes may add up to produce great, sometimes dramatic effects by tipping the scales in a short amount of time (Gladwell, 2000). Moreover, because the moving parts of these critical moments are so small, they tend to go unnoticed until the critical moment, often perceived as a crisis, makes itself known. Often this happens because other issues take priority or because of a human tendency to ignore outliers, warning lights and contradicting viewpoints (Rajan, 2010; Taleb, 2007). The people in this study experienced similar tipping points when the previously existing balance of assets and liabilities in their lives was unexpectedly disturbed in such a way that earlier strategies to restore the balance were no longer effective. When seen in the maelstrom, these are almost always conversions that lead towards economic, social, or cultural liabilities, and consequently

also conversions where one sees the creation of a “problem debt” in the financial sense of the term. Being critical moments, these generally emerge unexpectedly, more often than not caused by outside influences that are external to the person in debt and which leave limited room to manoeuvre. The liabilities they create generally cannot be resolved in a timely manner, either because they are too substantial to overcome or because the effort of repairing them results in new liabilities taking their place.

Typically, these critical moments take the form of incidents that suddenly upend the status quo. Examples of these have been seen in many narratives, such as when the pre-existing condition of Kenneth’s criminal lifestyle caught up with him and sent him to prison, a cultural liability which proceeded to haunt him for years to come. When Wendy got a burnout, it was her own body that made working impossible, which meant her economic assets decreased significantly and required her to adapt to the new circumstances. For Rachida such a critical moment occurred when she left boarding school and started to live on her own without a solid understanding of the financial responsibilities that are part of this. At that moment, the already diminished assets resulting from the pre-existing condition of her upbringing were insufficient, leaving her unprepared for the newfound responsibilities. Dewi saw the success of the clothing stores she was running with her husband diminish following the switch to the marketplace, after which the bankruptcy of their business and her health problems presented a critical moment to her.

One noticeable factor in many of these critical moments is the role of the government as an indirect (and sometimes direct) influence that sets a chain of events in motion to which the person in debt does not have an answer. These can be considered cultural liabilities in their purest form, as people in debt develop obligations towards society that are exceptionally difficult to repay. After all, given the overwhelming force and legal authority of government actions, even the best-prepared person with the largest number of assets may find it impossible to recover from such a critical moment. This is something which was seen in the narrative of Hendrik, who had extremely favourable pre-existing conditions but still lost his business at a critical moment due to the various liabilities that followed when the government imposed sanctions on Russia. Likewise, Lars, having just recovered from the pre-existing condition in which he dealt with the fraud of his business partner, was suddenly confronted with the renovation of the inner city, causing his board game store to first lose revenue, and then have increased rental costs. Similarly, Geert lost access to the asset of his business bank account due to a misunderstanding with the Tax Administration, upsetting his security business which was already feeling the pressure of an economic downturn.

Critical moments also frequently seem to originate from the social network that surrounds a person, as choices made by others can have far-reaching consequences that unexpectedly and dramatically affect people in debt. When Angela's partner disappeared and left her with the sole responsibility for the rental payments of an apartment that was too expensive for her, she had very few options due to her precariousness in terms of health and employment, and the absence of alternative housing. Before Esther met Bert, the abuse she received from her former husband left her financially vulnerable, burdened by the liability of the welfare fraud committed by her husband. For Kafeel, his wife's multiple sclerosis was the critical moment that forced him to choose between his already failing mail delivery business, the care for his children and the medical assistance for his wife. Torn between these different obligations in his life, Kafeel gave up on his business, resulting in a loss in his economic assets in order to stay with his family.

The actions available to the person in debt

In practically all narratives where a critical moment occurred, people in debt were not willing to sit on their hands and do nothing. Instead, they often did something that, in all likelihood, every person would do: search for a solution and take action insofar that the circumstances allow. Instead of acting as passive bystanders, people in debt sought answers to their problems, and while the solutions they came up with were not always sufficient to resolve their predicament in its entirety, they never gave up on this search. What action means in this context should be approached with some extra consideration. After all, if this chapter intends to redefine a problem debt as more than just a major financial problem, and instead looks at all five dimensions of such an event, then this chapter should also reconsider the actions that people in debt undertake to remedy an all-encompassing problem debt. This means that an action does not strictly have to address the economic side of a problem debt, but can also be much more indirect in nature and for example strive to maintain a level of dignity, self-worth, or the social ties to a network. An action can thus be as great as approaching a judge for a formal debt settlement, but it can also be as small as helping out a neighbour in exchange for some groceries.

These actions closely align themselves with various strands of research, ranging from the benign use of coping resources to more resistant and confrontational strategies that mirror the weapons of the weak first described by James Scott (1985). Coping resources originate from the field of psychology, in which these resources are generally described as a response to stress, where *coping* refers to “constantly changing cognitive and behavioural efforts to manage specific external and/or internal demands that are appraised as taxing or exceeding the resources of the person” (Lazarus & Folkman, 1984, p. 141). This coping relies upon so-called *coping resources* because it tends to draw upon

the resourcefulness of a person, as well as the resources available to them. Similar to the assets that have been discussed in this study, these coping resources can take a wide variety of shapes, such as health and energy, positive beliefs, problem-solving and social skills, social support or plain material resources (Lazarus & Folkman, 1984, pp. 159–164). At the opposite end of the spectrum the actions that people in debt deploy can also take an entirely different shape, in particular because problem debts affect a relatively vulnerable group. Here the actions that people take align themselves much closer to *the weapons of the weak*, which Scott (1985) first noticed in the context of peasant resistance, where impoverished workers resisted the authority of elites through simple, yet effective means such as sabotage, false compliance, foot dragging or feigned ignorance. Scott (1985, p. 134) summarised the benefits of these forms of resistance as requiring no preparation, empowering the individual to help themselves and avoiding open confrontation with the powers that be. This also applies to the actions undertaken by people in debt, who do not seek to challenge the authority of debt collectors or counsellors and are often quite willing to work with them to find fixes for their problems, while at the same time also looking for their own solutions. As the narratives in the empirical chapters have shown, parallel worlds can exist in which there is a formal process in which debt professionals are involved and at the same time an informal realm in which the attachments to a social network or the moral evaluation of actions is prioritised.

This suggests that pre-existing conditions create circumstances in which assets are lacking, either because they are insufficiently present in the maelstrom, or because they are overcome by the severe liabilities that are introduced at a critical moment in time. When a person in debt responds to this by taking certain actions, the effects that are achieved tend to differ by multiple orders of magnitude. For some people in this study, this can be as small as making sense of a rather chronic condition of indebtedness, while for others it means concrete steps towards a debt-free existence. Regardless, every person in debt undertakes some of these meaningful steps, each seeking the empowerment that allows them to work towards a goal, to hold on to some level of self-control or to expand the assets available to them in the maelstrom. Actions are however not guaranteed to be a success, and do in fact quite often backfire. This may occur when actions fail and do not achieve any outcome. It can also happen that actions result in unforeseen consequences, whose indirect liabilities might be so significant that they offset the assets gained in the first place¹. A third category is made up of successful actions, that do have favourable results and puts people in debt in a better position than before they undertook the action.

¹ The variety of outcomes that can occur when individuals take action has been studied in the context of how people cope with stressful events. Here it is suggested that taking action involves a combination of recognising the source of a problem, having the knowledge and experience that is required to take action, being able to handle unexpected or unwanted outcomes of the action and lastly accepting that certain conditions cannot be resolved (Pearlin & Schooler, 1978, p. 6).

Dead ends

When it comes to actions that end up failing and thus produce no discernible beneficial outcome, these are often related to the initial responses to critical moments and the sudden, unexpected necessity to adjust the available income and expenses accordingly. When income evaporates, expenses rise and previous buffers are missing, it is not always possible to make the required adjustments. New liabilities arise and complicate already existing liabilities, resulting in people in debt getting ever closer to the centre of the maelstrom. This is most clearly visible when people in debt have large financial obligations such as a business, as these financial obligations are often more complex and include responsibilities towards more parties such as suppliers, clients, or staff. Lars, for example, first responded to the accumulating economic liabilities of his board game store by falling back on his financial buffers, draining what emergency funds he had to deal with the fraud of his business partner, the decreased turnover of his store and the desire to keep his staff employed. In a similar event, Kafeel saw the success of his mail delivery business disappear when he lost a major client and in response had to divide his attention between his business, his wife, and his children, losing what financial gains he had made over the past years in the process. Karel dealt with an accumulation of liabilities as he tried to keep his market entrepreneurship alive despite his van breaking down and problems with the Tax Administration. Hendrik also tried to avoid the worst effects of his business closing down, refusing to leave his home town, and instead choosing to get an expensive rental property which eventually drained his savings. In a similar fashion, while Demi managed to recover from hardship many times before, ultimately her attempt to start a second-hand goods store did not succeed, although this time not for economic reasons but as a result of the people she employed.

Another area in which the actions of people in debt might fail is where it involves bureaucratic systems that for one reason or another present an unsolvable problem without an apparent solution. As frequently seen in the narratives of this study, bureaucracy can present a myriad of obstacles that sometimes cannot be overcome, often translating into cultural liabilities in the maelstrom. Since people in debt often find themselves affected by and dependent on the bureaucratic regimes of debt collection, debt counselling, government welfare and insurance companies, this presents many risks where actions can fail, where existing liabilities can grow and new liabilities may spawn. Moreover, given the number of people in debt who got stuck with a bureaucratic issue at one point or another, this is likely a category of actions that can cause already existing debt problems to develop from bad to worse. One extreme example that made the economic liabilities of Bert and Esther increasingly worse was the bad experiences that they had when they looked for assistance and

first encountered a fraudulent financial guardian and later on an ineffective debt counselling service. Taking these actions, for reasons beyond their control, ultimately did not help them to resolve their problem debt. Similarly, Lars got stuck in a lengthy debt counselling procedure that only resolved itself when he took the drastic measures of employing a lawyer, while Geert never had a chance at a debt settlement because he was incorrectly informed and could not meet the requirements set by the municipality. Meanwhile, Rachida also encountered cultural liabilities when the care provider on which she was relying for her high school tuition and day-to-day supervision was forced into bankruptcy over suspicions of fraud.

What this suggests is that actions most commonly fail when people in debt run against a brick wall of financial or bureaucratic hurdles, that cannot be overcome by good intentions or significant effort. When “the system says no” there is usually no way of getting around it, at least not within the range of options available to people in debt. Similarly, solely relying on savings and other reserves usually only delays the inevitable, as continued debt problems eventually drain these assets and leave one worse off than at the beginning. As the next section shows, however, this is not the only outcome of actions undertaken by the people in this study.

Mixed results

Rather than straight-up failing, the actions that people in debt undertake to address their problem debt more often result in mixed outcomes, often not working entirely out as intended or having certain unforeseen consequences which only become clear as time progresses. These mixed results often take the form of new obligations or dependencies, thus introducing new liabilities whereas the intention was to accumulate new assets. This in itself does not have to be negative. After all, the acquired assets can still be valuable and can help people in debt to resolve their problem debt, even when there are strings attached. Not all obligations are necessarily bad, and as the empirical chapters have shown, people in debt tend to be skilled in managing multiple obligations simultaneously, playing five-dimensional chess right across the debt maelstrom. However, the reverse can also be true, for example when ambiguous results or unforeseen consequences of certain actions increase the already existing precarity, creating doubts if the action was beneficial after all. This is particularly true for decisions that are made under the pressure of poverty or indebtedness, which is known to cause a focus on short-term and risk-averse decision making at the expense of long-term goals and durable solutions (Haushofer & Fehr, 2014). In the narratives of this study, it also appears that certain assets are only short-lived or non-durable, which might prevent more drastic measures in the short-term but also extends the problem debt in the long-term.

This is particularly clear when actions rely on the social network to help people in debt in times of need. Many such actions introduce a measure of reciprocity, as the people helping the person in debt also ask for favours of the person in debt in return. Luckily, in many narratives these are fairly harmless reciprocal exchanges, involving a fair trade between the assets that the person in debt gains and the social liabilities which are incurred. Examples of this can be seen in the lives of Karel and Anna, who receive groceries from their (step)daughter and in exchange help with the upbringing of their grandchild. Kafeel called upon his social ties to the Sudanese community when he needed to attend his sister's funeral in Sudan, which in turn reinforced his obligations when someone else in the community required support. Likewise, Bert could borrow his neighbour's car, and in exchange helped his neighbour out with chores around the house. However, in other narratives a more dangerous side of these obligations can be seen, when social obligations exacerbate debt problems or even create new ones. When Karim first arrived in the Netherlands, his decision to live in the anonymity and informality provided by the Sudanese community in the Netherlands had the unforeseen consequence of preventing and delaying his integration into Dutch society, causing him to accumulate economic liabilities due to an overreliance on his social assets. His problems worsened even more when he was confronted with the passing of his father and felt the need to attend this funeral, creating a social liability that through his actions had the mixed results of payment arrears when the loan that he took on for the travel expenses had to be paid back. In a similar manner, Kenneth decided to refuse rehabilitation assistance, expecting that he could rely on his social assets with friends to deal with his problems, only to see this backfire and cause a major setback in his efforts to resolve his debts. Meanwhile, Matthew managed much of his day-to-day finances utilising informal strategies that at times only worsened his economic liabilities, such as gambling, borrowing from friends and occasionally his sister, or pawning off a golden necklace which he was desperate not to lose due to the sentimental value. While these actions could be advantageous at the moment when Matthew quickly needed money, the long-term obligations that resulted from these actions negatively impacted his efforts to become debt-free.

Another area in which the actions that people in debt undertook under the pressure of their problem debt led to new obligations was when they sought to maintain their sense of independence and self-reliance, which was often the case even when this complicated the overall debt situation. In these narratives, the obligations were not so much towards the social network of a person in debt but primarily to themselves. This is for example visible in the decisions made by Rachida, whose desire to become independent was directly related to her upbringing under the wing of a boarding school and the subsequent problems she encountered as she tried to live on her own. Difficult

choices, such as the choice to resolve her liabilities by herself instead of handing over financial responsibilities to professional assistance, but for example also the choice between working to pay off her debt, or studying to improve her job opportunities later in life, directly impacted the actions that Rachida took. Karel also adamantly refused a debt rescheduling program, feeling much more empowered by the freedom and independence of numerous money-saving techniques and side hustles, even when this meant the overall economic liability of his financial debts could not be resolved. In a similar sense, when Esther escaped the abuse of her former husband and met Bert, they settled for consumer credit as the way to recover from their financial precarity, only realising the financial risks that this entailed when Bert lost his employment. Meanwhile, for Geert the opposite occurred, where surrendering part of his self-reliance had become a tactic in and of itself after years of misunderstandings had made him realise that professionals were much more at ease when you handed over control to them. Instead of proposing his own solutions, he now dropped the problem at their doorstep, hoping that this would result in a solution.

Unlike the actions discussed before, where there was a negative outcome, this category shows more nuance. Whenever people in debt sought to resolve (part of) their problem debt, the actions in this category often resulted in mixed outcomes. Sometimes they achieved their goals with only minor obligations. However, in other narratives the new liabilities introduced as part of these actions were more problematic, resulting in unfavourable trade-offs as one obligation was replaced by another or new obligations were stacked on top of existing ones. Luckily, the third and final category shows that not all actions have to be burdens, as sometimes they can also succeed.

Meaningful change

Actions are not just there to result in failure or to complicate existing problem debts with new dependencies and more obligations. As was seen in the empirical chapters, sometimes the actions that people in debt take to address (part of) their problems truly have significant and meaningful positive effects. While the quantifiable impact of these successful actions can differ greatly, the meaningful impact that they have is almost always substantial, at least in the experience of the person in debt. In other words, a successful action does not have to reduce the outstanding financial debt sum to still have an impact on the overall problem debt. Instead, smaller everyday actions can also restore a sense of dignity or control in an otherwise highly unpredictable situation. It is here where one sees newly generated assets appear in all five dimensions of the maelstrom, as people discover new solutions to their problems, find professional help that can assist them or gain a new perspective by which they look at their own lives. Despite persistent problem debts, it is in the combination of all five of the dimensions

of the maelstrom that it becomes possible to also see narratives with moments of hope or stories of success. A situation could be financially dire, but still allow for moments of reprieve because of the support that was found in the social network, or the meaning that was found in the small joys of life. The five dimensions in the maelstrom meant that there was always something that one could try to improve, for example physical or mental health, finding new job opportunities or maintaining social contacts. Ultimately any of these actions could improve the problem debt situation, even if the immediate financial impact was negligible.

Some of the more effective actions people in debt undertake are the ones related to formal structures of assistance, as these tend to lead to the accumulation of durable cultural assets over a longer time. While there have been examples in this study where municipalities or individual debt counsellors directly contributed to certain liabilities, overall the people in debt in this study who were supported by professionals saw their lives improving, often with a prospect of becoming debt-free at an accelerated pace². Paul recovered from his first economic liabilities because of a debt settlement, and even though Lars had to employ a lawyer to get access to such an outcome, in the end his debt settlement resolved his economic liabilities. Geert and Anna also depended on professionals such as a neighbourhood coach and social counsellor, and while they had a rather litigious relationship with the municipality for many years, in the end they too received a debt settlement with the prospect of escaping from their economic liabilities. The same applies to Bert and Esther, who were greatly helped by the support of the municipality, who provided them with, among other things, a debt settlement, a stair lift, and assistance with the upbringing of their daughter, while Karel benefited from the job training he received by eventually finding employment again. Meanwhile Rachida, while still far from a definitive way out of her economic liabilities, was also helped by her youth counsellor, creating new opportunities where previously there were none.

What the empirical chapters have also shown, however, is the potential for successful actions within the social environment of a person in debt. While these assets in the social dimension were not accessible to everyone, whenever they were available people in debt often greatly valued this contribution. Bert and Esther expressed how they were greatly helped by the economic and moral assets they received from their church community, as this provided them with free meals, an understanding community, and

² This is related to the sampling of this study, which includes only people who were familiar with and receptive to various forms of professional assistance. The outcomes could be very different for people in debt who maintain a more ambiguous or even antagonistic stance towards such interventions in their lives.

a way of feeling useful. Similarly, their neighbour made it possible to go shopping in Germany which meant that the couple could save money on groceries. In a different way, Hendrik felt somewhat reborn through the volunteer work that he had found through a local shopkeeper and which had given him a new purpose in life. Lars and Wendy had even changed careers because of the newfound value derived from their roles as experience experts, considering it not just a new direction for their own future but also deriving value from the way in which they could pass on their experiences to others in need. Karel and Anna relied on their expansive network for their economic assets, finding small financial advantages and a higher degree of comfort in the benefits they gained from the monetary gifts of their parents, a lively exchange with neighbours and various side hustles such as when Karel worked on the market in exchange for groceries. In a similar way, Kafeel could fall back on a friend when he needed a plane ticket to attend his sister's funeral in Sudan, showing that social assets can make it possible to live up to moral liabilities as well.

When formal debt counselling was out of reach, and when falling back on a social network was difficult, one final area where people in debt still managed to improve their situation was in the moral dimension, often by reasserting some control over their situation, no matter how small. While these contributed nothing towards the financial debts, they still improved the overall condition of a person in debt in ways that mattered to them. Examples of this can be found in nearly every narrative, even though the meaning that each person in debt gave to these actions differs greatly. Hendrik described the historical books he was writing as a way to feel useful, which was an experience that had been absent since the loss of his business. Karel specifically tried to help children in need, and by doing so came to terms with the abusive situation of his own childhood. For Geert there was a strong sense of injustice which motivated him to set the record straight whenever he could, whether this was through legal recourse or by participating in a municipal audit. Karim felt torn between, on the one hand, the anonymous freedom that he had known as an immigrant hiding among the Sudanese community, but, on the other hand, also felt a sense of pride for his children and the future he wanted to create for them. Meanwhile, Paul looked for his own answers in response to the limitations that life imposed upon him, restrained as he was by economic liabilities, reduced health, and rather isolated existence, by taking a religious perspective and making sure that he was prepared for his funeral. Here, too, new moral assets were found in seemingly unlikely places, handing over some control to the person in debt where there previously was none.

While this is far from an exhaustive list, and many of these examples are unique to each narrative described in the empirical chapters, what unites them is that each involves a

successful advantage in the direction towards the calmer waters of the debt maelstrom. In the overall debt experience these outcomes give people in debt something to hold on to, or some light in the darkness of their problem debt. Debt counselling tends to be a major game changer which manages to address the economic dimension of the maelstrom, but it seems that, even when this is out of reach, or when a person in debt is not ready to accept this help, there is still a range of pathways along which a person in debt can achieve personal victories in the various dimensions of the maelstrom.

The interchange

As mentioned before, these actions are not final end-points. There is never a single successful action that can completely resolve all aspects of the problem debt at once. Instead, people in debt go through continuous iterations of these actions, with each iteration learning from past mistakes and failures or building on previous experiences of success. This also implies that there is no definitive or objective measurement for the moment at which a problem debt is truly resolved, as it seemingly only ever resolves insofar as people in debt feel that they are back in control, meaning that they are positioned in a maelstrom with substantial assets and manageable liabilities. After all, just paying back every single economic liability might not mean the end of a problem debt if this repayment process results in extensive social obligations within a network or a deeply ingrained moral liability in the form of reduced self-worth. Instead of this outcome, a problem debt is thus much better understood as a continuous, ongoing process in which people in debt constantly readjust their actions based on past experiences. The intermediary result accomplished with each of these iterations are either “compounding conditions” or “mitigating conditions”, which then create the potential for future actions with a range of possibilities available to a person in debt, as well as the necessity for action. This aligns the aforementioned actions with the agency of a person in debt, while the compounding and mitigating conditions, together with any previously existing conditions act as an intermediary status. As such, compounding conditions quite literally compound the problem debt, removing coping resources, restraining the possibility for action, decreasing the chance of future actions being successful or increasing the necessity for short-term actions with mixed or negative long-term consequences. Meanwhile mitigating conditions tend to do the opposite, increasing the coping resources available to a person and thus the possibilities for action, improving the chances of an action being successful or providing the breathing room to consider long-term, durable solutions over short-term fixes. Any escape from a problem debt is therefore based on the incremental and successful “stacking” of mitigating conditions, which over time expands the coping resources which are available and makes it possible to consider new actions. Meanwhile, the opposite effect can be seen when small payment arrears

become unrepayable and uncontrollable problem debts over time, as this seems to follow a pattern which involves an accumulation of compounding conditions that over time reduce the availability of coping resources, thus creating new risks for liabilities to occur.

Compounding & mitigating conditions

While a critical moment is, in isolation, perhaps a problem that could be resolved with a significant effort on the part of the person in debt, sudden disturbances in the availability of assets and liabilities rarely happen in isolation. As has become clear from the actions that people in debt take, the conditions in which they find themselves impact both the choice of action and the chance of a successful outcome. Similar to how assets and liabilities are found to be co-existing as two sides of the same coin, compounding and mitigating conditions are also communicating vessels, with mitigating conditions often compensating for compounding ones, or vice versa. The most obvious example can be found in the cultural dimension, where accessing debt counselling, a process that requires knowledge, commitment, and motivation, can be of instrumental influence on the outcome of a pathway through debt maelstrom. As the empirical chapters have shown, while some people in debt greatly benefited from these professional services, others ran into a brick wall, found it difficult to find the right assistance or avoided this help based on negative experiences in the past. Similarly, whether one has a social network and can discuss financial hardship with this network has a major impact on the social dimension and the extent to which one can acquire social assets. While some people in debt found ample support among friends, family and acquaintances, others found no understanding whatsoever, which in combination with a breakdown of reciprocal exchange sometimes resulted in isolation and missing social assets.

Health also appears to be a common factor that can both compound or mitigate the actions available to people in debt, as well as inform people in debt about what their priorities should be. Whereas being in good health often goes unnoticed, the analysis of health capital in this study has shown that health concerns are often a major compounding condition. This is perhaps no surprise, as health is one factor which by its nature is rarely within the control of the person in debt, what means that liabilities in this dimension tend to be highly influential in what a person in debt can physically do and how much energy is available to take action in other dimensions of the maelstrom. Health issues thus play an important role, often in a very direct way, when people in debt are themselves affected by a health problem and as a result are either unable to accumulate economic assets or forced to accumulate economic liabilities. Having access to health insurance is also a major influence. Failure to get

medical treatment, or pay the bills of such care, can readily set a negative spiral in motion. The combination of having health concerns and the absence of coverage on health insurance quickly results in economic liabilities which, if left unpaid for too long, also become a cultural liability in which receiving some types of care becomes more difficult until the insurance debts are resolved. Health also comes into play as a mitigating or compounding condition in the informal care one provides for or receives from others, as the combination of caring for others while also needing care for oneself is far from easy, often forcing a person in debt to choose between the economic, social, and moral dimension of the maelstrom.

The emotional experience of a problem debt concerns another area where mitigating and compounding conditions can affect the extent to which actions are feasible. This is an underappreciated influence which is closely related to the moral dimension, as people in debt seek to find meaning for their narrative. As people find themselves with a problem debt and must fight an uphill battle to recover from this, it is almost impossible not to also be affected on an emotional level. People in debt might at a time feel depressed, lonely or as victims of their predicament, but also find strength in a new outlook on their life or in successful strategies that make life, if not enjoyable, at least bearable. Dewi saw many of the decisions she made during her problem debt in relation to the care for her two intellectually disabled children, whom she had at times lost sight of during the years that she was working as an entrepreneur. Working long hours and giving everything to her business was both a way of caring for and yet also a way of avoiding the care of her children, while the failed attempt at starting a second-hand goods store was meant as a way to provide them with a future. Meanwhile, Hendrik felt strongly burdened by his former successful life as an entrepreneur, which differed sharply from the impoverished and socially isolated life he was now living, yet he was also uplifted by the newfound appreciation to his volunteering. Kenneth related many of his problems to the failure he felt when comparing himself to others, which in the past resulted in his desire for quick money through a life of crime, but which in recent years had given him a desire to clean up his act. Caring for his father and siblings, Matthew expressed a sense of duty in which he wanted to help out in the household with groceries and gifts, yet in doing so often acted in ways that were detrimental to his own problem debt.

Clearly, these are just some of the areas where mitigating and compounding conditions can determine the actions that people in debt can take, or think they can take. These conditions assure that the experience of a problem debt is far from static, resulting in the tumultuous and capricious maelstrom in which the people in this study, on the one

hand, search for answers and solutions, and, on the other hand, encounter the hard limits that are imposed on them by circumstances.

Returning to Bourdieu

As mentioned in the introduction, what this synthesis has sought to accomplish on a theoretical level is to work with the tools and within the constraints set out by Pierre Bourdieu, and to reframe these in such a way that they can be applied to the rather undefined group of people whose only shared characteristic is the unfortunate encounter with a problem debt. The people in this study come from all walks of life and often encountered a radical change in their societal position as their debt problems took over³. Their status as people in debt is neither predictable nor generational, and yet, in many narratives, it was having a profound impact on many years of their lives. When faced with a problem debt, coping resources from their past might not be valid anymore, or not have the value they once had, while new assets and experiences replace older ones as people in debt start looking for ways to deal with the new liabilities introduced into their lives. To come to terms with this, this study retained the overarching objective of Bourdieu to combine the setting of the social field with the means of agents to influence their surroundings, doing so by rearranging the concept of capital. The first two chapters can be considered an outline of what could be regarded as the social field of indebtedness in the Netherlands. As it introduced the Janus-faced combination of a well-developed state-sanctioned debt collection architecture and a professional and broadly accessible debt counselling infrastructure, the first chapter created a historical context for this field, while the second chapter addressed the intricate mechanisms and rules that govern it. In the third chapter this study moved on to shape an understanding of how people in debt, being the principal social agents of this study, attempt to navigate this field as they developed a problem debt and must fall back on the strategies and resources at their disposal.

As people in debt navigate encounters with the state, privatised debt collection, various welfare institutions, but also informal social networks, they engage with the aforementioned social field in a way that is similar to what Bourdieu and others before him have described as a “game”. Elias (1970/1978) was among the first to conceptualise society as such, using various game models that illustrate the movements that underpin social life itself. Such a perception allows for an understanding of society in which individuals, or indeed groups of individuals, must play a game with each other based on the differences in power that exist between them. Using these models,

³ This could be explained as a result of the sampling in this study, which exclusively focussed on people with severe problem debts without clear-cut or readily available solutions. With minor payment arrears less severe and more structured solutions would likely be sufficient to reduce the impact of indebtedness on a person's life.

Elias suggests that in any given game, a much stronger player is still affected by the moves that are made by a weaker player. The power that the stronger player holds over the weaker player is never absolute, making it essential that both respond to each other. Bourdieu relied on a similar premise for his understanding of the fields in which people participate in society. In these fields, players compete for optimal outcomes, strategising how to maximise the various forms of capital. These forms of capital are, however, also the means by which they compete, as a weapon or an investment that yields a certain force. However, upon entry onto the field players have imperfect knowledge, meaning they are missing an all-encompassing understanding of the rules of the game, the conditions of the field and their position relative to others. Only with time and experience do they acquire what Bourdieu considered a “feel for the game” (Bourdieu & Wacquant, 1992, pp. 98–101; Thompson, 2008, pp. 68–69).

As the analysis of this study has shown, people in debt also encounter a new field when they are first affected by a problem debt. For many of them, it turns out to be a strange game, one in which they only learn to find their bearings with time, effort and sometimes the timely intervention of debt professionals. As such, this study does not so much describe what the “feel for the game” in this field is, but rather how people attempt to develop this feeling under the constraints of imperfect knowledge of the field. In doing so, the study diverges from Bourdieu’s work in two key aspects. The first of these is the role of class reproduction, which is largely absent from this study despite its role in the reproduction of indebtedness. The second difference is in the way in which the notion of capital is conceptualised, as thinking in terms of capital as durably accumulated resources seems insufficient when indebtedness, by its very nature, suggests not just an absence of capital, but even a form of “negative capital” in which obligations and debts outnumber the amount of readily available capital. This suggests that the game that people in debt play on the field can best be understood by breaking up the notion of capital into the respective components of assets and liabilities. While these are two sides of the same coin, they are distinctly different in the meaning they have for people in debt, with liabilities acting as obligations that one tries to fulfil and assets serving as resources from which one can draw. To stay in the game, or to improve their position in the game, people in debt seek to “repay” their liabilities, while they must also try to acquire more assets. Whether a problem debt takes the form of a persistent repayment obligation or a chronic shortage of reliable assets, both influence people in debt to make trade-offs in the field, all while shifting between the five dimensions in the maelstrom, the various expectations of others and the different goals they set themselves. Acquired assets can come at the cost of new obligations, just like liabilities can be answered with newfound assets.

As this study has shown, the “outcome” of this game is different for everyone, and can also be broken down into different phases, with different outcomes for each individual. In the more successful narratives people in debt find a foothold by which they can swim outwards from the centre of the maelstrom, often leveraging the assets in one dimension by converting them into new assets in other dimensions. In other narratives this proves to be much more difficult, in particular when a combination of liabilities is blocking any meaningful change from occurring, or when the accumulation of assets turns out to be non-durable, often due to certain demands made by other liabilities. No matter the expected outcome, the people in this study never gave up on the game, choosing instead to readjust their expectations on what is achievable with the assets available to them, and tackling those liabilities that are within a manageable scope. Debt repayment was certainly on their mind, but it was far from the only goal they set themselves. Parallel to this could be other goals located in other dimensions, whether this was successfully raising a child, upgrading the living room sofa, meeting with friends, finding a deeper meaning in life or working towards another personal goal. While these are not strategies by which to directly repay a debt in a financial sense, the narratives of these informants show that finding dignity, passion or distraction can be just as much a meaningful outcome in the context of indebtedness.

Conclusion

To recapture the task set out at the very beginning, this study has tried to redefine problem debt as more than a complex financial puzzle for which no adequate solution exists. Instead, this study has operationalised a problem debt as an equation of assets and liabilities encountered by a person in debt, which results in a balancing act that can begin even before a conventional financial debt starts, and which continues to develop as people in debt seek solutions for their everyday problems. This chapter thus brings together what was perhaps only implicitly present in the empirical chapters, by moving away from the individual narratives and instead addressing the similarities that exist between all of the presented narratives. The action interchange presented in this synthesis expands on the debt maelstrom and tries to explain the various cycles of events that make up the conversions in the maelstrom. It achieves this by an analysis of the actions that people in debt take in response to their problem debt, and how these actions set the stage for future possibilities and limitations. Through this feedback loop successful actions create more possibilities and improve the chances of success of follow-up actions, while vice versa failed actions may constrain possibilities and decrease the chances of success in the future.

This model is then placed in association with Bourdieu, whose intention to understand the reproduction of societal structures is also reflected in the feedback loop described

in this synthesis. This suggests that the balance between assets and liabilities is constantly readjusted in the interchange between the social field of indebtedness and the actions individual people in debt take, causing one action to lead to the next and creating the conditions from which people in debt determine what future actions they can take. They do this with imperfect knowledge of both the field that they engage in and the actions available to them, but despite these constraints seek out what they consider to be the best options available. This synthesis returns to Bourdieu to see the outlines of a game appear in the context of indebtedness, which, while severely limited by the constraints that are imposed by a lack of assets and complex combinations of liabilities, is nonetheless played by people in debt to the best of their abilities.



Chapter 9

Conclusion

All things considered, the action interchange presents one way in which it is possible to approach the “experiential understanding” of indebtedness, which was the goal of this study all along. By taking into account the multidimensional perspective provided by the debt maelstrom, this study has managed to avoid the narrow view of the legal and financial perspective that is usually applied to the debates that surround indebtedness. Instead, this study has done the exact opposite, broadening the scope by which to understand life with a problem debt by emphasising the countless ways in which financial debts affect, and are affected by, among other things the relations to a social network, personal aspirations for the future and the intimate realm of personal health. This study provides a structure in which a problem debt can be understood from a holistic point of view, which is also the position in which people in debt find themselves as they navigate their personal debt maelstrom.

Using the debt maelstrom that was first introduced in Chapter 4 as both an apt metaphor and a visual representation of the often well-developed narratives that people in debt engage with in order to make sense of their experience of indebtedness, this study proceeded to break up the debt experience in three distinct empirical chapters, firstly addressing the run-up towards a problem debt, when informants were not yet or only vaguely aware of the financial troubles, in Chapter 5. While it might seem paradoxical to address this phase in a study concerning problem debts, the examples discussed in this chapter show how, at least in retrospect, these experiences do matter to people in debt, who each in their own way described how they were burdened by a lack of assets, combined with certain liabilities that set the stage for the problem debt situation. Chapter 6 continues this line, describing the challenges that people in debt face once confronted with a problem debt. The important thing to take away from this chapter is that people in debt do not take a passive attitude towards their financial hardship, and are instead looking for a variety of formal and informal escape routes wherever they could be found. Their narratives describe how, despite these efforts, the problem debt remained, often increasing over time, and expanding into new dimensions of the debt maelstrom as it drained existing assets or created new liabilities. Chapter 7 takes the opposite perspective, presenting people in debt who had more success, meaning they found small but meaningful strategies that helped them (re)build certain assets or take care of previous liabilities. While this recovery was often related to the fundamental support provided by debt counselling, oftentimes their effects were also much smaller and personal, providing moments of relief in an otherwise unfinished story of continuing indebtedness.

Tracing out the negotiation process between the assets and liabilities for the diverse group of people in debt made it possible to understand how these people in debt

interpret their personal process of getting into, and sometimes getting out of, a problem debt. Corresponding to the three empirical chapters this study looked at twelve pathways that reflected a certain shared experience of people in debt. Firstly, by addressing how the assets and liabilities accumulated during the months, years and sometimes decades leading up to their problem debt, it has become clear that many people in debt were already dealing with challenges, and thus liabilities, in the five dimensions of the maelstrom long before their financial problem became acute. Secondly, this analysis has addressed the downward spiral in which liabilities accumulate as people in debt incur new obligations in their effort to raise assets. Thirdly, in a more positive light, it became clear that this accumulation process also provides some people in debt with the means to successfully navigate the maelstrom, whether this is through formal debt counselling or informal strategies. This, too, has been captured by a closer look at the same balancing act between assets and liabilities, which showed, on the one hand, that a problem debt does not necessarily end when the last liability is resolved, but it also suggests, on the other hand, that finding even small assets can add value to life, even when one remains burdened by a substantial financial problem.

Based on a cross-section of these empirical chapters this study seeks to account for both a temporal and spatial perspective on the development of a problem debt. This model, introduced in Chapter 8, addresses the ideas of Bourdieu within the confines of a newly developed “action interchange” for indebtedness. This interchange addresses the pre-existing conditions present before a problem debt occurs, which emphasises the already present experiences and conditions that a person accumulates over the course of a lifetime. In addition to this, it looks at critical moments, which upset the balance of assets and liabilities and create the conditions that require a response. A response then comes in the form of actions, which, depending on the outcome in terms of assets and liabilities, might be successful or not. These actions then proceed to change the social field that people in debt navigate, adding or removing coping resources and creating intermediary compounding conditions that create additional hurdles or mitigating conditions that generate favourable conditions for follow-up actions with an improved chance of success. It are these particular feedback loops that create the possibility for structures of liabilities or assets to reproduce themselves. When compounding conditions limit the range of available actions that a person in debt can take, this results in the aforementioned downward spiral, while mitigating conditions can set in motion the beginnings of a recovery from a problem debt, as one action creates fertile soil from which other actions may succeed.

Fertile academic routes

With this newly developed framework this study is in many ways explorative, seeking new fertile ground related to the topic of indebtedness as a way to make up for the past limitations and misunderstandings that originate from an overly narrow legal and financial view on debt. By being explorative in nature, it does not lend itself to rigorous testing or the scrutiny that applies to quantifiable results. Instead of this, it shows a range of possibilities for future research and testable hypotheses which hold the potential to advance the concept of multidimensional household debts.

The many interconnected conversions that occur within each debt maelstrom are challenging the narrative of the self-reliant citizen that was introduced in the second chapter of this study. The informants in this study are part of larger networks of people, with many network members being at least partially dependent on each other. Whether one acts as a caregiver for another person or is reliant on the support of others, no person is a truly isolated and self-reliant island. The attainability of self-reliance seems even more questionable in light of the cascading effects and many unforeseen consequences that can be found in the debt maelstrom, which can sometimes make it exceptionally difficult to make any reliable long-term plans. While such a critique against the rational choices available to the average citizen is nothing new, being “in control” of one’s own condition seems even less plausible while there is an ongoing problem debt that restricts and to a certain extent dictates the choices that are available to a person. This suggests that one direction for future research might be to study household debt not solely as a rational choice, nor as something that is imposed on people, but rather as an interaction between both, possibly using the action interchange of indebtedness that has been developed in the synthesis as a starting point for a more advanced theoretical understanding of how debt is experienced.

With this perspective in mind, there are various opportunities to advance the understanding of multidimensional indebtedness, some of which would at the same time also address the limitations that stem from the design choices of this study. One refinement could use the debt maelstrom and the action interchange of indebtedness to develop a more focused and detailed perspective on existing and newly appearing subgroups of people in debt. This could for example be newly arising demographics of indebted people, such as the working poor, self-employed professionals or the traditional middle-class households who might have a different perception of indebtedness that would likely affect the conversions that appear in their debt maelstrom (Chen & Nelson, 2020; Řimnáčová & Kajanová, 2019). Fertile ground is also to be found where the insights of this study can be applied to what has previously been called “invisible” people in debt, meaning people who are experiencing a problem

debt situation, but who have not (yet) reached out to the formal debt counselling infrastructure. Since this subgroup of people in debt lacks the assets provided by this formal support structure, the question arises how this affects their debt maelstrom and the liabilities that they face. Some liabilities would likely be far greater, while the absence of a formal regime of welfare could also leave open certain opportunities. This study has also shown that people in debt have numerous informal strategies by which they seek to navigate their debt maelstrom, often using these to acquire certain assets in various dimensions, and often assets that they cannot obtain via different, more formal, routes. The availability of these assets could potentially explain why people wait a long time before getting in touch with debt counselling, for example, because they first seek informal opportunities to acquire more assets and employ these to stretch their assets to the maximum, just to avoid or delay the confrontation with their debt. In line with existing research on informal debts these strategies should be investigated further, in particular for their impact on social networks, stress-related health issues and the overall risk of escalation of a problem debt situation (Odekerken & Yenga, 2024, pp. 30-34).

Another limitation of this study has been its focus on the person in debt, even though there is ample evidence that people navigate the debt maelstrom with numerous extensions to a network. Whether these are professionals such as debt counsellors and judicial officers or informal network members such as family, friends and neighbours, people in debt interact and converse with a wider support network that becomes part of their own debt experience, sometimes even intimately. These outside influences have for the most part been excluded from this study, suggesting that there is room for future research to study the flows of assets and liabilities between network members. This would make it possible to see the conceptual maelstrom not as a singular visualisation of one person but as a hub that is closely interconnected with other maelstroms.

Lastly, while the use of the debt maelstrom, constructed out of conversions between assets and liabilities, is designed solely with the state of indebtedness in mind, the basic premise of a complex and tumultuous maelstrom that visually maps the assets and liabilities in the life of a person does not appear to be limited to this particular context. Debt might cause more extreme reductions in assets and can strongly exacerbate liabilities, but the same could be said for a wide range of other life events in which people must navigate certain changing circumstances or major challenges with limited access to vital assets. Some obvious candidates for this are life in (relative) poverty, people experiencing chronic physical or mental health issues or people who are confronted with sudden changes in their lives, such as a migration experience.

These and other contexts are also approachable as a series of conversions that occur between the various assets and liabilities in one or more dimensions. Studying these changes in assets and liabilities, rather than as individual experiences, enables scientific comparisons that would otherwise be difficult or altogether impossible, for example because people are highly distinct in other ways. Broadening the scope of the debt maelstrom in this way makes it potentially possible to study and ultimately compare a range of different fields, for example different local or national contexts in which it is possible to observe diverging political, legal or welfare approaches to alleviate for example socio-economic hardship.

Policy implications

Besides these fertile routes for academic research this study also has certain policy implications. These are not necessarily new insights, in fact, some have already seen limited implementation in the Dutch welfare context. However, the premises uncovered in this study do lend themselves to debt approaches in Dutch municipalities or policy makers at various government levels who wish to improve the welfare of their citizens, in particular with regard to debt problems. These policy implications affect welfare at a fundamental level and stem from the same root as the previously identified academic challenges. They encourage policymakers to abandon the narrative of a self-reliant citizen and the belief that, with few exceptions, anyone should be able to take responsibility for themselves or ask for assistance when this is not possible. Given the restraints that have been identified in the debt maelstrom this seems exceptionally difficult for people with a problem debt, and more generally, seems to be an inherent aspect of households who find themselves in precarious positions in society. Instead, this study raises attention to the “hidden” mechanisms that affect indebtedness and by doing so goes beyond the typical maths assignment that involves income, expenses, and a payment schedule in the assessment of whether or not someone is able to work their way out of debt over time. The multidimensional perspective addressed in this study suggests that this economic dimension only tells a small part of the whole story, and is in reality interwoven with other dimensions of the maelstrom and rarely as stable as a mathematical equation suggests. After all, this study has shown countless examples in which ties to a social network, aspirations for a better future, a desire to live a meaningful life or other influences are considered important priorities, challenging any debt solution that solely seeks answers to the financial debt problem. Whereas creditors and debt collectors might encourage or even push a person towards a prioritisation of their debts in the economic dimension, in the experience of the person in debt they are simultaneously juggling both externalised influences and their own conscious choices between all of the dimensions in the maelstrom. While their control over these processes is limited at best, and overseeing the full scope is

often impossible, people in debt nonetheless set themselves certain goals that do not necessarily align with the expectations of debt professionals.

In the current situation, these multidimensional aspects of indebtedness tend to qualify people in debt as unreliable, unsuited, or unwilling clients. As seemingly normal as feeling responsible for family members, being indebted to a dear friend or the pursuit of personal goals is, for a person in debt these can very well qualify them as potential higher risks. Creditors might consider the uncertainty that these other dimensions introduce as reasons to increase their interest rates, debt collectors may qualify them as excuses by which people in debt only try to delay an inevitable repayment, and debt counselling may deem it a sign of non-commitment or a lack of motivation to resolve the financial problems. The influences of the other dimensions in the maelstrom, whether consciously chosen or just a result of bad luck, might mean that people refuse to participate in or are rejected from certain forms of assistance, or come to rely on increasingly stringent measures of professional oversight, such as budget management or financial guardianship. Based on this study, however, a new perspective arises, one which could perhaps use the ideas behind the debt maelstrom to develop a new perspective on debt care, and possibly welfare in general. This new perspective does not depart from the concept of self-reliance but instead encourages professionals to ground the way in which an individual experiences his or her life in terms of assets and liabilities that are continuously changing due to a back-and-forth between external influences and internal choices. The main difference of such an approach is that this perspective takes the person in need of welfare as the centre of the conversation and tries to avoid pre-defined assumptions. While the financial debts must be part of this conversation and ultimately must find a resolution, the path to that resolution must be found in a holistic perspective in which other dimensions of everyday life are at the very least included, and may sometimes even take priority.

Instead of a universal definition for welfare this allows the person in need to define what this term means to them, which they can describe through the assets they seek to build or the liabilities which they desire to overcome. While such an approach assuredly requires an adaptation of the theoretical maelstrom in this study to a more hands-on and practical application that can be used by welfare professionals, doing so would highlight those dimensions in the maelstrom of a person which are in most dire need of attention, or which are presenting a barrier to the goals of a person. The debt maelstrom can thus bring to light hidden mechanisms that are otherwise left undiscussed, or wrongly labelled as irrelevant. This study has shown ample examples of this, such as past negative experiences with welfare services, cultural differences resulting from a migration history or social relations that are either beneficial or a

risk factor. Assets and liabilities can also give different professionals and the people in debt a shared language, which can help to explain how the choices of people in debt or the professionals supporting them result in actions that can potentially contribute to an accumulation of assets or a reduction in liabilities. In the face of an overwhelming problem debt this “breakdown” into the individual components could help to make parts of it more manageable for everyone involved. A person in debt can explain why they make certain choices, a debt counsellor can explain what they think the next step should be, and a judicial officer could understand more easily what factors limit someone’s efforts to make a scheduled payment on time.

This is certainly not a novel idea, as there are examples of existing approaches that, to a certain extent, take a broad-spectrum understanding of welfare. Increasingly the organisations surrounding a person in debt are becoming aware of the necessity for a more holistic approach, by which they implicitly already include some of the other dimensions of the maelstrom in their practices. One example is the emphasis that the Dutch Association for Public Credit places on flanking support as one of the ways by which it is possible to achieve durable solutions for financial problems, and which seeks to resolve related problems such as mental health concerns, addiction problems or homelessness (NVVK, 2022b). Municipal taskforces such as neighbourhood coaches also have a highly integral capacity in which they address the variety of social problems that can exist within the same households, including debt problems, healthcare concerns, family issues or unemployment (van Eijkel et al., 2018). Likewise, certain creditors and judicial officers have also begun to distinguish themselves with so-called *socially responsible collection practices* (Akkermans & Räkera, 2023), in which they forego short-term repayment for durable and responsible long-term outcomes. This also takes a broader perspective on debt, with the aim to prevent escalation of the debt problem and to inform debt counselling where it is needed. Lastly, alternative approaches to debt counselling such as Mobility Mentoring have in recent years already started to expand the scope of care that is provided to indebted households, including domains such as housing, health, social networks, and education attainment, in an attempt to improve the overall living conditions of people in debt (Jungmann & Wesdorp, 2017). In their own way, these developments already try to steer away from a narrowly defined view of welfare and an overly strong emphasis on self-reliance, choosing instead for a more supportive role for professionals and increased collaboration between different domains of welfare.

These existing developments could serve as good starting points from which it is possible to develop a new approach for multidimensional welfare distribution, even though time must tell how this turns out when put into practice. An idealistic outcome

would take the shape of close cooperation between a multitude of welfare services, combining for example the strengths of professionals specialised in low-income or debt problems with other professionals that specialise in healthcare, personal development, career perspective, cultural differences, or addiction treatments to a much greater degree than this is currently done. Just like the maelstrom, such close cooperation would put the person in need of welfare central to the process, while a range of professionals cooperate as representatives for each dimension of the maelstrom. Not only would this make it possible to make joint decisions based on shared goals, but it would also give the person at the centre of the maelstrom a certain level of agency. Such a new approach could potentially yield a positive contribution to accessibility and efficiency, allowing debt counselling and other welfare services to help people develop their lives in a positive direction, without the necessity to instil them with predefined notions of self-reliance. As a result of this, thinking along the lines of multidimensionality may answer some of the challenges faced by welfare services today, such as the invisibility of many people in debt, the frequent reliance on controlling mechanisms such as budget management or financial guardianship, and the limited space that professionals experience when it comes to “thinking outside of the box”. Meanwhile, for creditors, debt collectors and judicial officers the maelstrom may serve as a natural extension of their efforts towards more socially responsible collection practices. While assets and liabilities could be misconstrued as additional pressure points by which to re-assess the risks that people in debt pose for creditors, resulting in reduced access to credit, higher interest rates or harsher collection regimes, in the Dutch context of this study it appears that the pendulum has begun to swing in the other direction. National and municipal policies increasingly demand more responsibility from creditors and judicial officers, beyond solely their financial interests. Creditors are increasingly involved in early detection programs, which help to detect problem debts in an earlier stage, while certain political parties and the Royal Professional Organisation of Judicial Officers have also shown an interest in a future role for judicial officers as coordinators with certain caregiving responsibilities (Vos, 2023).

Which outcome prevails is something only time can tell, and this outcome must prove itself both in research and practice. Nonetheless, for the time being, it seems that a changing perspective towards a multidimensional understanding of indebtedness could answer both the needs of people in debt and the professionals seeking to help them.

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Summary

In the wake of the 2007 global financial crisis and the worldwide economic recession that accompanied it, household debt and its corrosive effects on everyday life have seen increasing attention from academia, debt counselling, policy makers and media. Notwithstanding meaningful efforts that sought to curb the negative impacts of household debt, subsequent years of economic precarity caused by the 2020 COVID-19 pandemic and 2021 inflation surge assured that household debt continues to affect a substantial and to some extent growing number of households, challenging each of them to make difficult financial choices with far-reaching consequences. The Netherlands is no exception to these developments, with an estimated number of 720,000 Dutch households being affected by a so-called problem debt at the start of 2023. While historically associated with low-income households, in recent years financial hardship and indebtedness also appears to become more commonplace among other people. It has come to affect vulnerable groups such as youngsters, elderly, and migrants, while also highlighting a growing precarity among entrepreneurs, self-employed professionals and regularly employed people.

In an effort to make sense of this changing landscape, this dissertation develops a new perspective on the problem debt experience. Starting in [Chapter 1](#), the dissertation questions the validity of a purely financial understanding of indebtedness, while it also refuses to resort to a generic understanding in which indebtedness is just one example of the many challenges that people encounter throughout life. Instead the study explores an *experiential understanding of indebtedness*, which introduces a holistic view on the impact that debt has on a variety of aspects of everyday life. [Chapter 2](#) aims to frame and contextualise this experiential understanding by providing a historical overview of debt in the Netherlands, beginning in the late 19th century. Here it is possible to see how indebtedness, while starting out as an economic concern with limited government oversight, transitioned over the course of decades into a major welfare concern. As the awareness of problem debts grew, so did the regulation of excessive collection practices and the infrastructure by which people could access professional debt counselling services. [Chapter 3](#) builds on this historical trend by addressing the present-day, by breaking down the different layers of this welfare-based approach to indebtedness and exploring the roles and responsibilities of debt counselling and debt collection, while also identifying the influence that the state has on both of them.

It is against this backdrop that this dissertation theorises that a problem debt can best be understood as the crossroads of two contrasting perspectives on indebtedness.

One perspective, encapsulated in the Dutch “participation society”, is described as the *narrative of the self-reliant citizen*. This narrative considers Dutch citizens to be empowered, responsible and above all self-reliant individuals. Throughout life, this hypothetical citizen is expected to be capable of solving their own problems, implying that the welfare state is only there to help those people who fail to do so. The study contrasts this narrative with extensively documented insights from the field of economic anthropology. These studies have shown that the choices and capabilities of people in debt are also influenced by external forces, outside of a person’s own control. Thus, while rational self-interest is clearly important to people in debt, at the same time they also have to contend with other, non-economic, value registers that influence and often limit the agency and decision-making of the individual.

To gain a greater understanding of this interaction between different value registers this dissertation explores the ways in which people experience indebtedness in the Netherlands. This was made possible due to a qualitative research design, based on fieldwork at two municipal debt counselling organisations. Here a level of interpersonal trust was established during the observation of the interaction between debt counsellors and people in debt, after which it became possible to interview a range of different people in debt. Keeping in mind existing connotations of taboo and shame surrounding the topic of indebtedness, the study opted for open-ended interviews, giving people in debt ample opportunity to talk about their own experiences in their own narrative. In this narrative people in debt often reconstructed their problem debt, which was described in relation to a *reframed past* and *expected future* as people in debt not only retold their experiences, but also bestowed them with new meaning when they reflected on events in their past and their aspirations for the future.

These interviews have been analysed from a newly developed perspective that is based on the foundation of Pierre Bourdieu’s capital theory. According to Bourdieu, the notion of capital is a driving force that is accumulated over a lifetime and put to use for the navigation of a so-called social field, which is akin to a playing field that people have to navigate in everyday life. According to Bourdieu, on this field capital does not just exist in the economic realm but takes on a variety of different forms, in particular cultural capital, social capital and symbolic capital. It are the differences in the availability of these various forms of capital and the available means to convert them to each other that Bourdieu considers an explanation for, among other things, class, prestige, dependency and domination. As described in [Chapter 4](#), this study seeks to develop these ideas further in the context of indebtedness. Firstly, besides looking at economic, cultural and social capital, the study includes moral capital as a form of symbolic capital that is available to those living in poverty, while the study also includes

health capital as a fifth pillar that is central to the lived experience of indebtedness. Secondly, this study operationalises capital into an equation of two subcategories, these being *assets* and *liabilities*, with the reasoning that a problem debt interrupts a durable accumulation of capital and thus requires a more careful consideration of not just the remaining resources that are available to a person, but also outstanding debts, obligations or vulnerabilities. Thirdly, the study plots these assets and liabilities across the so-called *debt maelstrom*, a visualisation of the interaction and conversions that occur between economic, social, cultural, health and moral assets and liabilities in the narratives of people in debt. Furthermore, these conversions are considered lived examples that provide insight in various social trajectories, a term that Bourdieu used to describe fluctuations of capital over the course of a lifetime. This dissertation explores these social trajectories, visualised by pathways through the debt maelstrom, by means of selected pairs of narratives in which similarities and differences are identified. This results in an analysis in which each of these pairs are assessed along the lines of temporality, meaning how the balance between assets and liabilities develops over time, spatiality, referring to the overall availability and complexity of assets and liabilities, and the level agency that is expressed in the debt narratives.

Within this framework the study captures the variety of narratives of people in debt in three perspectives on the experiential understanding of problem debts. [Chapter 5](#) addresses how preceding events such as the loss of assets or the occurrence of liabilities in one or more dimensions of the maelstrom can lead up to a problem debt. Four pathways through the debt maelstrom are explored, the first of which focuses on liabilities that can be introduced early in life. These youngsters encounter hardship from an early age, as they miss out on important assets while they also need to fight in order to obtain others. When they encounter durable liabilities on their path this leaves them unprepared for the financial difficulties of a problem debt. A second pathway that this chapter explores is related to the loss of assets that results from a migration experience. Here a pre-migration and post-migration phase is described, with the migration acting as a “reset button” in which migrants experience a loss of assets from their country of origin while they simultaneously encounter new liabilities when they try to start over in a new country. When combined, these forces create a potential risk for a problem debt, caused by various obligations that exist in the Netherlands and in the country of origin. A third pathway shifts the attention towards certain narratives in which liabilities have been present throughout the entirety of a lifetime, starting at an early age when people grew up with a limited number of durable assets. With these limitations in place their social trajectory became one of ups and downs. Here, instead of a durable accumulation of assets, the maelstrom displays a series of temporary improvements that are easily disrupted again by unexpected liabilities, often in the

shape of decisions with lasting consequences. A fourth pathway that is isolated in this chapter addresses the social trajectory of entrepreneurs with a problem debt. Here people in debt often start out with a measure of success, resulting in a substantial accumulation of assets at one point in time, only to see this disappear again when a business fails, often due to unforeseen consequences. The chapter concludes that each of these four social trajectories contains certain pre-existing conditions that affected the balance between assets and liabilities in such a way that it left none of the people in this chapter prepared for the event of indebtedness, which caused one or more critical moments to result in a problem debt.

Chapter 6 continues where the previous chapter ended, by addressing the various ways in which a problem debt, once in existence, can worsen over time. This is something that can be seen in narratives without an evident, clear-cut solution for the problem debt. Once more four pathways were selected for further analysis, the first of which addresses a difficult effort to take control over a financial unstable situation, in particular in an effort to escape past problems. The narratives that were explored show an active effort to expand the available assets, but with no durable pathways being available this is a slow process with many and often repeated setbacks. A second pathway in this chapter follows a different direction, in which people in debt try to recover from the initial critical moment that set their problem debt in motion. This recovery proved to be more difficult than expected however, with unexpected liabilities causing further problems and affecting personal health and well-being in the process. This ultimately results in a second critical moment in which people in debt seemingly lose control over their recovery process and the progress made up to that point in time. A third pathway describes a more durable and cumulative loss of assets when the different dimensions of the maelstrom work against each other, meaning that certain liabilities prevent a person in debt from resolving other ones. This ultimately sets in motion a problematic debt spiral from which escape proves to be difficult. The fourth pathway under investigation in this chapter addresses the difficulty that is experienced by people in debt as a result of a bureaucratic wall in their narrative. This wall can take many shapes, but it is a clear setback in the narratives of this study that follows after an initial problem debt occurred and people in debt start to rely on professional assistance to acquire additional assets. Due to the dependency that this introduces there is an inherent risk for further problems to arise, often because the solutions provided by professionals do not match with the desired outcomes of people in debt, or because the assistance causes liabilities to accumulate. In their own way each of these four pathways therefore makes it more difficult for people in debt to resolve their problem debt, either because they miss the required assets or because they encounter new and sometimes unresolvable liabilities on their path.

In a different turn of events, Chapter 7 looks in the opposite direction of the previous chapter, instead addressing how the accumulation of assets can also give new meaning to indebtedness. Four of such pathways are identified, highlighting various ways in which people manage to live with their problem debt or seek to rebuild new assets based on the experience of indebtedness. One such pathway focuses on informal assets that are normally hidden from view, but which can make a lot of difference with an ongoing problem debt. The narratives that are analysed in this pathway combine forms of formal assistance with a range of creative solutions by which people in debt gain access to more assets than they otherwise would have had. While these extra assets are insufficient to resolve the problem debt, their informality does allow them to provide meaningful benefits. A second pathway addresses the inherent strength of a social network, which can be of great importance in the circumstances of a problem debt. These narratives show how a strong network can provide various social assets which a person in debt can also convert in assets in other dimensions of the maelstrom. While this might result in a durable accumulation of assets, it also introduces a future uncertainty where the network can in return also have expectations in the form of future liabilities for the person in debt. A third pathway relies on the awareness that a problem debt can be so persistent and long-term that there is little perspective on a definitive solution. Instead this pathway highlights the focus on a smaller but still meaningful improvements that are found in other areas of the maelstrom than those directly related to the problem debt. While the assets that are gained in these areas are not solving the problem debt, their meaning to the person in debt still makes them relevant. A fourth and final pathway in this chapter addresses narratives in which the problem debt itself makes it possible for people in debt to accumulate new assets, in particular by becoming experience experts who seek to help others through their own experience of indebtedness. The narratives of this pathway present a steady accumulation of assets in which this new role allows people in debt to not just help others but also take their own career in a new direction that aligns with their personal experience of indebtedness. What these pathways illustrate is that people in debt rely on a range of different microstrategies, strategic efforts that are insufficient to resolve the problem debt as a whole, but that nonetheless allow a person in debt to “fight back” and regain a level of control over their situation, ultimately providing them with a level of comfort or real material benefits.

Returning to Bourdieu in Chapter 8, this study proposes an *action interchange of indebtedness* which relates the structures of indebtedness, influenced by externalities, to the agency of people in debt. This synthesis of the previous chapters asserts that a problem debt can be best understood as an interaction between the conditions in which people find themselves and the available actions by which people in debt navigate

their personal debt maelstrom. This action interchange accounts for the pre-existing conditions which might already be present before the problem debt itself exists and the critical moments in which the balance between assets and liabilities is disturbed and a problem debt is created. Subsequently the action interchange also takes compounding and mitigating factors into account, the first of which takes the shape of liabilities that restrain the possibilities for action, while mitigating factors include those assets which delay the need for action. The interaction with these baseline conditions is found in the actions that a person in debt undertakes to convert the various assets and liabilities in their maelstrom. While these actions can take any number of different shapes, what defines them is their impact on the structural conditions. Actions can fail, meaning that they result in an accumulation of new liabilities, actions can succeed, resulting in the accumulation of durable assets, or actions can have unforeseen consequences, meaning that the assets that are generated turn out to be non-durable. These actions then set the scene for a new set of conditions, which in turn allow a person in debt to take follow-up actions. Eventually this might enable people to orchestrate durable improvements in their maelstrom. The chances of a successful navigation of the action interchange can be assessed through Bourdieu's understanding of the social field as a "game", in which different players have different strengths, play by certain strategies and have imperfect knowledge of the rules of the game.

In Chapter 9, the concluding chapter of this dissertation, this study assesses the future merits of this re-evaluation of problem debts and proposes various routes for academic research and several implications for policies surrounding indebtedness. Future studies could certainly explore the merits of this new understanding of multidimensional indebtedness in a range of different settings, for example by focussing on demographic subgroups of people in debt, or on the group of people in debt who have not yet reached out to debt counselling. The debt maelstrom also lends itself for a more network-focused approach, in which the maelstroms of different people are linked up to see the conversions of assets and liabilities that occur between them. Furthermore, the underlying premise of the debt maelstrom, made up of conversions between different dimensions of the lived experience, could potentially also be applied to other life events that require people to navigate rapidly changing circumstances. At the policy level the outcome of this study invites policymakers to shift away from the strong focus on self-reliance where it concerns indebtedness. Instead this study encourages a multidimensional perspective on debt that not only includes all dimensions of the maelstrom, but also assumes a more nuanced way of understanding the actions that people in debt take under the conditions in which they find themselves. While there are various examples of new or still developing initiatives that have touched upon this, a more structured approach could take the shape of a

close cooperation between different welfare services. This would result in a team effort in which the different assets and liabilities in all dimensions of a person's life could be included in a more holistic way out of debt.

Samenvatting

Na de wereldwijde financiële crisis van 2007 en de daaropvolgende economische recessie hebben de schulden van huishoudens en de negatieve effecten ervan op het dagelijks leven steeds meer aandacht gekregen van de academische wereld, schuldhulpverlening, beleidsmakers en media. Ondanks betekenisvolle inspanningen om de negatieve gevolgen van schulden te beperken, hebben de daaropvolgende jaren van economische onzekerheid als gevolg van de COVID-19 pandemie in 2020 en de inflatiestijging in 2021 ervoor gezorgd dat schulden een aanzienlijk en in zekere mate groeiend aantal huishoudens blijven treffen. Dit dwingt hen moeilijke financiële keuzes te maken met verstrekkende gevolgen. Nederland vormt hierop geen uitzondering, met naar schatting 720.000 Nederlandse huishoudens die aan het begin van 2023 getroffen werden door zogenaamde problematische schulden. Hoewel historisch geassocieerd met huishoudens met een laag inkomen, lijkt financiële nood en schuldenproblematiek de laatste jaren ook steeds gebruikelijker te worden onder andere bevolkingsgroepen. Dit treft kwetsbare groepen zoals jongeren, ouderen en migranten, terwijl het ook tot een groeiende onzekerheid leidt onder ondernemers, zelfstandigen en werknemers in dienst.

Om deze veranderende situatie beter te begrijpen ontwikkelt deze dissertatie een nieuw perspectief op de beleving van problematische schulden. In Hoofdstuk 1 wordt de validiteit van een puur financiële benadering van schulden ter discussie gesteld, terwijl er ook wordt afgezien van een generieke benadering waarin schulden slechts één van de vele uitdagingen is die mensen in hun leven tegenkomen. In plaats daarvan verkent de studie een *ervaringsgerichte benadering van schulden*, waarmee het een holistische blik werpt op de impact die schulden hebben op verschillende aspecten van het dagelijks leven. Hoofdstuk 2 voorziet deze ervaringsgerichte benadering van een kader en context door een historisch overzicht te geven van schulden in Nederland vanaf het einde van de 19^e eeuw. Hierin wordt zichtbaar hoe schuldenproblematiek, wat begon als een economisch probleem met beperkte overheidsinvloed, in de loop van decennia transformeerde tot een groot welzijnsprobleem. Naarmate het bewustzijn van problematische schulden groeide, nam ook de regulering van buitensporige incassopraktijken toe en ontwikkelde de infrastructuur waarmee mensen toegang konden krijgen tot professionele schuldhulpverlening. Hoofdstuk 3 bouwt voort op deze historische trend door de huidige situatie te bespreken, waarbij de verschillende lagen van deze welzijnsbenadering van schulden worden uiteengezet en de rollen en verantwoordelijkheden van schuldhulpverlening en incasso worden verkend, waarbij ook de verschillende invloeden van de staat worden geïdentificeerd.

Als theoretisch kader stelt de dissertatie dat een problematische schuld het best begrepen kan worden als een kruispunt van twee tegengestelde perspectieven op schulden. Eén perspectief, belichaamd in de Nederlandse participatiesamenleving, wordt beschreven als het *narratief van de zelfredzame burger*. Dit narratief beschouwt Nederlandse burgers als mondige, verantwoordelijke en vooral zelfredzame individuen. Gedurende hun leven wordt van deze hypothetische burgers verwacht dat deze diens problemen kan oplossen, wat impliceert dat de verzorgingsstaat er alleen is om die mensen te helpen die hierin falen. De studie contrasteert dit narratief met de uitgebreid gedocumenteerde inzichten afkomstig uit de economische antropologie. Deze studies hebben aangetoond dat de keuzes en capaciteiten van mensen met schulden ook beïnvloed worden door externe krachten, buiten de invloed van de persoon zelf om. Dus, hoewel rationeel eigenbelang van invloed is op mensen met schulden, moeten zij tegelijkertijd omgaan met andere, niet-economische waarde registers die de handelingsvrijheid en besluitvorming van het individu beïnvloeden en vaak beperken.

Om een beter begrip te krijgen van deze interactie tussen verschillende waarde registers, verkent deze dissertatie de manieren waarop mensen schulden ervaren in Nederland. Dit was mogelijk door een kwalitatief onderzoeksontwerp, gebaseerd op veldwerk bij twee gemeentelijke schuldhulpverleningsorganisaties. Hier werd een niveau van interpersoonlijk vertrouwen opgebouwd tijdens de observatie van de interactie tussen schuldhulpverleners en mensen met schulden, waarna het mogelijk werd om een reeks verschillende mensen met schulden te interviewen. Rekening houdend met bestaande connotaties van taboe en schaamte rond het onderwerp schulden, koos de studie voor open interviews, waardoor mensen met schulden ruime gelegenheid kregen om over hun eigen ervaringen en hun eigen narratief te spreken. In dit narratief reconstrueerden mensen met schulden vaak hun problematische schuld, die werd beschreven in relatie tot een herzien verleden en een verwachte toekomst, aangezien mensen met schulden niet alleen hun ervaringen opnieuw vertelden, maar deze ook nieuwe betekenis gaven bij het reflecteren op gebeurtenissen uit het verleden en aspiraties voor de toekomst.

Deze interviews zijn geanalyseerd vanuit een nieuw ontwikkeld perspectief dat is gebaseerd op de kapitaaltheorie van Pierre Bourdieu. Volgens Bourdieu is het begrip kapitaal een drijvende kracht die gedurende een leven wordt opgebouwd en wordt ingezet voor de navigatie van een zogenaamd sociaal veld, wat vergelijkbaar is met een speelveld dat mensen in het dagelijks leven moeten navigeren. Volgens Bourdieu bestaat kapitaal op dit veld niet alleen in het economische domein, maar neemt het verschillende vormen aan, waaronder cultureel kapitaal, sociaal kapitaal en

symbolisch kapitaal. Het zijn de verschillen in de beschikbaarheid van deze vormen van kapitaal en de beschikbare middelen om ze onderling om te zetten die Bourdieu beschouwt als een verklaring voor onder andere klasse, prestige, afhankelijkheid en dominantie. Zoals beschreven in Hoofdstuk 4, zoekt deze studie naar verdere ontwikkeling van deze ideeën in de context van schulden. Ten eerste, naast het kijken naar economisch, cultureel en sociaal kapitaal, omvat de studie moreel kapitaal als een vorm van symbolisch kapitaal die beschikbaar is voor mensen die in armoede leven, terwijl de studie ook gezondheidskapitaal benadert als een vijfde pijler die centraal staat in de beleefde ervaring van schulden. Ten tweede operationaliseert deze studie kapitaal in een vergelijking van twee subcategorieën, namelijk *middelen* en *lasten*, met de redenering dat een problematische schuld een duurzame accumulatie van kapitaal onderbreekt en daarom een zorgvuldigere overweging vereist van niet alleen de resterende middelen die een persoon ter beschikking heeft, maar ook uitstaande schulden, verplichtingen of kwetsbaarheden. Ten derde plot de studie deze middelen en lasten op de zogenaamde *schuldendraaikolk*, een visualisatie van de interactie en conversies die plaatsvinden tussen economische, sociale, culturele, gezondheids- en morele middelen en lasten in de narratieven van mensen met schulden. Bovendien worden deze conversies beschouwd als geleefde voorbeelden die inzicht geven in verschillende sociale trajecten, een term die Bourdieu gebruikte om schommelingen van kapitaal gedurende een leven te beschrijven. Deze dissertatie verkent deze sociale trajecten, gevisualiseerd door paden door de schuldendraaikolk, aan de hand van geselecteerde paren van narratieven waarin overeenkomsten en verschillen worden geïdentificeerd. Dit resulteert in een analyse waarbij elk van deze paren wordt beoordeeld op basis van temporaliteit, gericht op hoe de balans tussen middelen en lasten zich in de loop van de tijd ontwikkelt, ruimtelijkheid, verwijzend naar de algehele beschikbaarheid en complexiteit van middelen en lasten, en de mate van handelingsvrijheid die wordt uitgedrukt in de schuldennarratieven.

Binnen dit kader plaatst de studie de verscheidenheid aan narratieven van mensen met schulden in drie perspectieven op de ervaringsgerichte benadering van problematische schulden. Hoofdstuk 5 beschrijft hoe voorafgaande gebeurtenissen zoals het verlies van middelen of het ontstaan van lasten in een of meer dimensies van de schuldendraaikolk kunnen leiden tot een problematische schuld. Vier paden door de schuldendraaikolk worden verkend, waarvan de eerste zich richt op lasten die vroeg in het leven kunnen ontstaan. Deze jongeren ondervinden vanaf jonge leeftijd moeilijkheden, omdat ze belangrijke middelen mislopen terwijl ze ook moeten vechten om andere te verkrijgen. Wanneer ze duurzame lasten tegenkomen op hun pad, laat dit hen onvoorbereid achter voor de financiële moeilijkheden van een problematische schuld. Een tweede pad dat in dit hoofdstuk wordt verkend, heeft betrekking op

het verlies van middelen als gevolg van een migratie-ervaring. Hier wordt een pre-migratie en post-migratiefase geïdentificeerd, waarbij de migratie fungeert als een “resetknop” waarbij migranten een verlies van middelen uit hun land van herkomst ervaren terwijl ze tegelijkertijd nieuwe lasten tegenkomen wanneer ze proberen opnieuw te beginnen in een nieuw land. Wanneer deze krachten worden gecombineerd ontstaat een potentieel risico op een problematische schuld, voortkomend uit de verschillende verplichtingen die enerzijds in Nederland en anderzijds in het land van herkomst bestaan. Een derde pad verschuift de aandacht naar narratieven waarin bepaalde lasten gedurende het hele leven aanwezig zijn geweest, beginnend op jonge leeftijd wanneer mensen opgroeien met een beperkt aantal duurzame middelen. Met deze beperkingen wordt het sociale traject er een van ups en downs. Hier laat de draaikolk in plaats van duurzame accumulatie van middelen een reeks tijdelijke verbeteringen zien, die gemakkelijk opnieuw worden verstoord door onverwachte lasten, vaak in de vorm van beslissingen met blijvende gevolgen. Een vierde pad dat in dit hoofdstuk wordt geïsoleerd, behandelt het sociale traject van ondernemers met een problematische schuld. Hier beginnen mensen met schulden vaak met een mate van succes, wat resulteert in een substantiële accumulatie van middelen op een bepaald moment, waarna ze dit weer zien verdwijnen wanneer een bedrijf faalt, vaak als gevolg van onvoorziene gevolgen. Het hoofdstuk concludeert dat elk van deze vier sociale trajecten bepaalde, reeds bestaande, condities bevat die de balans tussen middelen en lasten zodanig beïnvloeden dat geen van de mensen in dit hoofdstuk voorbereid waren op het ontstaan van schulden, waardoor een of meerdere kritieke momenten resulteerden in een problematische schuld.

Hoofdstuk 6 gaat verder waar het vorige hoofdstuk eindigde, door de verschillende manieren te behandelen waarop een problematische schuld, eenmaal in het leven geroepen, in de loop van de tijd kan verergeren. Dit is iets dat in narratieven zonder een eenduidige oplossing voor de problematische schuld te zien is. Opnieuw zijn vier paden geselecteerd voor verdere analyse, waarvan het eerste een moeizame poging behandelt om controle te krijgen over een financieel instabiele situatie, met name in een poging om eerdere problemen te ontvluchten. De narratieven die werden onderzocht getuigen van een actieve inspanning om de beschikbare middelen uit te breiden, maar zonder duurzame oplossingen is dit een langzaam proces met vele en vaak herhaalde tegenslagen. Een tweede pad in dit hoofdstuk volgt een andere richting, waarbij mensen met schulden proberen te herstellen van het eerste kritieke moment dat hun problematische schuld in gang zette. Dit herstel blijkt echter moeilijker dan verwacht, met onverwachte lasten die verdere problemen veroorzaakten en persoonlijke gezondheid en welzijn beïnvloedden in het proces. Dit resulteert uiteindelijk in een tweede kritieke moment waarin mensen met schulden ogenschijnlijk de controle over

hun herstelproces en de vooruitgang die tot dat moment was geboekt verliezen. Een derde pad beschrijft een duurzamer en cumulatiever verlies van middelen wanneer de verschillende dimensies van de draaikolk tegen elkaar in werken, wat betekent dat bepaalde lasten een persoon met schulden beletten om andere lasten op te lossen. Dit zet uiteindelijk een problematische schuldendraaikolk in gang waaruit ontsnappen moeilijk blijkt te zijn. Het vierde pad dat in dit hoofdstuk wordt onderzocht, behandelt de moeilijkheid die wordt ervaren door mensen met schulden als gevolg van een bureaucratische muur. Deze muur kan vele vormen aannemen, maar het is een duidelijk obstakel dat volgt nadat een initiële problematische schuld is ontstaan en mensen met schulden beginnen te vertrouwen op professionele hulp om extra middelen te verwerven. Vanwege de afhankelijkheid die dit introduceert, is er een inherent risico op verdere problemen, vaak omdat de middelen die professionals bieden niet overeenkomen met de gewenste uitkomsten van mensen met schulden, of omdat de hulp leidt tot het toenemen van de lasten. Elk van deze vier paden maakt het daarom op zijn eigen manier moeilijker voor mensen met schulden om hun problematische schuld op te lossen, ofwel omdat ze de benodigde middelen missen of omdat ze nieuwe en soms onoplosbare lasten tegenkomen op hun pad.

Hoofdstuk 7 kijkt in de tegenovergestelde richting van het vorige hoofdstuk en behandelt in plaats daarvan hoe de accumulatie van middelen ook nieuwe betekenis kan geven aan schulden. Vier van dergelijke paden worden geïdentificeerd, waarbij verschillende manieren worden belicht waarop mensen erin slagen te leven met hun problematische schuld of nieuwe middelen proberen op te bouwen op basis van de ervaringen met schulden. Een eerste pad richt zich op informele middelen die normaal buiten zicht blijven, maar die veel verschil kunnen maken bij een aanhoudende problematische schuld. De narratieven die in dit pad worden geanalyseerd combineren vormen van formele hulp met een reeks creatieve oplossingen waarmee mensen met schulden toegang krijgen tot meer middelen dan ze anders zouden hebben gehad. Hoewel deze extra middelen onvoldoende zijn om de problematische schuld op te lossen, stellen ze mensen door hun informaliteit wel in staat om betekenisvolle voordelen te verkrijgen. Een tweede pad behandelt de inherente kracht van een sociaal netwerk, dat van groot belang kan zijn in de omstandigheden van een problematische schuld. Deze narratieven tonen hoe een sterk netwerk verschillende sociale middelen kan bieden die een persoon met schulden ook kan omzetten in middelen in andere dimensies van de draaikolk. Hoewel dit kan resulteren in een duurzame accumulatie van middelen, introduceert het ook een toekomstige onzekerheid waarbij het netwerk op zijn beurt ook verwachtingen kan hebben in de vorm van toekomstige lasten voor de persoon met schulden. Een derde pad berust op het besef dat een problematische schuld zo hardnekkig en langdurig kan zijn dat er weinig perspectief

is op een definitieve oplossing. In plaats daarvan richt dit pad zich op kleinere maar toch betekenisvolle verbeteringen die worden gevonden in andere gebieden van de draaikolk dan degene die direct gerelateerd zijn aan de problematische schuld. Hoewel de middelen die in deze gebieden worden verkregen de problematische schuld niet oplossen, maakt hun betekenis voor de persoon met schulden ze toch relevant. Een vierde en laatste pad in dit hoofdstuk behandelt narratieven waarin de problematische schuld zelf het mogelijk maakt voor mensen met schulden om nieuwe middelen te ontwikkelen. Ze doen dit door ervaringsdeskundigen te worden die anderen proberen te helpen vanuit hun eigen ervaring met schulden. De narratieven van dit pad presenteren een gestage accumulatie van middelen waarbij deze nieuwe rol mensen met schulden niet alleen in staat stelt om anderen te helpen, maar ook om hun eigen carrière in een nieuwe richting te sturen die aansluit bij hun persoonlijke ervaring met schulden. Wat elk van deze paden illustreert, is dat mensen met schulden vertrouwen op verschillende microstrategieën, strategische inspanningen die onvoldoende zijn om de problematische schuld als geheel op te lossen, maar die desalniettemin een persoon met schulden in staat stellen om “terug te vechten” en een mate van controle over hun situatie terug te krijgen, met als gevolg uiteindelijk een bepaald niveau van comfort of betekenisvolle materiële voordelen.

Terugkerend naar Bourdieu in Hoofdstuk 8, stelt deze studie een *actie-uitwisseling van schulden* voor die de structuren van schulden, beïnvloed door externe factoren, relateert aan de handelingsvrijheid van mensen met schulden. Deze synthese van de voorgaande hoofdstukken stelt dat een problematische schuld het best begrepen kan worden als een interactie tussen de omstandigheden waarin mensen zich bevinden en de beschikbare acties waarmee mensen met schulden hun persoonlijke schuldendraaikolk navigeren. Deze actie-uitwisseling houdt rekening met de reeds bestaande voorwaarden die al aanwezig kunnen zijn voordat de problematische schuld zelf ontstaat en de kritieke momenten waarin de balans tussen middelen en lasten wordt verstoord en een problematische schuld ontstaat. Vervolgens houdt de actie-uitwisseling ook rekening met verzwakkende en versterkende factoren, de eerste in de vorm van lasten die de mogelijkheden voor actie beperken, terwijl versterkende factoren die middelen omvatten die de noodzaak voor actie vertragen. De interactie met deze factoren wordt gevonden in de acties die een persoon met schulden onderneemt om de verschillende middelen en lasten in hun draaikolk om te zetten. Hoewel deze acties elke mogelijke vorm kunnen aannemen, worden ze gedefinieerd door hun impact op de structurele omstandigheden. Acties kunnen mislukken, wat resulteert in de accumulatie van nieuwe lasten, acties kunnen slagen, resulterend in de accumulatie van duurzame middelen, of acties kunnen onvoorziene gevolgen hebben, wat betekent dat de gegenereerde middelen niet duurzaam blijken te zijn. Deze acties

bepalen vervolgens de scene voor een nieuwe set omstandigheden, die op hun beurt een persoon met schulden in staat stellen om vervolgacties te ondernemen. Uiteindelijk stelt dit mogelijk mensen in staat om duurzame verbeteringen in hun draaikolk te orkestreren. De kansen op een succesvolle navigatie van de actie-uitwisseling kunnen worden beoordeeld door Bourdieu's begrip van het sociale veld als een "spel", waarin verschillende spelers verschillende sterktes hebben, volgens bepaalde strategieën spelen en onvolledige kennis van de spelregels hebben.

In Hoofdstuk 9, het slothoofdstuk van deze dissertatie, beoordeelt deze studie de toekomstige verdiensten van deze herwaardering van problematische schulden en worden verschillende routes voor academisch onderzoek en verschillende implicaties voor beleid rond schulden voorgesteld. Toekomstige studies zouden de verdiensten van dit nieuwe begrip van multidimensionale schulden in verschillende contexten kunnen verkennen, bijvoorbeeld door te focussen op demografische subgroepen van mensen met schulden, of op de groep van mensen met schulden die nog geen hulp hebben gezocht bij schuldhulpverlening. De schuldendraaikolk leent zich ook voor een meer netwerkgerichte benadering, waarin de draaikolken van verschillende mensen met schulden worden gekoppeld om de conversies van middelen en lasten te zien die tussen hen plaatsvinden. Bovendien zou het onderliggende uitgangspunt van de schuldendraaikolk, opgebouwd uit conversies tussen verschillende dimensies van de beleefde ervaring, mogelijk ook toegepast kunnen worden op andere levensgebeurtenissen die mensen dwingen om snel veranderende omstandigheden te navigeren. Op beleidsniveau nodigt het resultaat van deze studie beleidsmakers uit om weg te bewegen van een te sterke focus op zelfredzaamheid waar het schulden betreft. In plaats daarvan moedigt deze studie een multidimensionaal perspectief op schulden aan dat niet alleen alle dimensies van de draaikolk omvat, maar dat ook oproept om meer genuanceerd te kijken naar de acties die mensen met schulden ondernemen onder druk van de omstandigheden waarin ze zich bevinden. Hoewel er verschillende voorbeelden zijn van nieuwe of nog te ontwikkelen initiatieven die hierop inspelen, zou een meer gestructureerde benadering de vorm kunnen aannemen van een nauwere samenwerking tussen verschillende welzijnsdiensten. Dit zou resulteren in een teaminspanning waarin de verschillende middelen en lasten in alle dimensies van iemands leven betrokken kunnen worden bij een meer holistische weg uit de schulden.



Appendix

Declaration Data Management

About the author

Acknowledgments

Declaration Data Management PhD Thesis

Radboud Social Cultural Research, Radboud University

Section A. Primary data / information

For my thesis I have collected **primary** data / information.

Yes → Complete section A.

No → Go to section B.

I declare that

- | | | |
|-----|---|-------------|
| A1. | The data for my thesis are obtained with the consent of informants / respondents. | Yes/No |
| A2. | Privacy sensitive data / information is encrypted and is stored on a protected computer or server environment. | Yes/No |
| A3. | The data / information is securely stored for reasons of scientific integrity at least for 10 years after finishing PhD research. | Yes/No |
| A4. | Anonymized data / information is registered in a well-known data repository system (Research Data Repository, DANS-KNAW). | Yes/No/n.a. |
| A5. | Access to anonymized data / information is arranged referring to the FAIR principles of data management. | Yes/No/n.a. |

Section B. Secondary data / information

For my thesis I have used data / information **collected by other researchers**.

Yes → Complete section B.

No → Go to section C.

I declare that

- | | | |
|-----|--|--------|
| B1. | The data / information is obtained legitimately. | Yes/No |
| B2. | Non-public or secured data / information is stored on a protected computer or server during research. | Yes/No |
| B3. | The data / information is not shared with third parties, and has been treated in accordance with the agreements made with the information provider | Yes/No |

Section C. General

I declare that

- | | | |
|-----|--|--------|
| C1. | A short methodological justification, and/or the syntax and method of data / information processing is deposited in a so-called 'publication package'. | Yes/No |
| C2. | It is not possible to link data / information in publications to individuals (except with explicit consent). | Yes/No |
| C3. | The data / information is analyzed in a trustworthy manner and is not been deliberately manipulated toward certain outcomes. | Yes/No |

Signature

Name PhD Candidate: H.G.J. van der Burgt

Title Thesis: In Dire Straits. Multidimensional Household Debt in the Netherlands

Date: 27-11-2023

Signature:



If one or more statements cannot be confirmed the PhD should explain in an Annex why certain conditions are not met following the 'comply or explain' principle.

Annex

This dissertation is based on ethnographic fieldwork that took place in two cities in the Netherlands between May of 2018 and August of 2019. This fieldwork was possible because of the trust and the mutual understanding that I developed with the participants in this study, which allowed me to interview them about their personal experience of indebtedness and financial hardship. These data were collected in accordance with the ethical standards of the Radboud Social and Cultural Research Institute. In line with Privacy Legislation and Data Protection Laws, these data cannot be made public in their 'raw' and unprocessed form, because I am bound to protect the identity of the participants in this research. These privacy concerns also make the data that were collected not suitable for analysis by researchers who are not familiar with the field site in which this study has been conducted. The data are stored on a computer, in an encrypted folder that is secured with a password. A back-up of this folder is stored on a password-protected external hard drive that is kept separately from the computer where the original data is stored.

Acknowledgments

Of all the people who contributed to this project, I am most indebted to the many informants who shared their experiences of indebtedness with me. I hope with all my heart that the difficulties about which we spoke many years ago have since then lessened themselves. Most of you were going through very difficult times when we spoke, yet you still found the courage, the time and the motivation to open up to me. By doing so, you helped me understand the complexity of financial hardship and allowed the retellings of your experiences with debt to become the foundation on which this dissertation is built. There is no imaginable way in which the achievement would have been accomplished without your contribution, and for that I can only express the greatest gratitude.

My gratitude also extends to the many key informants who in some shape or form helped me to find my bearings in the complex world of debt. Among these are assuredly the people who opened the doors of their organisation to me, for which I want to thank André, Han, and Christiana in particular. I also extend my gratitude to the many debt counsellors, neighbourhood coaches and other debt professionals who invited me to become part of their everyday reality, in which they tried their best to help people in debt. While there were many, I want to especially thank Judith, Richma, Sal, Ayan, Marc, Ginette, Marieke and Martijn. You went out of your way to support this study, even in a phase where I could barely explain what it was that I was investigating. The time that you took out of your busy days to explain the cases that you were dealing with and your efforts to introduce me to the people that you were trying to assist were instrumental to the success of this project. Moreover, the time that I spent in your teams provided a most enjoyable work environment, which combined the practical benefits of an office with the lunch breaks, the informality, the stories and the jokes that one only finds among close colleagues.

This dissertation would never have seen the light of day without the great efforts of my promotor Toon van Meijl and co-promotors Joost Beuving and Maurice van Gesthuizen. Toon, Joost, Maurice, when you hired me on this position, now many years ago, I was still very much thinking of myself as a student. I want to thank you immensely for this opportunity, which came at a time when I had, truthfully, only the faintest idea of what “being a researcher” actually entails. Since then it was thanks to your expert guidance, the countless team meetings, and the many opportunities that you presented to me over the years, that I could hone my academic skills. Under your supervision I got to experience first-hand what is involved with doing research, while the time spend teaching students helped me discover a passion for education in an academic setting.

Your endless encouragements and never wavering confidence in this project kept me going, even when there was a mountain of audio material to transcribe, when the writing process was slow or when I had to combine my research with teaching and later in the project with a new job. Your clear feedback on each chapter, your patience with my progress and your willingness to embrace my novel ideas were of immense value and made this dissertation as good as it could possibly be. I am honoured to have travelled this journey with you.

I would also like to express my gratitude to the members of my manuscript committee, prof. dr. Esther-Mirjam Sent, prof. dr. Cok Vrooman and dr. Erik Bähre. The time and effort that you invested in the final leg of this research project is much appreciated. This appreciation also extends to the other members of my Doctoral Examination Board, prof. dr. Nick Huls, dr. Lisette Pondman and dr. Luuk van Kempen, who willingly took on their role as opponents in my defence.

I was blessed with the coincidence that my PhD started roughly at the same time as the one of Lieke van der Veer, Adam Moore and Janne Heederik. Sharing a temporary office in a rather gloomy wing of the university meant that we spend much time together in the early phases of our projects. This experience, shaped by our parallel paths and a sense of comradery, proved to be invaluable during the first years of my PhD. The progress that you made in your own projects inspired me to develop my own ideas, while the conversations, jokes and lunch breaks that we shared meant that there was never a boring day in the office. Thank you!

One thing I also discovered over the course of this study is that a PhD is far more than just a research project. It truly becomes a part of your life and also a part of your identity, making it more than a job and instead something to which you learn to relate in everyday life. In this regard no two people have been more important to me than my parents. Mom, dad, you gave me everything I needed to complete this project long before I ever started this PhD. Your love, care, patience, and willingness to help me out in any way you could made this a true team effort in which I never felt alone and always had a place to come home to. While you no doubt questioned when, if ever, this project was going to finish, and assuredly worried that my other activities were distracting me too much from finishing, you supported me every step of the way and make me proud to be your son.

One of the greatest moments during this PhD was no doubt the day when I met Shirley, the love of my life. What started as a distant conversation grew into something beautiful, something which persisted and something that thrived with time. Having

you in my life has brought me so much, love, joy, adventure and many more things. Your daily support throughout the later years of this endeavour and your passion for science motivated me to keep going, especially at the times when progress was slow. Seeing you successfully defend your own PhD was the final push that I needed to start preparing for my own finale. While I might have started this project on my own, you are the person who assured me that I could and would complete it.

Last but not least I want to thank my current supervisor, Roger van der Hoeven, and my colleagues Inge Slouwerhof, Stijn de Laat, Daphne Jansen, Katherine Marcoux, Didi Lamers and Janne Bibbe. From day one of my employment with Research Support and Quick Solutions have you been accommodating and flexible where it came to my PhD-related responsibilities. Because of this you significantly lowered the burden of a combined job and PhD, allowing me to make swift progress in the last years of the project, while your curiosity about the progression of the dissertation motivated me to keep working.

About the author



Henry van der Burgt (1989) grew up in the town of Overasselt. He obtained a BA in History (2011) and a BSc in Cultural Anthropology and Development Sociology (2014), after which he graduated cum laude with a MSc in Social and Cultural Science (2017), all at the Radboud University in Nijmegen. For his master thesis he wrote the ethnography “The Afrikaner Quest for Community. A study on Communitarianism in Orania”, based on fieldwork conducted in an Afrikaner community in South Africa.

After graduation, he embarked on a PhD project with the working title “In dire straits? Meanings and structures of consumer debts in The Netherlands”, for which he did extensive fieldwork in Dutch debt counselling organisations. During this project he served as PhD Representative for the Radboud Social and Cultural Research Institute, while he also gained substantial teaching experience as a lecturer for various courses for Bachelor’s, Master’s and PhD-level students.

Due to a growing enthusiasm for the management of research data, he assumed the role of Research Datamanagement Specialist at the Radboud University Nijmegen in 2022. In this capacity, he is engaged in activities revolving around researcher training, data management policies, and the rapid developments in the field of data management.

