

# Support Or Barrier? The Impacts of Social Capital Stock on Low-Income Family in Shenzhen

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**Abstract.** In contemporary society, low-income households frequently face barriers in accessing education, healthcare, or stable employment, with social relationships exerting complex influences on their situation. This paper centres on the core issue of how social capital endowment affects low-income households, analysing both its supportive functions and detrimental effects. This research employs a social capital theoretical framework and literature review methodology, selecting Shenzhen in Guangdong province, China as the case study. By reviewing classical theories, recent empirical research, and public policy, this study reveals in depth the functional role of social capital endowment for low-income households. Specifically, social capital can promote children's education, provide employment opportunities, ensure daily care, and offer microloans. Simultaneously, it creates exclusivity, solidifies entrenched interests, and perpetuates intergenerational poverty. The specific impacts depend on how open the social networks are, whether trust extends beyond consanguinity, and whether reciprocity scales from the household to the community and institutions. Policy that widens bridging and linking ties, and reduces economic or status-based advantages, can turn social capital from a barrier into a support. The paper adds a city-level view of how social capital interacts with institutions. It helps design fairer policies of education, housing, and welfare systems that guide positive social capital and limit harms.

**Keywords:** Social capital; low-income households; inequality; intergenerational poverty.

## 1. Introduction

In contemporary society, low-income families frequently encounter numerous structural hardships or challenges during daily life. These families have few chances to access quality education, high-level healthcare, and stable employment. Such issues are not only found in developing countries or rural areas but also exist in comparatively economically developed cities like Shenzhen. Social capital is considered an important resource. It can significantly influence low-income households through living environment and parents' attitudes. It can directly affect the next generation's behaviour, education level, and occupation. Low-income families in China are officially defined by income relative to the subsistence line. In Shenzhen, households with a per-capita monthly income below 1.5 times the local subsistence allowance are classified as low-income [1]. To improve the living conditions of low-income families, the municipal government also rolled out social security policies that aim to ensure equal enjoyment of basic rights to survival and development. Shenzhen policymakers have discovered that as a consequence of the neighborhood school admission policy, the likelihood of students receiving high-quality compulsory education has been significantly influenced by household property ownership over the years. Some high-income families are able to secure enrollment for their children in top-tier schools by purchasing property in districts where the top schools are located, allowing them to access superior educational resources. In 2025, the Shenzhen Education Bureau introduced a points-based admission system with stricter documentation and randomised allocation to reduce the advantages of "school-district housing" [2]. Recent studies have examined how social capital affects low-income families, especially in education. Using large-scale CEPS data, Hong and Zhang found that family economic, cultural, and social capital all have significant positive effects on children's learning ability and cognitive outcomes [3]. Specifically, families with richer social networks can secure better educational quality, while disadvantaged households face structural limits. Xu focused on intergenerational poverty, arguing that limited and closed social capital traps low-income families, reinforcing the reproduction of disadvantage [4].

Similar evidence also showed that family background strongly correlates with unequal educational opportunities in urban China [5]. Nevertheless, other scholars have emphasized the negative effects of social capital. Liu and Wang showed that differences in family-based returns to education contribute to income gaps [6], while Zhang and Su argued that economic and cultural capital transmit class advantage across generations [7]. These studies highlight both the supportive and restrictive roles of social capital in low-income households. Yet most rely on quantitative methods, and few capture the lived experiences of disadvantaged families. This gap calls for a more contextual analysis of how social capital works as support or barrier in cities like Shenzhen, China.

Therefore, the study takes Shenzhen in China as a case to examine how low-income families accumulate and use social capital. Using literature research and combining it with the subjective experiences and interpretations of low-income groups, the study aims to understand the living conditions of low-income families in contemporary Shenzhen and the role that social capital plays in their daily lives.

## 2. Theoretical Framework

Social capital theory serves as the theoretical foundation of this paper. The concept of social capital has been developed in different strands of research. In *The Forms of Capital*, Pierre Bourdieu defined social capital as resources embedded in networks of mutual recognition, and demonstrated how it interacts with economic and cultural capital to reproduce group advantage across generations [8]. After Pierre Bourdieu, James S. Coleman examined American family and school data, showing that trust relations and intergenerational closure reduce transaction costs and improve children's educational performance [9]. Robert D. Putnam's study of *Italian regional governance in Making Democracy Work* linked civic traditions with effective institutions, and his later book *Bowling Alone* distinguished between bonding social capital, which reinforces in-group solidarity, and bridging social capital, which connects people across social cleavages [10, 11]. Building on this tradition, Szreter and Woolcock introduced the notion of linking social capital, referring to vertical ties between ordinary citizens and actors in positions of institutional power [12].

These perspectives offer complementary insights for analysing low-income families. Bourdieu's approach alerts people to how networks can entrench inequality, making it harder for disadvantaged groups to escape structural limits. Coleman's emphasis on trust and family—community ties explain how dense networks may provide everyday support, especially in children's schooling. Putnam's distinction between bonding and bridging clarifies why inward ties can stabilise life but restrict upward mobility, while outward ties open opportunities. Finally, the linking dimension is vital for low-income households, whose access to welfare, education, and housing often depends on their connections with government agencies and public institutions. This study therefore applies these frameworks to examine when social capital functions as support and when it becomes a barrier for low-income families in Shenzhen.

## 3. Methodology

This study mainly relies on a literature-based research method. Literature research means collecting and analysing existing studies instead of conducting new fieldwork. It is useful here because the topic of social capital and low-income families has already been widely discussed by scholars, and drawing on their work allows the author to observe both the positive and negative sides of the debate. Compared with doing surveys or interviews, literature research is more practical for this project because it makes use of reliable secondary data and avoids the limits of a small sample.

The research process was carried out in two stages. First, materials were collected from academic databases such as CNKI, Google Scholar, and JSTOR alongside government websites including the Shenzhen Municipal Civil Affairs Bureau and the Shenzhen Education Bureau. Keywords such as “social capital” “low-income households” “education inequality”, and “intergenerational poverty”

were used in the search. In addition, this study reviews and organizes a wide range of classical theoretical and empirical research on social capital. These studies provide a solid theoretical foundation for the research and also offer reliable data support. Second, the selected literature was compared and synthesised to identify common findings and divergences regarding the supportive and restrictive effects of social capital. This process helped build a comprehensive picture of whether social capital functions as support or barrier for low-income families in Shenzhen. By combining classical theories with recent empirical research, the methodology ensures both theoretical depth and policy relevance.

#### **4. The Current Stock of Social Capital among Low-income Families in Shenzhen**

According to Robert D. Putnam, social capital is primarily reflected in three dimensions: social networks, social trust, and reciprocal norms [11]. These dimensions provide a framework for examining the stock of social capital among low-income households. In the case of Shenzhen, analysing these aspects helps reveal both the supportive and restrictive characteristics of disadvantaged families' resources.

##### **4.1. Social Networks**

Social networks among low-income households can be divided into informal and formal types. Informal networks usually consist of relatives, neighbours, and friends, providing emotional comfort or occasional financial assistance. However, these networks tend to be small in scale and limited in resources, which restricts their ability to offer upward mobility opportunities. Formal networks, such as community organisations or professional associations, are less developed among low-income families. Survey data from the Shenzhen Social Quality Survey indicate that disadvantaged households participate less frequently in neighborhood interactions or community activities, and their public involvement is considerably lower than that of higher-income residents [13]. National-level research also confirms that broader social networks and social interactions can help families escape low-income conditions, but such resources remain scarce among disadvantaged households [14].

##### **4.2. Social Trust**

Trust is another core element of social capital, referring to the expectation of reciprocity and reliability within social interactions [10]. According to relevant research evidence, interpersonal trust levels among Shenzhen residents are generally not high. Compared to high and moderate-income households, low-income groups tend to be more suspicious of strangers and guarded toward formal institutions. [13]. Conversely, low-income families have higher levels of trust toward individuals with familial ties, forming a relatively narrow social circle. On the one hand, this circle provides low-income family members with a sense of security, empathy, and psychological comfort, fostering short-term stability. On the other hand, in the long run, it actually diminishes one's motivation to break out of the comfort zone, gradually losing the ability to engage with and expand broader social networks or formal networks.

##### **4.3. Reciprocal Norms**

Reciprocal norms are shared expectations that favours will be returned, and cooperation maintained within a community [11]. Among low-income families in Shenzhen, reciprocity usually occurs on a small scale, such as mutual childcare or short-term borrowing. While these practices support everyday survival, they rarely develop into wider community cooperation. However, some studies suggest that families with stronger social and educational capital display more effective reciprocity, which improves their economic security [14]. Nevertheless, for disadvantaged families, due to weaker social ties between households as well as the absence of established and stable norms

of reciprocity, the supportive role of mutual benefits remains quite limited for low-income families. [4, 7].

#### 4.4. Summary

The stock of social capital among Shenzhen's low-income households is characterised by three main features: reliance on narrow informal networks, selective and limited trust, and fragmented reciprocity. These characteristics provide some basic support but are inadequate for overcoming structural barriers. When combined with nationwide evidence, Shenzhen's disadvantaged families can be seen as part of a broader pattern of low social, cultural, and financial capital observed among low-income groups in China.

### 5. Impacts of Social Capital Stock on Low-income Families

#### 5.1. Positive Effects

Social capital can work in a supportive way for low-income families, and its benefits are most evident in education, employment, and daily survival. These positive functions show that even limited social resources can sometimes help disadvantaged households cope with structural barriers.

Firstly, in education, social capital provides access to better schools, tutoring opportunities, and information about learning resources. Families with stronger networks often receive advice and support that improves children's academic outcomes. Empirical evidence based on CEPS data confirms that economic, cultural, and social capital all significantly enhance children's cognitive abilities and school performance [3]. European evidence also shows that access to formal and informal networks is unequally distributed by socioeconomic background and strongly shapes educational decisions and outcomes [15]. Together, these findings highlight how social capital supplements limited economic resources and shapes children's educational trajectories.

Secondly, social capital also facilitates access to employment. Many jobs are not advertised publicly but circulated through personal connections. By means of personal connections, internal referrals, and informal visits, low-income families can access valuable job opportunities through relatives, neighbors, or friends that would not be available through their skills alone. This informal recruitment process can help families move from precarious employment to more sustainable livelihoods, reducing financial insecurity [14].

Thirdly, social capital provides everyday support that functions as an informal safety net. It includes small financial loans, information about government welfare, and emotional encouragement from friends and relatives. Such support helps low-income families manage stress and survive difficult periods when formal welfare is insufficient [4]. In this sense, social capital reduces vulnerability and sustains basic social stability.

#### 5.2. Negative Impacts

Despite these advantages, social capital also generates negative effects that may reinforce structural inequalities. These effects appear in the form of class barriers, exclusivity, and the reproduction of poverty.

For one, close-knit networks often create benefits for insiders while excluding outsiders. Portes describes this as the "dark side" of social capital [16]. For low-income families, it means being locked into narrow circles that limit upward mobility, since valuable resources remain concentrated among wealthier groups. Fine further criticises the concept of social capital for sometimes obscuring deeper structural inequalities [17]. When access to education or jobs depends heavily on personal networks, disadvantaged families without such ties are left at a disadvantage.

For another, social capital can also transmit disadvantages across generations. Limited and closed networks restrict access to education, healthcare, and better employment, which trap families in a cycle of poverty. Xu demonstrates that a lack of social capital is one of the main factors behind

intergenerational poverty [4]. This mechanism means that social capital does not merely fail to support disadvantaged families but actively contributes to keeping them in disadvantaged positions.

In summary, social capital endowments exert a dual impact on low-income households. The positive functions and negative effects are equally pronounced. On the one hand, it improves education, employment opportunities, and daily survival. On the other hand, it can reinforce class barriers, exclude outsiders, and reproduce poverty across generations. Understanding these dual effects is crucial for evaluating the role of social capital in shaping the lives of low-income households in Shenzhen.

## 6. Discussion

The above research findings reveal that social capital operates as a double-edged resource for low-income households. On the one hand, it can enhance children's education, increase job opportunities, and provide daily support. On the other hand, it reinforces class barriers, excludes outsiders, and contributes to intergenerational poverty. This dual nature suggests that the role of social capital depends on how networks, trust, and reciprocal norms are distributed and mobilised. Well, how should people understand this phenomenon?

From a theoretical perspective, achieving balance is crucial. When networks are overly closed, they mainly benefit insiders and limit disadvantaged families' opportunities for upward mobility. However, when networks are more open and inclusive, they create channels for accessing education, employment, and welfare. Similarly, social trust can be supportive if it extends beyond kinship ties to include broader community and institutional engagement. Excessive reliance on narrow trust, however, prevents households from connecting with wider resources. Reciprocal norms also require balance: small-scale exchanges sustain survival, but stronger community-level reciprocity is necessary to build collective resilience and reduce inequalities [11, 12]. Beyond this balancing act, the findings also contribute to broader theoretical debates on inequality. Social capital is not simply an additional resource available to families; it interacts with economic and cultural capital in ways that can either amplify or reduce social gaps. Analysing low-income households through the lens of social capital therefore offers insights into how structural inequalities are reproduced in contemporary societies. Shenzhen illustrates this dynamic especially clearly, as its rapid urbanization and strong institutional environment reveal both the opportunities and risks embedded in social networks.

From an international perspective, similar patterns are observed in developed contexts as well. European studies show that unequal access to social networks deepens inequality of opportunity, particularly in educational transitions [18]. In the Chinese context, family and community networks also shape educational outcomes, often reproducing class differences [3, 14]. These comparative findings suggest that the challenges faced by Shenzhen's low-income families reflect a broader phenomenon rather than a purely local issue.

From a policy perspective, reducing the exclusivity of social capital is essential. The Shenzhen government has already reformed the school district system to make educational opportunities less dependent on property-based advantages [1, 2]. Similar approaches could be extended to housing allocation, healthcare access, and employment services. By strengthening institutional support and promoting open networks, policymakers can ensure that social capital acts as a driver of mobility rather than a mechanism of exclusion.

## 7. Conclusion

Improving the living conditions of low-income groups is a primary objective of many countries' public policies. This study focuses on the actual circumstances of low-income households in Shenzhen, China, applying social capital theory to conduct an in-depth and concrete investigation. A case study conducted in Shenzhen, Guangdong Province, China, reveals that social capital stocks exert diverse and complex influences on low-income families. On the supportive side, social capital

stocks serve a supportive function for these families. It can improve children's education, create job opportunities, and provide social and emotional support. On the other hand, on the restrictive side, the presence of social capital also generates certain factors that hinder the development of low-income families. It can reinforce class barriers and exclude outsiders. It causes intergenerational poverty and this social capital continues to be passed down through inheritance in the current social phase. Overall, social capital works as both a support and a barrier depending on how it is distributed and used. This study clearly demonstrates that focusing purely on economic capital when analyzing social inequality is insufficient. While focusing on economic capital, it is necessary to incorporate the social capital perspective to explore how to guide and cultivate positive social capital and minimize negative impacts. Based on this, policymakers will be able to formulate more rational and equitable social policies in areas such as education, housing, and insurance. This makes the study valuable for improving social policies aimed at reducing structural inequality and class rigidity. Future research could address some of the limitations of this study. For example, by combining quantitative and qualitative methods with specific local studies, researchers can provide a comprehensive analysis of how social capital shapes unequal outcomes and how more effective public policies can be designed. In addition, a cross-regional comparative approach can be used to compare Shenzhen with other rapidly urbanizing cities. Such comparisons would help clarify whether the dual role of social capital observed here is a global pattern or shaped by specific institutional arrangements in China.

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