**‘Financially Sorted Kiwis’: A critical enquiry into
consumer credit scoring systems and
subjectivities in New Zealand**

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**A thesis
submitted to the Victoria University of Wellington
in fulfilment of the requirements for the degree of
Doctor of Philosophy**

**Victoria University of Wellington
2017**

Abstract

Credit scoring is an automated exercise in predictive analytics deployed by retail lenders and their agents to overcome the perennial problem of the ‘information asymmetries’ existing between debtors and creditors. Credit scoring systematically outperforms ‘subjective’ decision-making by lenders about loan applications, lowering costs and increasing profitability by boosting the speed and consistency of judgements able to be made about credit risk. This system of expert knowledge has emerged as a crucial part of the lending infrastructure and a new ‘core competency’ for lenders. The implications for social subjecthood, however, are underexplored: the extant literature on finance and society says little about credit scoring’s effects as a ‘disciplinary device’ on credit consumers, or how scoring systems might accustom would-be borrowers to conduct and conceive of their lives in particular ways.

My thesis presents findings from an exploratory sociological study of consumer credit scoring systems in New Zealand. It analyses data gathered in 2013 from seventy women and men in focus groups and open-ended individual interviews about their subjective experiences of debt and credit scoring practices. The research fills a gap in critical social inquiry into consumer credit provision by using an interpretive qualitative approach to identify ways in which the commoditised information platforms administered by credit bureaus in New Zealand

are involved in the self-understandings of individuals. The study draws on Marxist, Foucaultian and feminist understandings of finance and the consumer-subject to offer a critical reading of participants' involvement in the workings of the credit economy. I suggest that the systematic surveillance of borrowers by lending institutions through credit bureaus not only implies new forms of economic control and population management, but extends the instrumental rationality of finance into the realm of society and the self. Credit scoring – a market device that operates as an “objective” site of reality construction and revalorisation of productive and exchange relations – hails us as dutiful consumers and citizens from the spaces and rhythms of financial activity. There is also evidence that it operates as a ‘technology of self’, permitting forms of self-administration whereby individuals constitute themselves as particular types of financially viable beings within the wider interpersonal and intersubjective complex of memories, measures, morals, corporeality, obligation, anxiety, and affect.

In this ‘techno-social’ production of the subject, in which credit agencies exist as loci or conduits of governmental intent, individuals located within borrowing collectives can be interpreted variously as: (a) *credit subjects*, consumers subjectified in service to the debt economy; (b) *credit-scoring subjects*, hyper-rationalised subjectivating complements to calculative market devices; and (c) *creditworthy subjects*, cultural obligors forming part of an unruly social unity concerned intersubjectively with emotive and intimate relations with

families, co-dependants, employers, colleagues, retailers, credit grantors and institutions. The complex, multifaceted and sometimes contradictory ways in which participants negotiate new knowledges of themselves as sources of profit and governable risks call into question the adequacy of orthodox microeconomic accounts of ‘self-interested’ financial behaviour as a model for economic and social behaviour. They also emphasise how an overly simplistic reliance on the notion of ‘responsibilisation’ in the financialisation of everyday life is evident within some conceptions and critiques of the neoliberal subject. Participants’ experiences and self-understandings, rather, illustrate how the contemporary credit consumer is not simply dominated from above by the structural disciplines of finance capital, but is constituted ascendantly by harnessing individuals’ own capabilities of self-direction and expressions of freedom and desire. What is at stake in the unspoken politics of consumer finance is the targeting of the willing self as the raw material of credit – of the deeper affinities of finance with the discerning and reflexive subject.

Acknowledgements

An exploratory study often raises more questions than it answers. This can be a source of frustration, but also of joy. There are many people to thank for sharing in both the puzzles and pleasures I have experienced over the five and half years that it has taken to bring my research to a conclusion. I am extremely grateful, first, to all of the interview participants in Auckland, Wellington and Dunedin (some of whom have sadly since passed away) for their willingness and candour in relating their experiences with credit and its technologies to me. Secondly, this study would not have been possible without scholarships from Victoria University of Wellington and the Commission for Financial Capability. Their financial support allowed me to travel to Edinburgh for the 13th International Conference on Credit Scoring and Credit Control in August 2013, and defrayed my other interview and research expenses. Special acknowledgement must, of course, go to my supervisors, Dr Chamsy el-Ojeili and Professor Kevin Dew, for their unwavering enthusiasm and commitment to this project, together with the insightful and practical advice they offered along the way. Also, to Dr Trish Nickel, a thank you for an early introduction to critical theory. Lastly, a special dedication must go to Amy, for her extraordinary patience in tolerating my ‘hobby’, and for creating the personal and practical space to allow me to complete this work.

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Introduction

There was a time in the not-so-distant past when the process of obtaining credit was a drawn-out and tedious affair. Arranging a home loan, getting car finance, or applying for a credit card involved multiple visits by loan applicants to lenders' branch offices, where seemingly endless form-filling was followed by a lengthy period of time spent waiting for the loan application to be vetted and, hopefully, approved. These time-consuming procedures, requiring prospective borrowers to supply information about themselves and their financial intentions, were the norm in the retail lending industry as banks, finance companies, and other institutions that facilitated lending to consumers sought to satisfy themselves that a loan applicant: (a) was who they said they were; and (b) could, and would, repay the loan over time. The processes accorded with time-honoured methods of evaluating the trustworthiness of borrowers through assessing their circumstances and their 'character'. In what later came to be termed "relationship lending" (Anderson, 2007, p. 129), the 'soft' data gathered by lenders about individual customers through personal interaction was enough to form an impression of the nature of those individuals, and to indicate their prospects of repaying loans.

These traditional, resource-intensive methods of scrutinising loan applications were employed up until the 1960s and 1970s in the United States and the United Kingdom (Bumacov & Ashta, 2011; Wainwright, 2011), and perhaps, for a few lenders in New Zealand, were still in use in the late 1990s. However, by the start of the twenty-first century all that had changed radically, with the widespread deployment by lenders of the latest technologies in statistical analysis and artificial intelligence to apply computerised methods of predictive evaluation to data about credit consumers' behaviour which had been gathered electronically. The automated tools, which assisted lenders to identify and quantify 'objectively' the credit risk an applicant presented, were to become ubiquitous in the lending industry and were responsible for nothing less than a "revolution" in lending practices (Leyshon & Thrift, 2009). The assumption that underpinned their use was that "humans are not good at evaluating loan applications" (Handzic, et al., 2003, p. 98), and that computerised process automation would avoid the subjective bias in human judgements which could lead to bad credit-granting decisions. The new information technologies would result in streamlined application processes, which lowered lenders' administration costs, vastly improved turn-around time for loan approvals, and enhanced profitability by ensuring that the 'right' loan terms were offered to the 'right' borrowers. The new methods relied on 'hard' data amassed digitally about customers (Berger & Udell, 2001) and one particular form of algorithmic application, credit scoring, which addressed the

‘classification problem’ of distinguishing between ‘good’ and ‘bad’ borrowers, matching information about a specific loan applicant to the known characteristics of individuals in borrowing populations. The data were sourced from public databases, but also from data shared between lenders, co-ordinated by privately-owned credit bureaus (Anderson, 2007, pp. 315-327; Miller, 2003).

Credit scoring has produced huge benefits for lenders since its introduction. But the ‘transactional lending’ model it enables has also resulted in a transformation in the connections between individual borrowers and the credit system. Much of the inconvenience of applying for loans was dispensed with, for instance, because, for the first time in history, lenders could generate information about consumers more accurately and more rapidly than could consumers themselves. The new systems meant that often lenders were able to make the ‘first move’ in initiating lending; it became common for credit cards with ‘pre-approved’ lending limits to be sent out to selected ‘targets’ by New Zealand banks prepared to offer potential customers large loan limits on the basis of their own cross-checking of data. Furthermore, because individuals would know that their financial behaviours were being recorded in databases for use in lenders’ algorithms, scoring technologies would ensure that responsibility was placed on credit users to police their own credit-related actions, further reducing the need for costly monitoring and collection action by lenders. Lenders need concern themselves only with the proper application of the general credit scoring ‘system’

because the specifics (that is, particular borrowing individuals) would look after themselves. Process automation, and the imposition of self-accountability on borrowers, meant that high-volume, ‘low-fuss’ lending became feasible for nearly all lenders.

In fact, these strategies, combined with generally buoyant economic conditions and lenders’ vigorous marketing and promotion of borrowing, led to a massive acceleration in the take-up of debt on the part of households in New Zealand. Over the ten-year period to 2008 the amount of debt on issue to consumers in New Zealand almost tripled, with the average amount owed by each individual in New Zealand climbing to NZ\$42,000 – more than the national average disposable income (Reserve Bank of New Zealand, 2016). The bulk of the lending related to housing: existing homeowners drew-down on loans to access unrealised gains from a booming property market, while aspiring home buyers needed to borrow more just to get their feet on the property ladder (see further Chapter 2). But other borrowing was popular too: credit cards, store cards and revolving credit facilities made available by merchants and banks eager to see people’s spending increase provided easy access to credit and enabled consumers to purchase increasing amounts of goods and services. The cost of everyday items such as food, clothing, travel, durable household goods and entertainment, together with a variety of ‘luxuries’, were ‘chalked up’ on credit by consumers, the youngest of whom were likely still to be repaying sizeable student loans. By the time the credit squeeze in wholesale credit markets and the resulting

Global Financial Crisis (GFC) was felt in New Zealand in 2008, the habitual use of so-called ‘retail credit’ had become deeply engrained into our lifestyles as an indispensable cultural phenomenon that quickened the pace of consumption and broke down boundaries between people and institutions in an era of “fast capitalism” (Agger, 1989; 2004).

The macroeconomic shock that occurred in 2007-08 – the largest and most severe to hit the global economy since the Great Depression of the 1930s – provided a sobering perspective on the significance of finance and its interrelationship with virtually all aspects of modern economy and society. As North American and European financiers reeled from the mass defaults in mispriced and aggressively ‘securitised’ housing loans, the contagion spread from nation to nation, its repercussions eventually felt in every corner of the world. Finance had always been a significant part of global and national economies; however, the financial losses arising for lenders and investors from the GFC made it painfully apparent that credit had become a primary force, underpinning practically all relations of production and consumption. Banks stopped lending to each other, corporates stopped borrowing, planned infrastructure investments were shelved, global trade contracted severely, the prices of primary commodities (oil, minerals and food) fell sharply, hundred of billions of dollars were wiped from the value of pension funds, interest rates were hiked almost overnight, and global unemployment soared. The crisis exposed the extent to which New Zealand – a relatively wealthy,

financially liberal and deregulated settlor nation – had been worshipping at the altar of global credit markets. Despite emergency interventions by the government to bail out local finance companies ‘too big’ and ‘too important’ to fail, the New Zealand economy entered a period of fiscal deficit and contracted for a year and a half from late 2008 (White, 2009). The credit crunch revealed how deeply New Zealanders’ financial success was rooted in strategies of borrowing, and just how exposed Kiwis were to “a global crisis of confidence in the financial system” (Murphy, 2011, p. 337).

Nearly a decade on from the crisis and the lessons learned from the global meltdown in credit markets seem far from clear. Some of the biggest names in finance have disappeared from the international capital markets – established merchant and investment banks such as Bear Stearns, Lehman Brothers, and Merrill Lynch were the first to vanish – and governments have needed to intervene to bail out secondary mortgage traders such as Freddie Mac and Fannie Mae in the United States. New Zealand experienced the fallout from the GFC in its own way: local finance companies such as South Canterbury Finance, Hanover Finance and Bridgecorp Holdings are now just bad memories for the ‘mum and dad’ investors who were tempted into placing their lifetime savings with seemingly trustworthy companies promising high returns. To be sure, lending regulations in New Zealand and elsewhere in the world have tightened, and prudential regulators like the Reserve Bank of New Zealand, following global agreements, now demand more conservative lending ratios and greater

transparency from those who lend to and take deposits from the public. However, the finance sector as a whole still dominates national and global profitmaking; and, after a temporary ‘de-leveraging’ by households that produced a dip in the amounts borrowed by New Zealand consumers immediately following the 2008 crash, debt has returned to record high levels. Despite the tangible evidence of losses to those who invested in finance companies, and warnings to consumers about their over-indebtedness, New Zealand households seem keener than ever to base their lives on credit. Kiwis have short memories, it seems, when it comes to taking on debt.

A critical engagement with finance

In the fallout from the GFC lending institutions were understandably eager to find ways to stem their financial losses and to attract and keep creditworthy customers. Advances in digital finance technologies continued, with new developments in artificial intelligence techniques (particularly in machine learning) meaning that loans could be evaluated even more accurately using credit scoring techniques, and with even less direct involvement in lending processes by either lenders or their agents. These ‘at a distance’ mechanisms, have, as Marron (2013) notes, “helped expand and intensify credit use by speeding up, cheapening and expanding the scope of delivery for consumer credit across a wider reach of the population” (p. 796).

But what about the end-users, customers, and citizens? Is the ensemble of economic benefits touted as good news for lenders also

beneficial for credit consumers? A number of advantages are said to arise for individual borrowers. The primary benefit is that the statistical science that evaluates borrowers' risks with increasingly accurate data allows consumer loans to be extended 'appropriately', that is, to those people who have both the capability and intention to repay loans. Minimising default risk means that cost savings accrue to lenders and those savings are available to 'trickle down' to borrowers in the form of lower interest rates: in a competitive lending market creditworthy borrowers no longer need to subsidise the economic loss from defaulters (Vaughan, 2016). Moreover, since credit scoring exerts a 'disciplining' effect on borrowers it can be expected that borrowers' habitual behaviours will change over time in response to incentives and that borrowers will become more responsible and more predictable, further lowering the costs of default (Japelli & Pagano, 2002). A related advantage is the reduction of consumer fraud, and thus the economic burden on society, by preventing people telling lies about their identity or credit status (Veda Advantage, 2016). Scoring systems can also be used to assess affordability and to prevent over-indebtedness; Ferretti (2009) quotes a spokesperson of a major multinational credit agency: "Although a prospective borrower may have a range of existing credit facilities all of which are being paid on time, she/he may be so heavily committed that one more facility may result in that individual becoming over-indebted across his/her total borrowings" (p. 5). Lastly, advocates of scoring point to greater 'financial inclusion' occurring across society: credit scores allow

loans to be priced much more accurately and for most borrowers a matching interest rate can be calculated which is commensurate with their perceived risk. Even bad credit prospects can usually find a loan that is priced according to their credit profile and mainstream lenders rarely need to turn down applicants (Leyshon & Thrift, 2009, pp. 447-8). Seen in this light, the algorithmic ‘industrialisation’ of lending represents an economically efficient and welfare maximising proposition overall: more financial capital is provided to businesses and individuals with greater confidence about identifying non-payers and a reduction in the costs associated with default across a population of borrowers. Credit consumers benefit accordingly.

Roderick (2014) cautions, however, that we should be sceptical about the ‘common sense’ justifications put forward by the credit industry which “routinely iterate only the positive impact the services provided by the consumer data industry have on one’s economic standing or creditworthiness” (p. 740). One arguably misleading and incorrect supposition made, for instance, is that credit and borrowing fulfil economic needs through a *neutral* redistribution of money from one group (debtors) to another (creditors). However, this pays scant regard to circumstances in which the need for credit for consumers arises in the first place, the social desirability of making lending more accessible to some or all borrowers, and the potentially troubling implications of credit technologies in terms of financial stability and the wielding of excess power by finance corporations. Another argument rarely seen in business literature is that credit scores operate

as informal ‘social accountability mechanisms’ that create and disseminate trust-based reputations in wider society. As Sartor (2006) observes, reputations can be associated with, and inevitably become, social identities – an opinion and a belief shared by many in society. A credit score, after all, is “a way of recognising different groups in a population according to certain features” (Ferretti, 2009, p. 794) based on what others think, and the inferred characteristics of people based on their credit scores can easily ‘spill over’ into wider society to create prejudice and stigmatisation, which, in turn, can reinforce negative identities. Ferretti (2009) notes that, “the evolution and use of sophisticated information technologies exacerbate and contribute to the dissemination and diffusion of reputation, therefore marking more neatly and spreading comprehensively, if not completely, on the marketplace such a reputation”. Here, technologies become the “arbiters of achieved identities ... standardising, sorting, monitoring, and labelling people” (p. 799). In these circumstances, scoring can operate as a social control mechanism which disciplines individuals via financial surveillance, producing advantages for some consumers but contributing to what Sandage (2005) terms the achieved identity of ‘born losers’ for others. Arguing that credit practices are a matter of privileging the interests of some over those of others draws attention to the constitution of a partisan reality that protects and promotes incumbent privilege, wealth and power. These concerns, which concern processes and outcomes that pose risks to the social and the self, are particularly relevant in times of rising inequality where

concerns over segregating citizens into divergent social classes, the ‘haves’ and the ‘have-nots’, abound.

As more and more consumers are brought under the sway of the artificial intelligence that underlies predictive analytics, scholarly communities are reflecting upon the implications of this shift for credit consumers, lending organisations and society at large. A survey of writers who have reflected critically on the implications of credit scoring and credit bureaus reveals diverse approaches, summarised in two broad avenues of inquiry that provide a window onto the debates about the social and political effects of finance practices on consumers. Some writers, first, seek to theorise credit scoring’s place within the formation and dynamics of contemporary credit practices, mapping the ‘ecology’ or ‘lifeworld’ of finance markets and their constituent technologies in ways that can then be linked to (harmful) trajectories of capitalism. Secondly, a critique of the negative ways that algorithmic technologies such as scoring shape us is evident: concentrating and/or redistributing decision-making power through surveillance and disciplinary techniques, creating self-reinforcing ‘reality effects’ that offend against traditional social beliefs such as privacy, or, more generally, controlling individuals by the deployment of economic rationalism in ways antithetical to wider human values.

On the first count, a number of scholars are engaged in mapping the human geographies that follow from the allocation of credit and risk by technical instruments that tie people and things together. Poon (2009), for instance, draws attention to consumer credit scoring as

both a distributed and collective “market device” (see also Muniesa, Millo & Callon, 2007), a non-human object or apparatus residing within financial information ‘actor-networks’ (Callon, 1998; Latour, 2005), performing attachments and weaving together disparate elements that would not otherwise co-exist (Cluley & Brown, 2014). Alongside other commercial technologies of credit such as accountancy (Miller, 1998), scoring technologies form part of a socio-cultural artifice that is performed through material practices and the corporations, institutions and states contained within political economy (see, for instance, the highly influential writings of Harvey 1982; 2005; 2006). In this vein, Leyshon and Thrift (2009) discuss how the narrowing of consumer identity through the limits placed on choice by differential risk pricing has implications for the forms and patterns of socio-economic inclusion and exclusion; effects that Wainwright (2011) attributes to the “elite” judgements embedded within credit scoring software supported by legislation, credit market liberalisation, and the histories of the individual consumer credit markets. Howard and King (2008) take up this theme, examining how financial technologies, such as credit scoring, aid and are connected with the forces of advanced capitalism that act on and characterise our present position in history, including the significance of *consumerism* as a key idea of our age and the touchstone concepts of *globalisation* and *neoliberalism* as dominant and defining features of our environment. Promoting a culture of credit use, they note, is one way for the manufacturing and finance sectors to keep money moving – of

making it productive – and supporting major social practices such as shopping, relied on by consumers as a vehicle for social participation, and a source of identity and “profound psychosocial satisfaction” (p. 57). Views such as these tie in with much wider critiques of critical social and political theory on the adverse effects of advanced capitalism on society.

The second, and related, path followed by commentators focuses on the expanding influence of financial imperatives on the way we are examined, catalogued and made productive; in the case of ‘scored’ individuals, through the business of ‘regularising’ individual reputations for creditworthiness. In essence, the argument is that the economic discourses that inform the theory of finance provision are involved in the growing colonisation of all quarters of life by credit-related principles, rules, techniques, and procedures that follow us prosaically, become instilled in our everyday routines, and aspire to form a new ‘iron cage’ of rationality. Market-making algorithms are able to construct potent socio-economic truths for participants because “embedded in software is simultaneously a set of schemas about the world, an economic commodity and a new set of understandings about space and time” (Leyshon & Thrift, 2009, p. 454; see also Bowker & Star, 1994). The assumptions and predictions created within the software, moreover, are validated as its market-enhancing strategies take effect: confirmed because the built-in behavioural feedback loops ensure that the “ideological conception of identity and social space within algorithmic models” become real (Goss, 1995).

A number of writers have questioned how these processes and outcomes pose risks to the social and the self. Israel et al., (2014) suspect that citizens are largely unaware of the degree to which credit scores provide insight into private and sensitive domains: individuals who may never consent to a personality test or an IQ test before purchasing financial products are unwittingly consenting to reveal this information when granting access to their credit scores. Where there *is* public consciousness, debates over the right to individual privacy stand as sources of revealed contention over the role of the latest technologies in statistics and artificial intelligence in facilitating degrees of social intrusion. Ferretti (2009), for instance, draws attention to the development of ‘privacy’ as a legal protection for the freedom and dignity of the individual, and the dangers that progressive developments in computers and information technologies pose for infringements. A philosophical and social policy objection against codified knowledge systems was raised by one early commentator, Capon (1982), who, noting the “fashionable” rise of credit scoring systems, warned against what he described as “brute force” empiricism to allocate loans amongst credit applicants. His protest was based on the fact that scoring formulae, despite claiming to be ‘objective’, included variables with no obvious or logical relationship with creditworthiness: his view was that the use of impersonal data to make inferences from data about unobservable behaviour (for instance, the intention to default on loans) offended against “the traditions of our society” (p. 90).

Meanwhile, noting the intrusion of the power of finance capital into our ‘not-so-secret’ lives, Roderick (2014) suggests that credit scoring agencies are not only in the business of peddling reputations, but act as an important governance and control mechanism for the disciplining of consuming citizen-subjects. Confidentiality, social standing and social control are thus pulled into the orbit of political economy, theorised, as Kreissl (2014) has done, as an appeal to security couched in a discourse of financial risk within the parameters of an expanded security state. Langley (2014) conceives of credit scoring as a way of controlling consumers through market mechanisms and risk-based prices, summoning up a rational and hopeful subject with an entrepreneurial disposition towards credit. Algorithmic control can also be explained, as Marron (2007) and Thorsteinsson (2014) respectively do, as a product of, and a means to rule through, the constitution and administration of risk – an emergent form of normalising influence over economic and social life. Thorsteinsson (2014) argues that American financialisation is a state-sponsored project “dating back at least to the ‘New Deal’ reforms, primarily designed to facilitate consumption, and sometimes spurred on by popular support” (p. 2) resulting in the socialisation of a “dialectic of risk”, whereas Marron (2007) draws attention to the governmental ability of technologies like credit scoring, deployed to render the agglomerated body of consumers visible and knowable as a coherent and dynamic entity through a rubric of risk management, “finding form in particular settings for the attainment of particular

ends” (p. 104). In highlighting how “individuals as consumers can be understood and acted upon as risks” (Marron, 2007, p. 124), both writers describe how knowledge regimes have affinities with particular political rationalities that stand to benefit from governance of the social and the self. It is an easy step, then, to appreciate how statistical techniques that produce “imaginative new connections between the ‘micro’-risk of the individual credit consumer and the ‘macro’-risk of a portfolio of such customers” (Marron, 2007, p. 116) have strong connections with the moral project of the neoliberal era, in which the superiority of the market is “articulated in the language of economics” (Forrest & Hirayama, 2015; see also the discussion of ‘Neoliberalism’ below).

What underlies all of these critiques, however, is a concern with, and an assumption about, the malleability of the human environment and of human selves; a recognition that theory, policy and practice are all located in social and cultural contexts which are permeable, transitive and responsive to historical revision, and that in some ways and to some extent the kinds of people that live in our society are open to contest and amenable to ways of being moulded and created. A critical appraisal of new technology, which at first glance appears to produce less costly, and more ‘objective’ outcomes, is one that seeks to uphold intellectual integrity by reflexively stepping outside dominant ideology (insofar as possible) to draw attention to how practices and structures support the privileged positions of some actors in society and dominate and alienate others, thus preventing them

from realising their full potential (Kincheloe & McLaren, 2000). This is a joining of theoretical and political analysis in a way that is neither “purely academic, nor contemplative” (Antonio, 1983, p. 342) and that can be integrated with political movements (Nickel, 2012, p. 3). A substantial portion of critical sociological scholarship is devoted to challenging how current ways in which organisations, economies, and societies are organised appear somehow to be natural, normal, or inevitable, and to highlighting and opposing oppression and exploitation in organisations and societies. It incorporates the realisation that our human world and the ‘truths’ within it are moulded to reflect relationships of human power and prevailing ideologies. The ‘objective’ descriptions of credit scoring contained in technical and business literature, customarily portraying credit scoring as ‘maximising shareholder value’ through ‘better servicing customer needs’ can be shown to involve a number of hidden assumptions about the coincidence of interests and appropriateness of the motives of those involved. Roderick (2014) argues that identifying and questioning these and other ideals leads to a better understanding of the nature and truth effects of scoring and the way that society is constructed (and could be changed). Of analysing and deconstructing these “truth effects”, Foucault (as cited in Bordo, 1993, p. 180) observed: “Because they are made they can be unmade, assuming we know how they were made.”

Algorithms for life

Credit offerings based on scoring technologies are now so pervasive that the largely invisible algorithms which encourage the self-ordering of borrowers can be said to dominate consumer finance provision. In Western societies characterised by technologies of information, communication and surveillance we have reached the stage where lending is able to contribute, almost seamlessly, to virtually every aspect of the social experience, where the exercise of economic agency has become the experience of being one's self in society. In indicating whether an individual is a better or worse risk than the average person, scoring affects our realities: a credit score is both "an economic fact and a fact about the world" (Leyshon & Thrift, 2009, p. 454), producing altered perceptions of the boundaries and content of the domains within which we exist, endorsing particular ways of thinking and acting, and providing an "important source of social order" (Latzer et al., 2014, p. 1). Scoring, a technique of finance through which "selves" are performed and policed according to available discourses surrounding the "thick soup" of information (Leyshon & Thrift, 2009, p. 435) in which consumers move, establishes the boundaries of the subject, at the same time giving legitimacy to the exploitation of knowledge.

Examining the effects of information technologies on the everyday ways New Zealanders experience and conceive of their lives allows us to understand more about the modes by which the self exists in

society. To the best of my knowledge no prior study has approached the detailed subjective effects of credit scoring, nor examined the conception of social subjectivity within algorithmic finance models. My study also raises important questions of power, including how financial technologies might accustom individuals to change themselves in line with industry and state expectations, not the least of which are emphasised in a predominant consumerist narrative of “responsibility” that urges New Zealanders to “lift their financial capability” and “build wealthy lives” (Commission for Financial Literacy [CFC], 2016). I therefore seek to theorise the political dimensions of credit scoring, that is, the ways that the science of the markets has been pressed into service at the demand of finance capital to conceive of the bodies and minds of credit consumers as enduring sources of economic value and profit. From this perspective, my study is an investigation into the deliberate ordering and sorting of selves in complex systems, exploring the particularities of “Financially Sorted Kiwis” under a governmental project that encourages borrowers to conceive of and conduct their lives ‘entrepreneurially’ as individualised and responsibilised subjects of neoliberal capitalism. I argue that credit scoring can be seen in terms of a contradiction in its imperatives: at the same time as it strives to produce willing and freshly-accountable self-governing borrowers, it is paradoxically leading us nearer to financialisation, a form of domination that edges finance capital nearer to achieving “capitalization of almost everything” (Leyshon & Thrift, 2007). In

other words, the “freedom” to act responsibly (or not) is the freedom to self-shape. At stake, I suggest, is a politics of debt that is not reducible to a pre-existing evaluation of the transactors, “since the transactors themselves—their boundaries and qualities, inclusions and exclusions, component parts and unified wholes—are up for grabs in the process of lending and borrowing” (Shuster, 2014, p. 566).

A sociological focus

Looking beyond the technical efficiencies of ‘sensible’ business measures that are intended to protect the interests of lenders is an important way of exercising what Mills argued in 1959 was the “sociological imagination”. This required problematising the relationship between “private troubles” and “public issues”, the intersection of biography and history, to show how our personal lives are shaped by wider characteristics of our social context and its trajectory in time. Mills argued that sociology involved the core questions concerning social structure, history, “and human nature”: “What is the structure of this ... society as a whole? What are its essential components, and how are they related to one another?” “Where does this society stand in human history? ... What is its place within and its meaning for the development of humanity as a whole?” and “What varieties of men and women now prevail in this society and in this period? ... In what ways are they selected and formed, liberated and repressed, made sensitive and blunted?” (1959/2000 p. 66).

The theorists of Mills' time, especially those in social disciplines with a critical orientation, were attempting to address the fundamental questions he posed about the nature of individuals and society. The answers put forward by researchers in those fields, and the many other scholars who have considered the matter of social subjecthood since Mills' era, have guided me in my own critical sociological investigation of how the commoditised information platforms privately owned by credit scoring bureaus in New Zealand are involved in the formation of contemporary subjects. I advocate for a need to focus methodologically on subjectivity as a topic within the study of finance, and for the interpretation of individual narratives as a model for thinking about credit scoring, finance and the self as social, cultural and political phenomena. My primary focus, from a constructivist perspective and with respect to informing critiques of finance and the consumer-subject, is on theorising how credit scoring is implicated in the habits of thought and practice of individuals, particularly those that produce certain understandings of self and other that can be acted on, thus constituting subjects.

In analysing participating individuals' subjective accounts of credit and credit scoring I develop, first, the central proposition that at both the global and individual levels of society – from the 'planetary' to the most personal – credit consumers experience the 'objective' facts compiled and documented by credit scoring systems as *social* facts. (As first used by Durkheim (1895/1982), the expression "social facts" refers to all things of a social or cultural nature which work to

determine an individual's life, for example, cultural norms, values, conventions, rules and other social structures.) Participant reports suggest that scoring, a 'borrower discipline device' (Japelli & Pagano, 2002; Stiglitz & Weiss, 1981) designed to better predict the behaviours of credit consumers by exploiting historical and transactional data, not only implies new forms of economic control and population management, but extends the instrumental rationality of finance into the realm of the social, creating and maintaining certain 'ways of being'. Individuals rely on the logic and worldview implied by the processes and underlying 'philosophy' of credit scoring in material, symbolic and ideational ways to support the "lumping and splitting" (Hacking, 1990) of themselves and fellow citizens in ranked and sorted social formations. Scoring admits new ways for individuals to enact social viability and demonstrate responsibility through exposing the self to market measurement. The effect of evaluative surveillance carried out under the gaze of the credit bureau, I contend, is to bring about the *techno-social* production of would-be borrowers, making certain objective modes of conducting oneself possible and preferable via new scientific technologies for categorising and enumerating people into a collective body of borrowers made visible, "with certain norms of repayment across its breadth" (Marron, 2007, p. 106). The information technology represented by credit scoring signifies a 'moving on' from the old ways of 'doing debt', not least because it jettisons localised qualitative appraisals of borrower character in favour of industrial-scale

quantitative assessments performed by algorithms attached to credit databases. In this new form of borrower administration the performance and risk of individuals is abstracted and financialised, translated into opportunities by lenders to profit by a machinic assemblage aimed at constructing reliable knowledge of peoples' similarities and differences which pervade economic, social and cultural life. Institutions and bureaucratic administrations play a powerful part in the expression of possible/preferable practices.

Secondly, digging further into participant accounts to focus on reports of the interior processes of the self suggests that credit scoring not only enables everyday people to perform as dutiful credit consumers within the institutional structures of credit but also recruits individuals into broader self-regulating performances of the consuming self, keyed off incentives to optimise one's own economic position. Here, credit scoring produces not just transactional identities, but new economic and social capacities and capabilities which allow individuals to harbour, and act upon, ideas of themselves as particular types of desirous creatures. Bound up within the wider interpersonal and intersubjective complex of memories, measures, morals, corporeality, obligation, anxiety, and affect, the creditworthy consumer articulates the notion of personal responsibility – to oneself, to lenders, to other borrowers, and to one's nation and its economy – through the avenues of consumption and borrowing. Whilst credit scoring hails individuals as subjects from the spaces and rhythms of financial activity that emphasises debt consumption as the norm, it

also points to the subjective location of debt within the subject. Scoring provides an affirmative mechanism for a subject's self-recognition – Foucault (1988) used the phrase “technology of self” – that augments the possibilities for finance to penetrate more deeply into the individual. This form of credit management, which places a greater reliance on the agency of the credit consumer within that consumer's particular social and cultural setting, has the interior processes of the subject as its object; suggesting not only that the contemporary subject is an effect of finance, but prompting us to consider whether finance is an effect of the self, since the self-governing capabilities of economic and social actors are critical to its existence. A reliance on what people make of themselves, moreover, allows parallels to be drawn with the configuration of the self by the self in neoliberal settings, where corporations, institutions, and, most of all, the State, are involved in a mode of governmentality (techniques of governing populations) that orchestrates or “convenes a ‘free’ subject who rationally deliberates about alternative courses of action, makes choices, and bears responsibility for the consequences of these choices” (Brown, 2003, p. 6).

Lastly, from this new and intimate entanglement relevant to the risk-based pricing of credit (and contrary to the benign portrayals typically included in credit industry journals and studies of information systems) I seek to evaluate credit scoring bureaus, privately-owned predictive technologies and systems of classificatory knowledge that necessitate a “territorialisation of social life and the

assignment of objects to their proper place” (Goss, 1995, p. 182) as powerful loci or conduits of a governmental intent directed at the formation of subject and society. In this understanding, the technocratic, statistical expertise applied by lenders through scoring systems constitutes credit consumers as objects of profit-making activities within the institutions and adopted norms of international finance; making consumers amenable, as risks, to governmental strategies which seek to regulate them for particular ends. However, the hold that credit scoring achieves over the individual – the ways in which consumer debt and credit scoring work together to exercise rational knowledge-power over everyday life to influence and alter attitudes, norms, belief systems, and preferred ways of being – seems a complex one that transcends the relatively simplistic explanations provided by economic theories of value-maximising self-interested agents. Credit scoring represents an industrialisation process with a ‘twist’ in that the consuming and self-reflective subject actively participates in the productive process: such subjects choose to validate the realities that are used to judge them and that give them access to retail finance. In this world, the successful management of the credit population as risks and sources of profit turns as much on how individuals understand themselves to be dealt with or positioned in the wider landscape of debt as on the imposition of an authoritative “will to power” by plutocratic elites. The complexities of how consumers conceive and conduct their lives under credit scoring, where private goals are achieved ‘freely’ and autonomously in subjective spaces

which allow for self-contemplation as well as ‘entrepreneurial’ opportunities for protest and resistance, provide a more nuanced view of how individuals exist and respond to the structures of control and governmental intent, including how they willingly or unwillingly participate in them, sometimes taking advantage of or benefiting from them in return for disadvantaging other individuals. I suggest that this contemporary perspective on the governance of oneself in a financialised society offers insights into how subjects are produced through the regulation of what Foucault defines as the “conduct of conduct” (Burchell et al., 1991, p. 48) occurring in neoliberal settings.

Some definitions

Intellectual attention paid to any topic or phenomenon must acknowledge its reliance on particular understandings of terms used to describe the problem to be investigated and in its subsequent analysis. Set out below is a series of working definitions for relevant finance-related terms found in scholarly and practitioner literature relevant to credit and credit scoring technologies, along with a description of key sociological concepts such as “subjectivity” and “neoliberalism” that are of crucial importance to the framing of my study and the conclusions that I draw.

Credit- and finance-related terms

Consumer credit, also referred to as ‘retail finance’ or ‘consumer debt’, is the financial accommodation arising out of the sale of (usually mass-market) consumer goods or services to a buyer without immediate payment. The payment deferral is made possible by the extension of credit (the ‘finance’ component) from the seller to the purchaser, or by credit from a third party lender, both of which take the legal form of a loan. As with all loans, extending credit in this way implies trust and confidence in the buyer/borrower’s ability and intention to repay the loan principal at some future time together with payment of interest according to an agreed schedule. *Credit risk*, an important concept in the theory of finance and the business discipline of risk management, is the possibility of a borrower defaulting on the financial obligations agreed to under the loan, causing the lender a loss.

Credit scoring describes the activities of computer-based management tools for lenders that rely on multivariate statistical analysis of relationships between variables derived from historical financial data collected about individual borrowers and credit default outcomes within a population of borrowers (Marron, 2007). The primary goal is to rank order credit consumers by the predictive odds of them meeting their loan repayment obligations. This typically involves awarding ‘points’ to individual cases under a mathematical algorithm or statistical programme, referred to sometimes as a *credit scorecard*, based on information processed from a number of data

sources. The points are tallied to establish a ‘score’ which establishes the relative ranking of would-be borrowers and classifies them as ‘good’ or ‘bad’ prospects, categorised in ‘risk classes’ (Anderson, 2007). Credit scores are important to lenders because they quantify the risk in lending to particular consumers and indicate whether an application for credit should be granted in light of the lender’s credit risk appetite. Scores also allow a lender to ‘price’ loans commensurately with their perceived risk by adjusting the terms (such as the interest rate) offered.

A *credit bureau* – also referred to as a “credit reporter”, “credit reference agency,” “credit registry,” or simply a “credit agency” – is an independent organisation whose main function is to collect and store data about consumers additional to that already possessed by lenders and make that available as a ‘credit report’ to lenders upon request (McNab & Wynn, 2004). The core of this data is a borrower’s past payment history, which may contain only ‘negative’ information such as late payments, defaults and other loan irregularities, but may also contain ‘positive’ information such as timely repayment of loans and credit. A consumer’s ‘credit file’ may also contain other types of information, including basic personal information such as address and birth date, as well as information from court records or other public or government sources which are thought to have a bearing on creditworthiness. The credit bureau’s position as a centralised repository and a hub of information exchange is designed to bring about efficiencies for lenders, and a credit bureau may produce its

own, generic, credit score to make available to lenders (Bailey, 2006). Examples of such *credit bureau scores* are the ‘FICO’ score produced for consumers in the United States by the Fair Isaacs Corporation, and the VedaScore generated for New Zealanders by Veda Advantage Limited.

Subjectivity and subjects

Subjectivity is a concept in the social sciences that refers to the inner state of a human being, “constituted by thinking, experience, emotion, belief, intentionality, self-awareness and the awareness of others” (Boyne, 2006, p. 293). It relates to the sense of self that resides in human consciousness and free will, and is closely traced to ways of seeing, behaving and feeling. The emphasis on “experience” indicates a necessary relationship between subjectivity and the body – something we all have, and all are – but goes beyond just a focus on psychological perception and moves away from biology as a complete or primary explanation for the self. Instead, subjectivity can be understood as being constituted chiefly by the human capacity for reflexive self-understanding where ideas formed by, and about, the self about itself and others are derived from the culture, society and social group surrounding it. In this conception, a *subject* (any being that has subjectivity) is attuned to its available social and cultural resources, including agents, apparatuses, systems and non-human objects, leading to *lived* experience within differing historical, political and physical contexts. Subjectivity is important for social

researchers because it allows them to describe the conditions or formations that pertain to selves in particular epochs and explains how we come to see ourselves as we do. Subjective experience, after all, is *of* something, and in this view subjective characterisations should not be treated as any less ‘real’ than objective accounts of the world in studying the motivations for action. The discipline of sociology is concerned, in particular, with understanding the *social* component of subjective experience and self-understanding, allowing what might otherwise be considered to be individual idiosyncrasies to be linked to patterns of social conduct. The reluctance even to conceive of a non-social subjective condition is illustrated by the idea of *intersubjectivity*, which although not embraced by all writers, implies that human understandings are accessible to two or more minds. Lastly, the idea of subjectivity can be invoked as a basis for intervening in social and political life if analysis reveals how certain subject formations place undesirable limits on ourselves. Because the subject is a *potential meaning* that can posit its own existence and produce its own trajectories, it is capable of accepting but also of resisting dominant or shared rationalities. Here, the ways that society and social actors are formed, advancing or detracting from the needs of individuals or collectives, the public good, or quality of life, means modern politics can be seen largely as the politics of subjectivity.

Neoliberalism

Whilst general agreement exists amongst social scientists about *neoliberalism's* nature as a multi-faceted economic and political project involving institutional and economic restructuring, there is debate over how far it extends to mould the social and the self via “reinforcing cultural and ideological processes” (Coulter, 2009). Narrowly defined, neoliberalism can describe specific economic policies “marked by a shift from Keynesian welfarism towards a political agenda favouring the relatively unfettered operation of the markets” (Larner, 2000, p. 6). Most critical scholars, however, contend that neoliberalism, despite the ‘slipperiness’ of its exact meaning, should be understood to denote a broader political culture and rationality of governance that “involves extending and disseminating market values to all institutions and social action” (Brown, 2003, p. 3). Neoliberalism, in this conception, operates as an all-encompassing social, moral and political faith, deserving of the prefix “neo” because it indicates a new and distinctly ‘hardened’ extension of the classical liberal theory that arose out of the ideals of the European Enlightenment in the eighteenth century focussing on rationalism, human rights, equality, progress, individual freedom, and competition (Fuchs, 2008). This new, ruthless, understanding of institutions’ and individuals’ need to achieve economic efficiency in the “relentless pursuit of self-interest” (Aronowitz, 2003, p. 28), involves an “elision of the distinction between a market economy and a market society” to the point where its political agenda “seems to

engulf life itself” (Gledhill, 2004, p. 340). Neoliberalism, then, is not only confined to encompassing “a practical formula for rule” (Henderson, 2006), or an abstract philosophy, but constitutes a highly ambitious ideological system seeking an intimate mastery of the individual and its nature – a metanarrative of our times (Roberts, 1998) with potentially profound consequences for the type of society and subjects in existence.

During the 1980s and 1990s, in New Zealand and other Western nations, the neoliberal agenda resulted in deregulation being installed as the order of the day, in the belief (by no means the prerogative of conservative parties only) that free markets and the unrestricted flow of capital can produce economic efficiencies that promote the greatest social, political, and economic good. Under the rhetorical balancing of social and economic interests (usually while actively avoiding debate or action over inequality and corporate power) the economic policy implemented by governments resulted in a broad range of social obligations being transferred to the private sector and a restructuring of state activities along market lines. In New Zealand, as Kelsey (1995) has documented, this included the privatisation of state-owned enterprises and their on-going evaluation as a ‘for-profit’ commercial undertaking, the deregulation of financial and labour markets, significant cuts to a range of social welfare programmes as private sector priorities were applied, and the privileging of Treasury as a site within government. The public discourse that prevailed held that nothing was of significance unless it had ‘use value’ in the

marketplace, and individuals came to be discursively reframed as responsible for their own wellbeing and/or as consumers pursuing their own preferences through the purchase of goods and services. The concept of an individualised responsibility, popularized and made palatable by stressing the liberal rhetoric of individual freedom, autonomy and choice, was closely allied with the view that the regulation of conduct became “a matter of each individual’s desire to govern their own conduct freely in the service of the maximization of a version of their happiness and fulfilment that they take to be their own” (Rose, 1996, p. 57). Thus, a fundamentally new type of economic and moral individual emerged through the notions of ‘choice’ and ‘consumer sovereignty’. *Homo economicus* (Foucault, 2003b), a new capitalist subject governed by competitive motivations and principles and differing from *homo juridicus* – the former rights-bearing creature who is the legal subject of the State – is formed instead, engaging with the logic of competitive markets through an “economistic horizon of thought,” and understanding life as a “fundamentally transactional phenomenon” (Kiersey, 2009, p. 365). It is this new subject – a ‘competitive’ rather than ‘exchanging’ subject for which “the operative terms are no longer rights and laws but interest, investment and competition” (Read, 2009, p. 29) – that remains to be studied.

Exploring credit scoring and subjectivities

Without wanting to pre-empt the detailed discussion of my findings, I can say that the overall conclusion reached in my study is that credit scoring practices *do* contribute to an identifiable moment or element in the formation and personal construction of individual subjects. The subjectivity that is produced is one attributable to the particular technical, economic, social and cultural logic of finance. However, participants' responses on topics related to credit scoring and credit varied significantly, and although my interpretation of their thoughts and actions can be reconciled broadly with critical appraisals of the contemporary subject they were not always straightforward, nor consistent with a *single* view of a type of subject existing today. I suggest that my study therefore serves to deepen the understanding of the diversity of ways in which human attitudes and behaviours contribute to a credit-driven society, while allowing for a 'mid-level' theory to be proposed about different 'types' of participants constituted as contemporary subjects.

Critical scholars would generally acknowledge that the outcomes of every research project depend upon the way in which the relevant 'research problem' is framed and approached. In this chapter I have explained my interest in understanding how financial technologies are involved in the self-fashioning of individuals within neoliberal Western economies and how that has established my research agenda. The objective of my study was to examine how a diverse group of

individuals in New Zealand think, feel and act in relation to the technical practices of credit scoring – a ‘gold standard’ decision-support system for lenders that boosts profitability, increases the accuracy of business judgments and achieves dramatic reductions in the time and costs spent on debt administration. My goal was to gain an understanding of how the ‘industrialisation of trust’, which enables lenders to predict and influence borrower behaviour, plays a part in the constitution of the ‘types of people’ that exist in contemporary society. I consider this to be a field of enquiry worthy of investigation given critical concern about the increasingly intimate links between digital technologies and the self, and the lack of prior research in this specific area. I have offered a working definition of the phenomenon I am investigating, a description of its emergence in New Zealand and its relation to the “Financially Sorted Kiwi”, and an explanation of the key ‘terms of art’ relied on in my sociological investigation and subsequent theorisation.

In Chapter 2 I go on to situate my specific inquiry by describing the connection between the global lending industry and the circumstances of individuals and collectives in New Zealand, examining credit scoring’s place in the new “international financial architecture” (Miller, 2003). I start with an overview of the incidence of consumer debt in New Zealand and elsewhere in the world, a description of how the patterning of credit held by New Zealand households is understood and measured by regulators and policy makers, and an explanation of the fundamentals of borrowing and lending. I then address the impact

that scoring technologies have had on the risk management practices of the lending industry, and the circumstances under which scoring has been installed as a feature of the business landscape in New Zealand, including how credit consumers and borrowing populations are conceived of. These aspects assist with the later scrutiny of the assumptions, values and ‘rationality’ that underpin credit arrangements in our society and the impact these have on women and men in society. Studying the historical trajectory of financial practices also provides an insight into the managerial ‘revolution’ that has occurred in the debt industry with respect to the treatment of risk, and how scoring technologies have operated as a catalyst for broader changes in organisational structure and culture. Lastly, I discuss how the harm arising from allowing the personal information of consumers to be collected and managed for a variety of reasons, including the need to accrue creditworthiness, is mitigated by New Zealand legislation.

Chapter 3 explains how I approach the notion of subjectivity – as a topic, a problem, and a resource – to study the implications of credit scoring with respect to individuals in New Zealand. In the first part of the chapter I describe the key aspects of three prominent sociological ‘counter-discourses’: analytic frameworks derived, respectively, from historical materialism, the Foucaultian power/knowledge paradigm, and feminism, and what each has to offer in constructing an account of credit scoring and the subject as social and political phenomena. Together, these three intellectual traditions serve as a theoretical lens

through which to critique scoring practices as objective and subjective constructions pertaining to finance and the consumer-subject. As critical perspectives, the three theories also identify that there are questions left unspoken in business analysis about who benefits from credit scoring and why, assert that social inequalities and injustices are likely to result from the capitalist system of production, and contribute to a critique of neoliberalism as the dominant economic and political paradigm of today. At a high level, these orientations guided how I tackled my study and what I regarded as significant in the interpretation of participant responses. The second part of Chapter 3 moves to outline and justify the basis of my research methodology and methods, and establishes their relationship with relevant literature, my informing sociological theory, and the generation of relevant data. I seek to address the gap in sociological literature on credit scoring and subjectivities by employing a qualitative interpretive strategy in respect of data gathered in 2013 from seventy women and men recruited for focus groups and open-ended individual interviews. The Weberian interpretive approach, which places an emphasis on the role of the intersubjective and ideational realms, is most closely suited to my personal convictions about knowledge-gathering and the nature of being in the world. I explain how that tradition is applied in the context of a research strategy aligned with some elements of a grounded theory approach to generate and address research questions about how credit scoring is implicated in participants' understandings of society and self.

Chapters 4 to 6 then lay out an analysis of the data gathered for the project from participant interviews, keeping in mind a number of ‘stock in trade’ sociological dichotomies when interpreting them, such as structure/agency, individuals/collectives, knowledge/practice, and compliance/resistance, together with general themes of surveillance, responsibility, self-administration, social control, governance and neoliberal capitalism. My aim in Chapter 4 is to shed light on the relationship between participants’ own experiences and the social structures they inhabit: to make credit’s invisible dynamics and complex intersections with the ‘scaffolding’ of society more apparent and subject to scrutiny. I build upon understandings presented in Chapter 2 about how credit consumers are conceived of and positioned by the finance industry as objects within collective information networks, by focusing on credit as a social institution, and credit scoring as an institutional technology, emblematic of structural power. Participant accounts of their reactions and responses to structural features of finance allow me to explore how the enduring, orderly and patterned relationships that characterize credit shape the economic outcomes and life chances of individuals. Credit, I find, is invoked (often mandatorily) at various ‘levels’ and in different configurations, to connect with the self, for example, through the material body, incentive structures, bureaucracies, the global debt economy, and the state. Participants illustrate the ways in which credit and credit scoring mould the conditions and circumstances in which subjects are forged, and how the ‘objective’ facts created about

creditworthiness match with tacit social knowledge and acquire biographical significance, recruiting would-be borrowers into self-regulating performances of the consuming self. We also see how credit consumers are treated as objects of scientific enquiry and commercial enterprise – parts of a massified body brought into being by techniques of ‘hard science’ and placed under the clinical gaze of expert ‘knowers’ – and, in doing so, gain a social and subjective understanding of themselves and others through the rules, customs and logic of finance. Although administrative processes strengthen the *subjectifying* hold of credit over consumers, examining, measuring, documenting, naming and normalising varieties of permissible states of being, and stabilising consumers as targets for marketing strategies designed to stimulate demand for commodities and credit, I suggest that we should be vigilant in not downplaying the agential and reflexive capacities of individual consumers. Credit, arguably a ‘social’ institution in its own right, and a source of new capabilities as well as susceptibilities, can be seen as a practice-based enterprise, actively constituted by human actors. Participant experiences, as institutional subjects, thus suggest where it is that institutions ‘come from’ and how they are maintained, as well as how they might be resisted and reconstituted.

I go on to explore the idea of agency and self-shaping further in Chapter 5 by examining data obtained from participant interviews which show how ‘interior’ processes of the self are at work in dealing with credit scoring and credit. My goal was to understand how

participants, encouraged by economic incentives to engage in actions directed ‘mindfully’ towards compliance, engage in the self-ordering of their thoughts and actions; what subjects do for themselves, in other words, to manage their debts and to make sense of the financialised world in which they are situated. I found that the personal efforts of participants, allowing them to negotiate the financial world (more or less) successfully, were also involved in bringing about more profound effects for the self: a *subjectivating* effect stemming from the personal significance derived by subjects from the techniques and strategies employed. Credit scoring, I suggest, can be viewed as a technology of subject-making, a reflexive resource for self-construction and self-validation, a deliberate intervention by credit within the architecture of the self that allows individuals to arrive at and accept the ‘truths’ of their location within the financial and social order. For the most part, the internalisation of certain beliefs about credit and the enactment of self-responsible conduct produce a correspondence between the personal interests of borrowers and the profit-making motives of lending institutions. It is possible therefore to see this as yet another way that finance, as an institution and social activity, attempts to gain purchase over the activities and nature of the subject. However, the fact that credit scoring operates via economic incentives to primarily regulate not the ‘conduct’ of individuals, but their ‘conduct of conduct’, means that the full agency and creativity of the individual is available to be deployed in relating to credit and forming the self. Shortcomings of the credit system accidentally or

intentionally discovered, or seemingly random events or anomalies that allow the system to be circumvented or exploited for personal gain, lead to possibilities for subversion and resistance, suggesting that the risk management practices designed to define and tame complexity have not yet established (or, more intriguingly, are not designed to exert) a totalising hold over the self.

Chapter 6 rounds out my analysis of participant data by considering the effects of credit and credit scoring on individuals as subjects existing in association with, and relating to, others. This approach tests the idea that social actors are primarily maintained and transformed by interactions with others; that is, the nature of the self arises from the *relationality* of subjects within social complexes. Participant responses draw attention to the ways in which credit connects us socially and politically with a variety of others in the economy, and how credit scoring techniques are designed to discover, and discriminate between, traits of similarity and difference, coordinating the individual with others within collectivities of credit consumers. From participants I discover that finance provides a conduit for, and leverage in, social relationships, and that although a score is determined by one's own actions it also depends on the actions (co-operative or otherwise) of those around oneself, and by cultural formations and collective or macro-level economic outcomes. Other aspects of the relationality of subjects are also explored which suggest ways in which credit and credit scores are socialised interpersonally and intersubjectively; for instance, through informal

advice-giving practices in intimate or social settings, or via the enactment of personal care or responsibility for others. In attempting to understand how ‘rational’ modes of thought co-exist with other dispositions I examine the manifestation of association and social relationality through emotional or affective states, looking at how the control of emotion is important to finance and suggesting that concepts such as pride and contempt can play a part in its socialisation. Scoring and credit can also be seen to occupy significant places within deeper normative notions that underlie social expectations, including in shared moral understandings and in ethical frameworks that inform individuals about the ‘rightness’ of action and the ideal relationship with others and oneself. These examples illustrate how credit, as a subjective reality, is a social construction: a conventional creation that aims to produce coordinated results among networked subjects. These aspects are not often confronted by government agencies tasked with financial literacy education, nor (it has to be said) typically considered in the study of finance. However, all of these aspects can be seen to elucidate the profoundly social dimensions of the subject because they all involve the establishment and cultivation of a sense of self in relation to others.

Finally, Chapter 7 provides an opportunity to reflect on my findings and attempt to synthesise them into wider conclusions, not only about forms of modern-day consciousness arising from the development of market-promoting algorithmic technologies such as credit scoring, but also concerning our modern-day relationship to the inequalities and

power concentrated in the hands of multi-national corporate enterprises. Whilst the participants in my study could not represent the views of all credit consumers, common themes seemed to emerge which allowed me to group otherwise diverse perceptions of economic phenomena under common banners attesting to various ways that individuals are ‘made up’. What is evident, I argue, is the involvement of credit scoring in the *subjectification* and *subjectivation* of individuals – constituted variously in technical, economic, social and cultural ways in response to the demands and dictates of finance. I claim, moreover, that scoring (like debt) is a value-laden phenomenon which, in socialising the rationality and logic of finance, can be viewed as political at the levels of material interest, epistemology, and in the appropriation of subjectivity as a source of profit. The politics of debt is observed both in the themes that run through all the chapters, as well as in my application of Marxist, Foucaultian and feminist theories of society and the subject. These theories remind us that political aspirations manifest themselves in the arrangements for control and governance, but that critical analysis can make these configurations known if the effects of power are not confused with a natural state of being. Lastly, in an attempt to make the insights from my study useful to other sociologists, policy makers and finance scholars, I offer a critical reading of the participants in my study through a triadic assemblage of distinctive figures indicating contemporary ‘styles’ of involvement with credit and its technologies. Although I am reluctant to generalise my idiographic findings to the

level of populations, it is possible, through relying on the properties of my informing theories, to interpret my typology as three possible ways of understanding the effects of the financialisation brought about by neoliberal capitalism on the self in society. The danger in such abstraction, of course, is that the particularities and complexities identified in participant responses are smoothed over, positing a monolithic view of the ‘rights and wrongs’ of scoring. This problem – ignoring the need to encompass and embrace explanations that deal with social complexity – is also confronted by some critics of neoliberalism who present an overly-simplistic view of its effects on lives and on the ‘making up’ of people, suggesting instead a range of homogenous consequences for Western (and increasingly all human) subjects. At the very least, my three figures, like typifications of neoliberalism, can be viewed as sociological ‘caricatures’, useful, perhaps, in advancing a discussion of the nature of ‘actually existing’ neoliberal financialisation even if they are eventually discarded in favour of other depictions or theories of the self (or selves) that better accommodate the provisional, fractious or incomplete nature of social subjectivity.

Credit Scoring in New Zealand

The introduction and development of credit scoring reflects a number of trends evident in “information societies” including computerisation, ‘Big Data’, personalisation, automation and economic optimisation (Latzner et al., 2014). In this chapter I take the working definitions of “credit scoring” and “credit bureau” contained in my introduction and situate them within the broader landscape of consumer credit. In doing so I have sought to address the economic and technological aspects of consumer credit scoring – examining what occasions its use, where it fits into existing financial practice, how it affects the nature of lending, and what impacts it has on the lending industry, individuals and the public. I incorporate a brief history of these aspects so that a sense of the evolution that has occurred (and an appreciation for future directions) can be gained. Credit scoring is also a technology that can be seen to transcend geographic boundaries, and I have also been mindful to describe the links between credit and credit scoring practices in New Zealand and practices in other regions of the world.

I begin by examining the incidence of consumer credit and debt in New Zealand and the world, and the place of the “kiwi” credit consumer within the new “international financial architecture” (Miller,

2003), before turning to the fundamentals of credit and scoring. As an indispensable feature of modern day lending, credit scoring can be understood most easily in terms of the theory of credit provision, which rests on the notions of “risk”, “return” and “profitability”. Improvements in computing power and information technologies have allowed an emphasis on age-old lending practices to be preserved whilst placing an intense focus on risk management, underpinned by decision science, with associated monitoring and control techniques. This has contributed to changes in both the structure and the “culture” of the industry, affecting the way that credit customers are conceived of and interacted with as profit-making prospects. In ending, I consider how the protections afforded to consumers under fair trading and privacy legislation in New Zealand have been extended to apply to the activities of credit bureaus – who, as financial intermediaries, provide perhaps the clearest example of how networked information is being harnessed in ways that affect the behaviours and aspirations of individuals.

The academic literature on credit scoring and credit bureaus is relatively sparse. It is also decidedly dry, and as someone not trained in statistics or mathematics I found the technical detail (derivations, methodological descriptions, optimisations, and seemingly endless discussions of data and estimation problems) in some publications to be a little overwhelming. The most useful sources for my purposes were those that took a ‘step back’ – concentrating on the core principles and articulating concepts, and voicing the understandings of

the industry as to the benefits and limitations of lending technologies. The core credit scoring texts drawn on in this chapter are Anderson (2007), Bailey (2004; 2006), Lewis (1992), McNab and Wynn (2004), Miller (2003), and Thomas et al. (2002), supplemented by a series of journal articles and reference lists that survey the technical aspects of scoring techniques (Hand & Henley, 1997; Rosenberg & Gleit, 1994; Consumer Credit Research Group, 2011).

Lending gets personal

The credit industry is one of largest profit-making enterprises the world has ever known. The financial services sector generates approximately one-tenth of global revenues, employs tens of millions of people, and plays an integral role in the economy of every country on earth. At its core lies total worldwide lending estimated to be in excess of US\$220 trillion (ING Group, 2012). A significant portion of this debt – approximately US\$92 trillion – is private sector (that is, non-governmental) borrowing, which is the lifeblood of commercial production and trade, as well as aiding household and individual consumption. Yet it hasn't always been this way. Credit attained significance in terms of scale only in the 1800s – allowing factories and national infrastructure to be built, but also satisfying the spending habits of the newly-monied middle classes who consumed the mass-produced goods of the industrialists. Marron (2007) notes that by the end of the nineteenth century “retail instalment credit was already relatively widespread in single-line retailers” (p. 105) and multi-line

department stores and mail-order firms soon followed suit, willing to allow customers to pay back the purchase price of goods over an extended period. The rise of the motor-car industry in the 1920s is said to have instigated the real growth in retail lending as finance companies were developed to respond to consumers' desire to borrow to purchase a good that was very mobile and could not be deposited for security (like pawn-shop lending) or used as security (like land and property, whose location the lender knows at all times). From the 1950s and 1960s, banks and finance providers offered a range of personal loans, including credit cards and revolving credit facilities (Anderson, 2007). Marron (2007) sees this last development as a significant turning point, representing:

... the birth of a new form of mass consumer credit, with provision dislocated away from specific retailers and even types of goods to the diverse, borderless domain of everyday, generalized consumption, in turn, widening the scope and possibilities of consumer choice (p. 108).

The explosion in lending to consumers and homeowners that occurred over the last half of the twentieth century made it one of the highest growth rate ventures in any sector of business (Thomas et al., 2002). In the United States alone, the amount of debt extended to households and individuals grew from US\$19.1 billion in 1950 to US\$2.9 trillion in 2012 (Federal Reserve Board, 2010).

Worldwide consumer credit is now estimated to stand at a total of EUR6.4 trillion (Crédit Agricole, 2013). Such credit is not distributed uniformly across the world, however, as Figure 1 shows.

Figure 1: Worldwide consumer lending 2012

Source: Adapted from *Crédit Agricole* (2013)

The vast majority of consumer debt is concentrated in Northern Hemisphere countries – those with large populations and mature consumer markets. North America accounts for 41 per cent of the world's consumer loans, followed by Asia and the Middle East at 29 per cent, and Europe at 22 per cent. The emerging economic regions of South America and Africa have the smallest share of the consumer finance market, although growth in consumer loans is rapidly accelerating as the annual credit growth in the United States has stagnated in recent years. On a per capita basis, North American countries have the highest levels of average outstanding consumer loans (EUR11,677 in Canada, and EUR6,888 in the United States).

The Oceanic countries punch far above their weight, with the average household debt per capita in Australia of EUR3,628 exceeding the average for Europe and Russia (EUR1,706), and New Zealand's small export economy of only 4.5 million people with EUR1,953 per capita exceeding the per capita average for the much larger regions of Asia and the Middle East (EUR451) and South America (EUR651).

The Reserve Bank of New Zealand's data on aggregate debt on issue to individuals in New Zealand shows household debt increasing markedly since the early 1990s, with a total of NZ\$204 billion owed to financial institutions as at December 2012 (Figure 2). This was a period in which economic reforms and deregulation of the New Zealand financial markets occurred, with an erosion of state welfare benefits led by broadly centrist governing parties emphasising a 'user pays' approach to matters such as health, education and provision for retirement (Boston, 1996; Kelsey 1995; 2015). Applying Statistics New Zealand (2012) population data as at 2012 shows that average per capita lending stands at NZ\$45,915 in December 2012, up from approximately NZ\$30,000 in 2004, NZ\$20,000 in 2000 and NZ\$10,000 in 1993. Countrywide inflation accounts for some of this upward movement (rising prices in the economy increase the nominal amount of new debt taken on) but the growth in real debt volumes has nevertheless been significant.

Figure 2: Total New Zealand household liabilities 1978-2012

Source: Reserve Bank of New Zealand (2012), Statistics New Zealand (2012)

Most loans captured in the Reserve Bank's official figures originate from lending institutions in New Zealand, comprising the seven main registered banks (ANZ, Westpac, ASB, BNZ, Kiwibank, TSB and HSBC), and a diverse set of New Zealand commercial lenders (including building societies and credit unions) and dedicated finance companies which, together, lend on virtually all consumer goods from used cars to household 'white ware'. Both bank and non-bank lenders could be expected to apply credit scoring techniques to virtually all loans extended, although, as explained below, student loans obtained from the Government and 'loans from other sources' (predominantly historic loans from the Housing Corporation, and solicitors trust

accounts) would be unlikely to involve credit scoring assessments. Information on the uses for the debt recorded by the Reserve Bank is presented in Figure 3, where a heavy reliance on debt for housing purchases – normally a New Zealander’s largest lifetime purchase – can be seen to increase dramatically over the period 2002–2008 when house price rises were the steepest in New Zealand’s history. (The Kiwi ‘dream’ of the suburban quarter-acre single detached house on its own block of land has long been encouraged by political parties of all hues, as it is seen to support self-reliance and good citizenship. The housing market did cool following the global financial crisis in 2008, however New Zealanders by and large escaped a severe housing downturn, and the volume of mortgage loans has risen in aggregate. Murphy (2011) argues that a combination of pre-existing institutional practices, market conditions and government policies acted to shelter the housing markets in New Zealand and Australia during the GFC and created the environment for a new housing boom. As the time of writing the housing market is as buoyant as it has ever been, notably so in the greater Auckland region where population inflows and a shortage of housing stock conspire to drive prices upwards).

Consumer loans are shown as NZ\$13.4 billion in 2012, which is a small volume relative to total housing loans. However, that comparison belies the significance of consumer loans to the industry in terms of the volume of loan applications and the complexity of their terms. Figure 3 also shows that student loans (which are considered a class of loan separate from consumer loans) increased steadily from

1998 (7 years after their introduction) and in 2012 amounted to NZ\$13.0 billion.

Figure 3: Types of New Zealand household liabilities 1998–2013

Source: Reserve Bank of New Zealand

It is important to note that the Reserve Bank data is likely to underestimate the gross amount of debt that individuals hold in New Zealand, because it excludes credit extended by utilities' providers (power, gas, telephone, internet), merchants (store credit from the likes of Farmers and The Warehouse), tradespeople (deferred payment for goods or services), local bodies and community institutions (rates, water charges, primary and secondary school fees), landlords (rental arrears), the taxation and court systems (unpaid taxes and child support payments, court-related debt such as parking fines), employers

(employment related loans and advances), and ‘informal’ loans from families, friends and acquaintances. It also excludes debt from ‘third-tier’ lenders—there were over 200 “payday” and other ‘fringe’ money lenders estimated to be in existence in 2011 (Ministry of Consumer Affairs, 2011)—and the debt taken on by individuals for business purposes (many small business owners in New Zealand operate as sole traders and draw down on personal credit lines to finance their business). Credit scoring assessments are likely to be used in some of these cases (for example, by large store merchants and utilities’ providers). On the other hand, the Reserve Bank figures do not take account of savings and investments held by consumers simultaneously with debt. This means that the ‘net’ position is not observed for an individual – only the ‘gross’ debt. Whether these amounts add up to a material distortion the amount of exposure of consumers to debt is uncertain, and, of course, depends on the measure one is trying to arrive at.

Producing profit from risk

Money-lending has ancient roots, with some authors speculating that the borrowing and repaying activities recorded over the last 5,000 years in Babylonian, Greek and Roman cultures could have stretched back to when humans first began communicating (Anderson, 2007). Although debates over the morality of debts and lending seem always to have existed, the basic model of credit provision has remained unchanged over time. Consumer credit, as mentioned in my

introduction, can be regarded as a financial accommodation that arises where goods or services are sold without immediate payment. The financial accommodation in such ‘buy-now, pay-later’ arrangements may be in the form of a simple debt owed by the buyer to the vendor, or involve a loan sourced from a third party to enable payment to be made to the vendor on the borrower’s behalf.

The business imperative for all lenders is to maximise their profits from credit transactions. For a borrower, the interest payable on a debt is the ‘price’ to be paid for financial accommodation – it is the net monetary outflow (and thus cost) that the borrower expects to suffer once the loan has been repaid according to its terms. From a lender’s perspective, the interest is the promised return that must cover the cost of lending, including the potential losses if the loan (or interest) is not in fact repaid by the borrower. A lender can choose which customers to take on, and does so according to: (a) the lender’s ‘risk appetite’; (b) the expected rewards for taking on that risk; and (c) the expected duration of the customer relationship and likelihood of repeat business in the future. Profitability of lending transactions can thus be seen to revolve around ‘the three R’s’ – risk, reward and retention (Anderson, 2007). Business principles also demand that lenders, as ‘going concerns’, must be sufficiently capitalised to bear lending losses if the risks eventuate (Bailey, 2006).

Lending, in all cases, implies an appreciation of the borrower’s ability and intention to repay in full at some future, agreed, time and with interest. It requires a degree of confidence in the borrower, and,

in this sense, relies on trust. A major aspect of the credit-granting process is acquiring knowledge about whomever the credit is being extended to in order to make a judgement about who will be a satisfactory (good) or unsatisfactory (bad) customer. However, borrowers differ markedly in their ability and willingness to pay, and the reasons for eventual non-payment can be complicated. Rather than simply concluding that there are good and bad customers, a traditional approach was to break down a customer's qualities into four areas to be assessed (Bailey, 2006):

- Willingness to repay the debt (“character”);
- Ability to repay the debt (“affordability”);
- Security or collateral (“security”); and
- Future prospects (“stability”).

These four elements would have different roles and contributions for different types of loan situations. For instance, “affordability” and “security” could be the highest priority for mortgage lending and motor finance, whereas understanding “character” and “stability” might be seen as essential for smaller-value lending (Bailey, 2006, p. 185). In some circumstances the borrower's intended use of the funds was taken into account (that is, the “source”), but a number of today's lending products like pre-arranged overdrafts and revolving credit mortgages act like a permanent extension of a line of credit to customers for repeat purchases and make “source” largely irrelevant.

Managing and controlling

In modern lending businesses personalised assessments of creditworthiness could be criticised as sometimes relying too much on the “gut feel” of the lender, and as being slow and inconsistent. If more scientific approaches to assessing repayment prospects were to be used, then the understanding of risk/reward trade-offs would be improved and lenders would be able to adopt much more accurate tiered or differential pricing structures for loans. Under these arrangements there is no simple fixed interest cost – rather the ‘price’ (the total expected return represented by the interest rate and other terms of the loan) is adjusted according to the risk (and the perceived profit potential) that particular lending propositions present. Such pricing strategies allow lenders to offer borrowers an interest rate that is commensurate with the relative risk they present, and which might encourage customer retention (Barron & Staten, 2003). A stylised example of a tiered terms structure is shown in Figure 4.

Figure 4: Tiered loan product structure

RISK	PRODUCT TERMS			
	Interest	Fees	Deposit	
	Bronze 5:1	10%	Yes	20%
	Silver 10:1	9%	Yes	15%
	Gold 20:1	8%	Yes	10%
	Platinum 40:1	6%	Waive	5%

Source: Adapted from Bailey (2006, p. 85)

At a more conceptual level, the move towards more scientific methods of risk assessment reflects greater efforts on the part of lending businesses to control profitability by using formalised processes to mitigate enterprise-level risk. Anderson (2007) maintains that a defining feature of business practices in the late twentieth century was the recognition of risk as a specialist area, which needs to be managed. Corporate policies and procedures are the primary ways to achieve enhanced risk management through adopting systematic approaches. Scoring-based models are a typical example of the decision-making tools and techniques put in place to ensure that the proper risk/return dynamic is maintained in the credit-granting process (McNab & Wynn, 2004). They aid lenders to decide who will get credit, how much credit they should get, and what operational decisions will enhance the profitability of the borrowers to the lender (Thomas et al., 2002). A basic logic that underpins the optimisation of profit opportunities fuses probability analysis with accounting concepts to state that a lender should continue extending credit to borrowers to the point where the expected losses from the most marginal bad payer taken on equals the profit from their good paying customers – the point of ‘breakeven’ (McNab & Wynn, 2004, p. 67). Tolerating some bad borrowers to a certain point involves risk-adjusted decisions on the minimum credit score for approval (“cut-off”), increases in initial credit lines or automated credit lines, the setting of loan conditions,

establishing policy rules, and implementing “challenger” strategies to check that the current settings are optimal. Tools to achieve greater control over credit rationing decisions make risk decisions more transparent, and the results of improved decision-making can have a significant impact on profits given the large volumes of capital that must be deployed in order to generate the relatively small gross margins on lending. Improved control over even apparently small deviations in loan losses might mean a lending organisation avoids financial disaster.

The customer/credit life cycle

Credit risk is usually conceived of as the risk arising from a real or perceived change in a loan counterparty’s ability to meet its credit commitments. However, the strategies adopted by a lender as part of a risk management framework need also to function within the context of the wider economy, which itself is seen as containing different cycles for services, manufacturing and construction (McNab & Wynn, 2004, p. 11). These cycles affect demand for consumer credit and the associated costs and profit opportunities available to lenders. The “peaks and troughs” from these cycles are evident in trends such as rapidly changing house prices, or fluctuating levels of unemployment, and are also precipitated by geo-political events such as the World Trade Centre attacks of September 11, 2001, or economic events such as the severe constraints placed on bank liquidity in the Global Financial Crisis of 2008. Broader shifts in patterns of customer

behaviours from the application of new technologies, or from changing societal or cultural attitudes that affect lifestyle, consumption or financial patterns, also occur. These all have the potential to affect adversely the ability to predict good and bad customer rates and to challenge the power of management strategies to optimise profit.

Not only is the economic environment for lending cyclical, but the core business of lending is itself usually envisaged as a series of progressive stages in customer engagement. Figure 5 illustrates the ‘life cycle’ of a customer with an active loan account, starting with the consumer applying for credit and ending when the account is closed. The cycle involves various stages: marketing and solicitation (“market”); new application processing (“acquire”); account management (“manage”); and collections and recoveries (“collect”). As an entity with on-going credit needs, the customer is expected to enter the cycle again with a new credit account in the acquisition (“market”) phase. Under a risk management framework the strategy and decisions to be made by the lender differ at the various stages.

Figure 5: Customer life cycle

Source: Adapted from Bailey (2006, p. 182)

Effect on industry structure

While the basic concept of producing profits from lending backed by trust has remained essentially unchanged, the practicalities of lending now differ from those in existence only 30 or 40 years ago, especially with respect to automation. Increasing transaction volumes with associated high processing overhead expenses mean that cost savings become the key objective for most lenders. A deregulated financial environment allowed mergers and acquisitions to occur in order for lenders to gain economies of scale, opportunities for new types of lending, and increased service levels generally. One trend through the 1980s and 1990s was to outsource non-core activities including call centre operations, provision of information technology, human resources activities, and mortgage and credit card processing. Large investments in decision automation as part of the implementation of the risk management framework discussed above were made. As

transaction costs of technology-based customer “channels” are significantly lower than those of traditional routes, this factor was the driver for the development of innovative technologies such as mobile and internet banking to interact with borrowers (McNab & Wynn, 2004). Finally, as their costs and speed improved, lenders were able to justify developments for other products that had lower volumes, higher complexity but produced greater profits (Anderson, 2007, p. 41).

How retail borrowers are viewed by the industry

With these changes came a new industry vocabulary applied to finance and a new way of conceptualising customers. Financial accommodation is based on debt, which is an intangible good or service. Yet the language and concepts of product marketing derived from the sale of *physical* goods were readily adopted and adapted by the industry. Debt is conceived of as a “product” which can be differentiated from other credit products on the basis of its “features” and “benefits”, and classified within different sales categories or “segments”. Such products are made available by suppliers along “delivery channels”, for supply within a region, location or territory, and with associated product documentation. Branding of these products allows customer recognition and loyalty to be monitored and encouraged. Product innovation is expected over time. And legal rights of complaint, repudiation or remedy attach to contracts for the sale of credit products as faulty or mis-sold items. A focus on the

professionalised management of risk through business strategies has also led to a focus on business cycles, planning priorities, portfolio diversification and performance, management of systemic and non-systemic “exposures”, stress on parts of the economy, “pressure” on industry margins, and changes in consumer confidence and sentiment. These terms are also routinely adopted by banking regulators.

Within this context, customers are viewed by the industry as profitable prospects – either to “develop” and maintain, or to be deemed too risky or costly in light of the lender’s risk appetite so that customers’ access to credit products is restricted or they are actively discouraged and shed. A set of concepts and understandings is applied when making such decisions. “Delinquent” behaviour by some customers, for instance, can be tolerated in circumstances where, in aggregate, the remainder of a lender’s customers are “performing”. It is also acknowledged that the different loan products which each customer holds are interlinked: all involve credit under different terms but a default on one product can cause or indicate a higher risk of default on others. Some customers habitually use one financial product to make payments on another, so that personal loan and credit card repayment obligations might be met by drawing down on their cheque account overdraft, or from revolving loan accounts (Bailey, 2006, p. 150). Here, the priority that a customer places on payment of a particular debt (referred to as the position of a product within a “payment hierarchy”) is assumed to vary. For example a customer is more likely to try to make a mortgage repayment than repay a balance

on a store card if the individual starts to experience financial difficulty. The relative size of the debt is also assumed to have a bearing on the types of decisions made by borrowers to repay. Late payment by customers can actually be highly profitable for lenders, so long as the balance is eventually paid and the interest charged for the period of the delinquency is high enough to compensate for the costs, including moving a customer into “collections”. Finally, there are customers who are considered “sleepers” – borrowers with dormant loan accounts who start using credit only when a need arises or when they are “maxed out” on their other loan products (Bailey, 2006, p. 147).

Role of technology and information

Developments in technological infrastructure have provided new means for reaching existing and new customers, and are also a way of reducing the transactional costs associated with product distribution channels. Technologies such as Automatic Teller machines (ATMs) and Electronic Funds Transfers at Point of Sale (EFTPOS) are popular in New Zealand – as are in-store banking and m-commerce (activity enacted via mobile phone or other portable device). Every bank in New Zealand now offers an internet banking system for customers, and credit proliferates in small convenient “bites”, made available whenever a customer wants it, and with negligible thought given to the costs of their procuring it, which are largely standardised. But the improvements in computing processing speed, mass data storage and

electronic data exchange that has prompted these developments has also brought about dramatic possibilities for gathering and using data to increase the accuracy and power of credit decision-making systems. Lenders have three main sources of data: the customer, internal systems, and external agents. Data from different sources have different qualities but all data sources are amenable to inclusion in decision-making systems, and invite the process of “data mining” – the use of information systems for the exploration and analysis of the vast amount of data collected in order to discover meaningful patterns and relationships (Thomas et al., 2002, p. 6). The advent of new electronic delivery and communication channels with customers has required investment by lenders in new systems, new databases, new networks, and enhanced security for data transmission. The internet is proving to be an effective way of communicating with customers, and it can also be a cost-effective mechanism for direct marketing activities such as offers for loan extension. The internet also operates as a source of information for customers for such things as current lending rates, assistance with house buying, money guides, retirement planning, disclosure statements and so forth, and is typically coupled with strong branding and marketing presence of the lenders making information available.

Relating to customers

There is evidence that improved access to data for use in lending decisions has contributed to a major change in the mode of interaction

of lenders with customers. For example, Peterson & Rajan (2000) have observed that the ‘distance’ between borrowers and lenders has grown, such that reliance on the frequent personal communications or interaction characteristic of the more traditional “relationship lending” approach has reduced. Better data enables automated decision making to be deployed, especially in high-volume low-value lending situations, and it reduces lenders’ reliance on traditional relationship-based risk-assessment procedures. Lenders have been able to take a more “transactional” approach to business, and marketing products to entice non-customers becomes a more realistic possibility. “Relationship lending” approaches can still be useful, however, where the relationship provides the lender with a competitive advantage. Manual underwriting – the exercise of human judgment to assess and verify capacity to pay, character, and collateral (Bailey, 2006, p. 18) – is still used where potential profits are high, automated decision-making tools are insufficiently developed, and/or when a customer disputes the system’s decision. In addition, a personalised assessment for the need and quality of collateral is still required where the loan size is so great that the customer’s ability to repay it out of income is questionable and the costs of managing the collateral can be cost-justified (Anderson, 2007, p. 6). Lastly, there is a movement, largely among bank lenders, to extend the trust and ‘value grading’ provided by automated decision systems to the multiple dimensions of a business relationship with a customer as part of customer relationship management (CRM). CRM is a vehicle for providing ‘optimal value

to customers' through all communication channels, all marketing and sales opportunities, and all servicing channels (McNab & Wynn, 2004, p. 127).

Regulation – consumer protection

As the power and sophistication of the technologies used by the lending industry increases, an increasing amount of legal protection for consumers has been provided by central regulating bodies and legislators. Details of legal frameworks vary from one country to another, but the basic concepts are generally consistent in that they strive to facilitate ready access by credit consumers to credit, while protecting them from unfair or unscrupulous behaviour. Anderson (2007) describes a typical regulatory framework as a “compliance hierarchy, encompassing statutes, legal precedent, industry codes of practice, company policies and procedures, and unwritten codes used by business” (p. 25). In New Zealand, accounting and public reporting requirements, mandatory banking licence terms, public registration and ratings disclosure specifications, and consumer trading complaints enforcement can be added to that list.

The main types of legislation in New Zealand that affect consumer credit and lending practices are: (a) data privacy limitations contained in the *Privacy Act 1993*, relating to the manner of collection, data relevance, data quality, use of data, information disclosure, subjects' rights, and data security; (b) anti-discrimination rules contained in the *Human Rights Act 1993*, to prevent prejudice on the basis of race,

colour, language, religion, national origin, gender, et cetera; and (c) fair lending requirements contained in the *Credit Contracts and Consumer Finance Act 2003*, to guard against predatory and irresponsible lending, and instead to promote responsible lending. Legislation guarding against criminal and terrorist activities through ‘know your customer’ rules can also be relevant, such as those contained in the *Anti-Money Laundering and Countering Financing of Terrorism Act 2009*. Banks are also required to self-assess their capital adequacy requirements under the Basel II Framework, which requires a prediction of likely portfolio default and prudence measures.

Credit scoring – a ‘system within a system’

Credit scoring is probably the most successful application of an automated tool to improve operational efficiency of lenders through decision-making. As indicated in the working definitions in my Introduction, credit scoring aims to systematically outperform traditional “subjective” decision-making about loan applicants by increasing the speed and consistency of judgments about credit risk at a cost far less than if individual officers of the lender were involved. It also provides lenders with enhanced control over operational risk through monitoring loan portfolio performance with the expectation of minimising losses from default.

The essential idea behind all credit scoring techniques, as expounded by Anderson (2007), McNab & Wynn (2004) and Thomas

et al. (2002), is that connections are identified between the characteristics of a large sample of customers, and these are matched to whether they have a “good” repayment record or a “bad” history of default. The connections are established by a statistical model, which sums a set of answers (called “attributes”) to certain questions about borrower characteristics to generate a “score” for any new credit applicant and to indicate their relative risk. Using this score, and any other information judged necessary to assess the attractiveness of the application, a lender can decide whether or not to accept the applicant by applying their credit strategy based on the lender’s attitude towards risk, profit and market share. In the simplest of examples, a lender can set a ‘cut-off’ or ‘pass mark’, such that only applicants scoring at or above a certain level are approved as an acceptable risk. An applicant scoring with a very high (or very low) score can be approved (or declined) outright without obtaining further information to verify income or the value underlying a security. Lenders may choose to look more closely at those scores falling into a “grey zone” (a band of scores near the cut-off) in order to decide whether to refer them to an internal underwriter for a decision. They may also overlay a decision to accept or reject a customer no matter whether the applicant’s score meets the pass criteria (for example, to always decline if a bankruptcy event occurs in an applicant’s credit history, or to accept for strategic reasons even where the lender expects to lose money on the customer). For small loan accounts where the cost per transaction is relatively high, the lending business is more likely to dispense with

rules other than simply applying a cut-off, and not bother with underwriters. Lastly, the lender will always reserve the right to intervene manually in some cases, for instance to respond to an appeal by the borrower that incorrect information has been processed (lenders and credit agencies are required to have a process in place for this under the *Credit Reporting Privacy Code 2004* – see discussion below).

It might seem obvious to those examining the finance industry today that an electronic technology based on statistical modelling should be used to assess creditworthiness and establish trust for loans. Yet this ‘system within a system’ only achieved widespread acceptance comparatively recently. Anderson (2007) charts the history of credit scoring, from initially being touted in the 1940s, through to the Fair Isaac Corporation implementing its first scoring procedure at American Investments in 1958, and its deployment in the 1970s to improve the trade-off between rapidly increasing debt volumes and bad debt. Lenders soon came to realise that there were huge benefits in this rationalised process automation, and scoring could provide value for a range of products. The fastest advancements, and greatest benefits, were achieved in unsecured lending (credit cards, personal loans, overdrafts) and store credit (clothing, furniture, mail order), where there is a heavy reliance on customer information. Today, in-house scoring capabilities are advanced and the markets in which credit scoring is used have been extended to secured lending (home loan mortgages, motor vehicle

finance) and service provision (telephone contracts, municipal accounts). Scoring models can be calibrated to fit a particular firm and its clients, and the motor, retail and insurance industries also make extensive use of scoring techniques.

On-going improvements in scoring techniques have also allowed decision tools to be improved – by checking that the statistical model used is leading to accurate predictions about the performance of new loans, but also by being more tailored and flexible in what data is used. Two ‘stand-out’ innovations have been the establishment of behavioural scoring (first started in the early 1980s to track the performance of a loan while it is being managed within the portfolio of the bank), and risk-based pricing (which evolved along with the securitisation of home loans in the mid-1990s to allow the competitive pricing of loans based on the risk of particular borrowers). Scoring has thus been adapted from its original use in risk assessment to use at all decision points in the stages of the customer credit cycle to predict virtually any dimension of behaviour – customer response, propensity to purchase, attrition, fraud, “churn” – whether at the point of the application or throughout the life of the account or customer (McNab & Wynn, 2004). As Figure 6 indicates, scoring not only applies to decisions about accepting or rejecting new business, but also to determine things like maximum loan value or repayment amounts, interest rates, fee concessions, and loan term. As Baily (2006) observes, “wherever there is a decision to be made based on an individual’s data, a scorecard can be built and employed” (p. 183).

The pursuit of improved profitability and capital efficiency by the lending industry means the search for improvement and new practical uses continues. This focus includes finding and evaluating new techniques to improve the performance of discriminatory models, and a shift in attention to expanding and refining the data sources used as inputs into the scores (Anderson, 2007, p. 6). These efforts involve many different parts of the lending industry and also many specialists in such fields as mathematical modelling, probability and risk analysis, data mining and manipulation, and marketing. Scoring techniques range from simple rule-based systems to highly complex genetic algorithms (Bailey, 2006; Thomas et al., 2002). Artificial intelligence techniques such as neural networks and deep machine learning have also been piloted (Thomas et al., 2002, p. 3).

Figure 6: Credit product life cycle (with opportunities for scoring)

Source: Bailey (2006) and International Finance Corporation (2006)

The world of credit bureaus

The credit bureau has played a pivotal role in the development of scoring technologies and in contemporary lending generally. A credit bureau is an intermediary organisation that gathers, stores and makes available personal and public data about consumers to its end users in response to inquiries or ‘searches’ by those users. The end users can be creditors, non-creditors or government agencies, but for the large part they are the lending businesses that also generate and pass back their customer-related information to the credit bureau. Credit

bureaus can be privately-owned independent enterprises or established as publicly-funded operations. They are also known as “credit reporters”, “credit registries”, or “credit reference agencies”, and have spread throughout the world so that there is scarcely a country or region that does not have at least one, and often several, private or public registries (Miller, 2003).

Most credit reporting agencies will accumulate publicly available data and place it in a central computerised repository. In addition, a private credit registry will have agreements with individual lenders to obtain information about those lenders’ customers to add to the database. Cowan and De Gregorio (2003) see private credit bureaus as being characterised by this voluntary exchange of information by lenders: such bureaus effectively operate as a “club”, using the principle of reciprocity; where only those lenders/members who provide adequate and timely information on their debtors are granted access to credit scoring data. Public credit registries, on the other hand, are established and controlled by a central government or a bank supervisor, and lenders are compelled to provide information by a law or regulation. These public registries help economic authorities to monitor the financial system, or to provide credit services in countries that lack private credit reporting firms. Public registries tend to rely more on credit information from public and private banks, credit unions and finance corporations, and less on credit card companies and retailers and merchants (Miller, 2003, p. 54).

The information gathered by credit bureaus can be “negative” information, which relates typically to a default in meeting a credit obligation and would not be the sort of fact that would always be volunteered by people seeking credit, or “positive” information which is all other types of information, for example an individual’s “track record” in keeping up loan repayments. Positive data includes information that in itself may be seen as “neutral”, but may have a statistical bearing upon credit worthiness (such as the amount of credit sought, whether an individual has moved house frequently, or has a ‘landline’ telephone number). In addition, most bureaus include identity information (such as name, address, driver’s licence or social security number) and accumulate details of previous inquiries about consumers. These details can be useful for assessing mismatches and potentially fraudulent applications (Thomas et al., 2002, p. 16). Despite being based on a reciprocal subscriber model, most private credit bureaus will charge a fee for each inquiry or search made. A further service used by many lenders, which will also attract a fee, is the calculation of a ‘generic’ score by the bureau from a scoring model built by the bureau based on its experience with the customer data. This bureau score is ‘generic’ because it is developed for general use across companies and/or processes and is not specific to a particular application. If required, the state of bureau data at a particular prior point in time can be recreated and a credit report or credit score generated as at that date. This is known as ‘retro’ (that is, “retrospective”) data.

The first private credit bureaus were founded in the United Kingdom in the early 1800s, and in the United States in the mid-1800s (Anderson, 2007, p. 53), with Dun & Bradstreet, the oldest agency still in existence, tracing its roots to the Mercantile Agency, established in New York City in 1841 (Olegario, 2003). There were 2,200 credit bureaus in the United States by 1969, collecting data from public records and 400,000 lenders that maintained files on 1.1 million consumers (Anderson, 2007, p. 38). By the early 1980s computer and information technology had evolved to transform credit bureaus from paper-based local associations serving specific industries, to “high-tech” companies serving the broader economy (Furletti, 2002), and since the mid-1980s the number of independent credit bureaus in the United States fell dramatically in a process of consolidation, from approximately 2,000 to fewer than 300 today (Miller, 2003, p. 35). The first public credit registry was established in Germany in 1934. Miller (2003) observes, from a survey undertaken in 2000, that seven of the then fifteen member nations in the European Union had public credit registries, as did most nations in Latin America, and that the public registry phenomenon is spreading to other regions, including Asia, Eastern Europe, and Africa.

The global consumer reporting industry is dominated by a small number of very large American players, with the “big three” bureaus that deal with consumer credit being Equifax, Experian, and Trans Union. Those private bureaus purchase and unify data from the remaining independent bureaus in addition to collecting information

directly. Dun & Bradstreet, which focuses largely on trade credit (that is, lending to businesses), is the dominant US-owned player in the business credit reporting market. In New Zealand, the compilation of consumer credit information is undertaken by three privately-owned corporations, Veda Advantage, Dun & Bradstreet, and Centrix. Veda claims it is the largest single source of data-based business intelligence in Australasia, with data on the financial behaviours of more than 16.5 million individuals and 4.4 million businesses (Veda, 2010), which it estimates to cover 97.5% of the individual credit-active population and 100% of the commercial credit-active population in New Zealand (Veda, 2008). Each day Veda compiles credit information on approximately 60,000 individuals and businesses, and produces credit scores and reports for 15,000 paying customers (Ihaka, 2010). The credit bureaus in New Zealand are not based on a strict principle of reciprocity since any person permitted by credit regulations (see ‘Specific regulation for credit bureaus’ below) can obtain credit information simply by becoming a fee-paying subscriber. The content and availability of credit bureau reports vary greatly between countries (see Thomas et al., 2002, p. 213; Jappelli & Pagano, 2002). New Zealand currently allows both positive and negative information to be collected and reported, with other countries having less depth to their data, more companies providing only negative data; and, in the case of the UK, matching records by name and address (Bailey, 2006, p. 152).

Use of generic scoring

Bailey (2006) explains that the collective value of the data held by bureaus becomes apparent by examining three widely used approaches to incorporating generic bureau scores within the credit underwriting process. The first approach involves a lender choosing to use only the generic bureau scores on a stand-alone basis with a “cut-off” as described above. The best results in credit decision-making are obtained by lenders from “bespoke” scorecards, which have been specifically tailored for a lender, product and process (Anderson, 2007, p. 10; Bailey, 2006): by their generic nature credit bureau scores do not provide a lender with an advantage over a competitor. However, a stand-alone approach using only bureau scores *is* useful when the lender is not large enough to develop scoring models for its own customer portfolios, or in the early years of a new product (Thomas et al., 2002, p. 16). In the United States, especially, pre-approval based upon the generic bureau score is commonplace. A second approach is to use a “matrix” technique, which combines a generic score with a lender’s own bespoke model, providing two or more “cut-offs” that can be used in decision-making. Thirdly, the generic bureau score can be integrated within the lender’s own bespoke model, removing existing credit bureau characteristics from the scorecard and fine tuning the scorecard by using the generic score as a discrete characteristic. In the last two of these approaches the generic bureau score provides an extra dimension to an already developed decision-making system operated in-house by the lender.

Up until the late twentieth century many lenders sought to avoid the expense of using a credit bureau and early in-house scoring systems were designed so that decisions could be taken without progressing to the credit bureau, thereby saving the cost of a search. Bailey (2006, p. 154) notes that the power of bureau data has resulted in an “about-face” – the credit bureau search is now often the first stage completed after sufficient identity information has been captured – and some lenders now reject applicants who do not meet credit bureau criteria, thus saving the cost of their own processing, or determine their second stage credit decisions based on the bureau outcome. As credit bureau data provides an almost up-to-the-minute view of the borrower’s credit position (incorporating the borrower’s recent credit performance with all contributing lenders and any inquiries being made as a result of fresh credit applications) some lenders, especially in credit card portfolios, now buy a score for each of their cardholders every month and use this to assess how to deal with a customer who has missed payments or gone over limit, or to decide when or by how much to increase a customer’s credit limits.

Veda Advantage’s Australasian business publicly disclosed its income in 2013, including a breakdown of revenue by source (type of subscriber), as shown in Figures 7 and 8. Whilst A\$92 million (34 per cent of total revenues of A\$270 million) were derived from the ‘consumer risk and identity’ revenue segment, A\$22 million (8 per cent) of its revenues were sourced directly from consumers themselves – being “identity protection” products that alert consumers every time

someone applies for credit in their name, and/or provide “recovery” services if physical items like wallets or credit cards are lost or stolen.

Figure 7: Veda Group revenues by business lines – 2013

Source: Veda Group Limited Prospectus, 2013

Figure 8: Veda Group revenues by customer types – 2013

Source: Veda Group Limited Prospectus, 2013

In addition, A\$38 million was derived from ‘B2C & Marketing services’ which related to “value added” services like direct mail-outs and “marketing screening”.

Specific regulation for credit bureaus

Extensive credit information on almost every individual and business entity of significance can now be inexpensively obtained through credit bureau mechanisms (Kallberg & Udell, 2003). The potential for misuse of this personal information is such that new, specific laws for credit reporting are usually introduced in all countries that permit private credit reporting agencies to exist (del Villar et al., 2003). New Zealand is no exception, and has a mandatory set of requirements contained in the *Privacy Act 1993* and the *Credit Reporting Privacy Code 2004* that apply to every agency “that carries on a business of reporting to other agencies, for payment, information relevant to the assessment of creditworthiness of individuals” (clause 5). The Code is administered by the Office of the Privacy Commissioner and the key rules governing the retention and use of information by credit bureaus (termed “credit reporters”) and fair business practice, include:

- Limiting the types of credit information that can be collected and the sources of information and manner in which it is collected (details of gender and age – but not race or sexuality – are permitted to be gathered, and positive and negative information is included);
- Limiting the range of users to which credit information can be disclosed; and

- Requiring credit reporters to:
 - Ensure information is accurate, up-to-date and stored securely (credit information is permitted to remain on an individual's credit file for no more than five years);
 - Provide individuals with free copies of any information held about them; and
 - Have effective procedures for flagging disputed debts and resolving complaints.

Amendments to the Code have allowed more comprehensive reporting of credit information in New Zealand by including both positive and negative information to be included in the collected credit information with effect from April 2012. These are the most significant changes since the Code was introduced in 2004 and the requirements now more closely mirror the rules in Australia and the US by allowing several new fields or classes of information relating to current credit accounts to be reported, including: type of credit account (such as a credit card account), credit limit (which may change from time to time), and the status of the account (as open or closed). So-called “positive” information can only be disclosed to credit institutions (and not, for example, to prospective employers or prospective landlords). Other changes to the *Credit Reporting Privacy Code 2004* have included measures to allow consumers to request that their credit report be ‘frozen’ if they are at risk of fraud, and to prohibit credit reporters from disclosing information for direct marketing purposes.

Bostic and Calem (2003) observe that a country's legal and regulatory framework for credit reporting has a direct bearing on how a credit reporting industry develops. Conceptually, the Code in New Zealand reflects the British model under its *Data Protection Act*, where information is restricted or protected unless there is a good reason to make it available. (The American regulation is at the opposite end of the spectrum, where the *Freedom of Information Act* permits information to be made available by an agency unless there is a good reason to restrict it.) However, in detail, the Code is much closer to Australia's legal regulations, which is unsurprising given that the two main credit reporters in New Zealand have Australian operations and most of the main New Zealand banks are Australian-owned. The US, the UK and Australia all now have positive reporting regimes which, similarly to New Zealand, allow a history of compliance with debt obligations and current details of outstanding credit balances to be kept, irrespective of legal default (Clement, 2004).

Conclusion

In this chapter I have outlined how the problem of trusting borrowers was eventually solved by the development of technologies and institutions that reduce the uncertainties of lending to calculable risks. Credit scoring has facilitated phenomenal growth in the volume of consumer debt over the last half-century and has changed the way lending businesses conduct themselves. Previously, credit

underwriters combined ‘rules of thumb’ with subjective assessment in an attempt to gauge whether an applicant could be trusted to repay a loan. Now, with credit scoring, lenders take advantage of the massive improvements in computing technology and capabilities for gathering, storing, analysing, and communicating data, by applying an algorithmic formula to key elements of the lending proposition. The numeric output dictates which credit applications are successful and determines who is lent to among mass lending applications. Consequently, credit scoring has achieved the ‘holy trinity’ of lending: accurately assessing creditworthiness (high quality), keeping per-unit processing expenses to a minimum (low cost), and reducing turnaround times and wait periods for management and applicants (timeliness).

The introduction of scoring to a firm starts a chain of events that sees additional value extracted from customers as it is applied to all parts of the customer credit cycle. It has proved itself as a technology that meshes easily with business decision-making to manage and control risk, and it can be conducted by lenders in-house or outsourced to external agencies (such as credit bureaus) to achieve additional cost efficiencies. Credit scoring systems have enabled lending institutions to pool knowledge and share it across organisations, thereby ensuring a standardisation of lending decisions and shifting power and control away from branches towards the centre of the firm. With portfolio monitoring instruments clearly arrayed before a risk professional – like an instrument panel before a driver – scoring models have, in

Bailey's (2006) words, moved "from the back office to the CEO's office" (p. 181), creating an internal channel for management to translate policy into action and control operations through the monitoring of scores, decisions and associated strategies. Banking regulators can also use scoring to check that lenders are sufficiently capitalised for their risk profile. Scoring thus becomes a finance tool by which to manage capital.

Scoring has turned out to be a powerful illustration of how new processes implemented within the credit product life cycle mirror those that occur generally in industrial settings – changing the experiences of both businesses and consumers. All the following processes and effects, described in Anderson's (2007, p. 38) words, are key characteristics of the processes of industrialisation that has occurred in modern credit markets:

- Functions that can be profitably automated (that is, where economies of scale justify the expense) are identified;
- Deconstruction and/or re-engineering occurs, which requires inputs, hardware, processes, and outputs to be defined;
- Consumers benefit economically from lower costs, better quality, and greater consistency, and the market grows accordingly;
- Increasing sophistication of production allows mass customisation – products are modified to suit individual needs.

These elements characterise the lending markets of New Zealand just as they do the credit markets in other developed countries around the

world. As “[t]he labourers that once shovelled coal are replaced by technicians that watch the gauges and turn the valves” (Anderson, 2007, p. 29), technology is made to do more of the work that was undertaken by individuals in traditional business models. This has resulted in the reorganisation of management structures, the application of new conceptions of risk and reward, a move away from relationship lending to a transactional lending model, altered standards and expectations of consumer behaviour, the use of innovative technologies to increase frequency and ease of credit access by consumers, and a heavy reliance on marketing and branding. Scoring interacts with existing societal and business networks such as the post office, the internet, the courts system, wholesale credit markets, distribution agencies and product distributors, and advertising and the media. It also creates its own networks that produce new opportunities for industry participants and consumers. However, it is subject to some reservations: credit scoring is totally reliant on private information obtained by lenders about borrowers and the potential for misuse or accidental disclosure is large. In economic theory information is usually held to be a public good, but in the case of credit information collected by a lender or intermediary such as a credit bureau it can be treated analogously as a private good, to be sold or otherwise exploited. The *Credit Reporting Privacy Code 2004* restricts the data permitted to be recorded on credit files by credit bureaus, and who has access to that information, in the interests of consumers.

Anderson (2007) suggests it is inevitable that credit scoring techniques will be applied to other types of credit business and other types of prediction. Lenders are continually pushing the envelope in terms of the amounts that they will lend based on automated decision rules, and will continue to do so for as long as automated data sources improve and companies learn how to use their power. Countries such as China, which are experiencing rapid transition, have credit and credit reporting practices that are in a pioneering, highly pliable stage of development (Olegario, 2003). The rapidly evolving nature of such business environments provides opportunities for private entrepreneurs to develop new and innovative ways of collecting and using credit information for scoring applications, tempered only by consumer privacy regulation which, unfortunately, can lag behind in offering protections to consumers.

Research Framework and Design

We all embark on research projects hoping to make a fresh contribution to our field. But even studies that produce new or unforeseen results are formulated with definite aims and require a concrete strategy about how to proceed. Punch (2005) maintains that the nature of academic inquiry – a *purposeful* and *time-limited* effort to learn more about a topic or problem – requires, at a minimum, a regard for the nature of what we are trying to achieve, an acknowledgement of the thinking of others that precedes us, and a healthy dose of “organized common sense” to focus our energies. From these, a credible investigative plan should emerge.

To gain exposure to a range of possible readings of contemporary subjects within credit-led economies, I tried to engage with a variety of writers on the social who, within their respective traditions, had theorised the nature of subjects in society, and whose ideas could then be co-ordinated with methodologies for ‘operationalising’ empirical research. The following chapter consists of two parts – reflecting this approach and setting out my research choices in more detail, namely:

- My reliance on Marxist, Foucaultian and feminist theories of the achievement of ‘self’ within society, and associated ideas about credit, technology and the consumer-subject; and
- How these theories can be linked with methods of interpretive qualitative inquiry to generate insights into participants’ experiences of subjective ‘ways of being’.

Whilst the basic sociological questions to which these theories and methodological approaches are directed are not new, my hope was that the individual ‘storytellers’ and ‘stories’ emerging from my study would provide “new ways of making ideas felt” (Lorde, 1984). At the very least, my study would permit a ‘hard look’ at our ‘scoring society’ and identify opportunities for analysis in as yet untouched areas.

Part I – Sociological perspectives

Ideas, it can be argued, drive economy and society. They are reflected both in the history of our culture and in our future aspirations – spearheading achievement, stimulating innovation and change, but also producing conflict and resistance. “Ideas,” as Eagleton (2007) observes, “are what men and women live by, and will occasionally die for” (p. xxii). One might also add that it is our capacity to generate ideas, and to reflect on them, that distinguishes us as human, and allows us, uniquely, to study ourselves. I outline below a number of instances of special types of ideas – ‘social theories’ – relied on in my

study to generate knowledge about credit scoring and subjects. Theories are important because they allow us to collect, organise, evaluate, combine and share our thoughts with others. Social theories, in particular, are concerned with the analytical problems of the social world, and, as the mid-century American sociologist C. Wright Mills (1959/2000) memorably asserted, they exist to transform our understanding of the ‘personal troubles’ experienced by individuals into ‘public issues’ reflected in social patterning.

Very many theories of the social exist. I have chosen to draw on the following three theoretical perspectives:

- Historical materialism, especially the movement of ‘finance capital’ from the periphery to the centre of the consuming self;
- Foucaultian conceptions of power/knowledge, and the techniques behind the invention of the modern subject; and
- Feminist critiques, including those of androcentric ‘science’ underpinning finance and driving consumerist practices.

These three perspectives give rise to distinct theoretical traditions that differ in their range of epistemological and ontological stances and their comparative levels of abstraction. They also differ in their aims and the purposes to which they have been (and continue to be) put. Together, however, they join in a radical critique of society, each coming with a history of engagement with the major themes of interest identified in my Introduction chapter and able to confront the apparently ‘self-explanatory’ descriptions of credit scoring practice

outlined in Chapter 2 through a *political* understanding of the social subject. By considering below their respective contributions to this ‘political sociology,’ the value and limitations of each theory are brought into sharper relief. The scene is also then set for an explanation in the second part of this chapter of my research methodologies and the detailed design that supports my empirical study.

Historical materialism

The genesis of the first of these theories, known as historical (or dialectical) materialism, lies, of course, in the large number of joint or respective articles or books authored during the nineteenth century by Karl Marx and his collaborator Frederick Engels. These works adapted ideas of the liberal French and Scottish Enlightenment thinkers, combined these with Hegel’s conceptions of the dialectical nature of knowledge, and supplemented them with observations of the industrial forms of production in England and Europe at that time (Balibar, 2007; McLellan, 1980). A key notion was that society evolves through the relations of humans with technologies, economies, politics and cultures, primarily stimulated by the ‘productive forces’ (Howard & King, 2008). Marx and Engels, however, sought to do more than interpret or explain society – they were also committed philosophers of liberation: Marx’s ‘Critique of Political Economy’ – the subtitle to his *Capital* (1867/1970) – was just one instance of his criticism being formulated and conveyed “with a

certain revolutionary intent” (Harvey, 2010, p. 238). Marx’s ideas on the observed regularities of human society can thus be linked to a vision of a radical re-organisation of the status quo – a quest for a *change* in society and its relations with subjects.

The premise upon which the doctrine of historical materialism rests is that the economic structures that are established to satisfy our material needs have progressed through various forms over the ages, such that the dominant mode of economic production in a particular age gives rise to a distinguishable form of society and human consciousness. Marx viewed our present system, capitalism, as one that concentrates economic wealth and power in the hands of the bourgeois business-owning class in an iterative system of expansion resulting in the *endless* pursuit and accumulation of capital to the detriment of workers as a class. Finance provides owners with an additional source of working and investment capital that could be used to pay for plant, machinery and wages in advance of the profits being realised from the exchange of commodities in markets. Marx argued that the abolition of wages, alienated labour and private property – in short, communism – would overcome class oppression and produce a future that was richer in meeting the totality of humanity’s life needs (Marx & Engels, 1848/1967; McLellan, 1973).

Applied to an investigation of credit scoring systems and present-day subjectivities in New Zealand, historical materialism has a number of strengths. It provides, firstly, a methodological coherence in ordering what could otherwise be seen as diverse social and

economic facts in world history – tying the global advances in production and financing to the development of the modern consumer-subject. In doing so, it offers an explanation of the sources of power that shape contemporary society. Key aspects of modern economic enterprise can be attributed to the impetus of capitalist accumulation that, amongst other things, demands productive efficiency: the intensification of linkages in world markets for commodities, labour and capital (Harvey 1982; Wallerstein, 2005), the transfer of craft knowledge to machines and the ‘atomisation’ of workers (Aronowitz, 2003, p. 3); and the ‘scientisation’ of production which founded the dramatic development of information technologies, particularly in the twentieth century (Howard & King, 2008). Furthermore, Marxists have always accorded a great deal of significance to credit, and its institutions and supporting technologies, in conceiving of the process and flows of capital accumulation. Hilferding (1910/1981) was one of the first to observe near the start of the twentieth century that credit contracts – themselves treated as commodities – were evidence of a ‘second order’ economy – operating to transform capital into its “extreme and most abstract expression”, that of “finance capital” (p. 22). The capital transmitted in these markets was to become highly mobile: capitalist manufacturers would rapidly extend their reach, opening up new commodity markets, generating new possibilities for production and consumption, and fuelling an on-going cycle of capital creation (Harvey, 2010; Wallerstein, 2005).

Importantly, Marxist theory allows us to theorise the relationship of

particular subjectivities with prevailing economic systems, where our ‘natural’ abilities to respond to the economic aspects of our environment are the primary drivers for the manifold forms of consciousness and society (Fromm, 1961; Geras, 1983; Ollman, 1976). Marx thought that the capitalist industrial processes of his time exerted profound effects over workers who were ‘alienated’ from the products of their labour. This ‘alienated’ form of human life meant that instead of relating to each other *co-operatively*, workers (who were also consumers) relate *competitively* according to a ‘deficient’ morality that governs relations between individuals. In capitalist enterprise, “Love and trust are replaced by bargaining and exchange” (Singer, 1980), and workers become empty and estranged through capitalist production and consumption processes – abstract ‘others’ that have lost touch with the *human* peculiarities of products, activity, or fellows (Ollman, 1976). Balibar (2007) points to the appearance of “objectivity” that underlies capitalist industry as a mode of subjection, concealing a loss of human identity that is characterised by the fetishised relationship with the commodities produced. In later Marxist scholarship, a number of other theories on how subject positions are made available to us were developed: Althusser’s (2001) notion of ‘interpellation,’ for instance, allows us to see how the application of our intelligence and our abilities to rationalise are deployed in a world that ‘hails’ us as certain types of subjects.

Foucaultian power/knowledge

The second of the sociological perspectives – also possessing a primary orientation towards the critical – arises from the analysis of post-Enlightenment societal practices by Michel Foucault. Foucault, whose academic career spanned the early 1960s to his death in 1984, embarked on a wide-ranging investigation of the ordering of knowledge and the treatment of individuals within historical institutions, before moving to examine the ways in which subjects are governed, including via the ethics of the self. A central concern evident in all of his studies was the ways in which human beings are made into self-aware social actors within different modalities of power – how, as Barker (1993) puts it, the “contemporary experience of oneself as a subject” (p. 76) is discerned.

In Foucault’s conception of the world, modern subjects attach to their societies through their sense of ‘self’, which occurs through the intimate ties between power and knowledge. Foucault claimed that three distinct configurations of power/knowledge have existed in Western nations over the last three centuries: (a) sovereign structures extended at the level of freedoms, rights and liberties of people constituted as a whole social body; (b) disciplinary knowledge and power applied at an institutional, regional or national level to individual bodies via surveillance and subjugation; and (c) biopower exercised at the global level on general populations through the regulation of fertility and morbidity (Hartley, 2008, p. 138). These

structures can be conceived of as arrangements that make certain types of human activity both thinkable and practicable – ways that the exertion of power constitutes the boundaries and limits of the domesticated subject. But what of the self's own relationship with power – the realisation of its intimate desires and personal aspirations? In the final part of his career Foucault turned to study ancient Greek culture as part of a history of sexuality. He was especially interested in the notion of 'ethical' practices of the self, which he understood to mean the relation one achieves with oneself through self-examination and self-knowledge. The ancients, Foucault found, placed an emphasis on regulating their bodies, thoughts and conduct through methods of scrutinising their conscience – confessing, recording and verbalising their thoughts, and assessing their 'proper' nature in the context of society and religion (Danaher et al., 2000). In his 1977-78 lectures entitled *Security, Territory, Population* (2003a) Foucault argued that the art of government encapsulated both "governing others" and "governing the self," especially those areas of the self in which individual aptitudes of autonomous self-control were accessed or accessible. These capabilities – 'technologies of self' as they came to be called later – permit individuals:

... to effect by their own means or with the help of others a certain number of operations on their own bodies and souls, thoughts, conduct, and way of being, so as to transform themselves in order to attain a certain state of happiness, purity, wisdom, perfection, or immortality. (Foucault, 1988, p. 18).

The Foucaultian notion of the subject draws on this realisation to posit the relation between one's sense of self and wider society in which subjectivity is an *ongoing* and *ever-changing* process of fabrication. It presents a two-sided view of a human actor: being subject to, in the sense of being determined by, contextual conditions (subjectification), and as acting upon those contextual conditions (subjectivation). In this sense it is allied to a social constructivist view of the subject in society: a "borrowing subject," for instance, is not simply something that one *is*; it is also something that one *does* and *becomes*. Similarly, the social category "borrower" brings about certain behaviours, but is also the *effect* of certain behaviours – it *invests* oneself but it also *invents* oneself.

Lastly, Foucault demonstrated, convincingly, how modern power is intrinsically allied to knowledge. Power is bound up in regimes of truth and propagated by rationality; knowledge expressed through 'discourse' – the medium by which ideas, attitudes, beliefs and practices are circulated – is used to refine and extend the regulation of subjects so as to "optimise controls and adjust the handling of human material" (as cited in Ransom, 1997, p. 22). In *Discipline and Punish: The Birth of the Prison*, Foucault states:

We should admit ... that power produces knowledge (and not simply by encouraging it because it serves power or by applying it because it is useful); that power and knowledge directly imply one another; that there is no power relation without the correlative constitution of a field of

knowledge, nor any knowledge that does not presuppose and constitute at the same time power relations (1975/1995, p. 27).

In Foucault's formulation, knowledge is implicated not against power but in power, where power is not regarded simply as domination, and knowledge is "located at the level of discursive formations which make possible specific truths and knowledges and which also makes possible specific kinds of agents and structures" (Apperley, 1997, p. 15).

Feminism

Social theory, arguably, is of little value unless it can be applied to the actualities of life. The feminist project – a diverse movement rooted in the belief that women suffer injustices because of their position in a society that hierarchically privileges males, and subordinates, exploits and oppresses females – has always focussed on uniting *thought* about the social with individual and collective *action*. Feminist scholars are activists – producing *engaged* theory (Bryson, 2003) that seeks to "change the world, not only to study it" (Stanley, 1990, p. 1). Feminism, moreover, is fundamentally connected with the subject: to be concerned with the treatment of sexual difference in society is to be occupied with facets of humanity that go to the formation and maintenance of individuals and collectives – to the heart of "the self, or the subject, in formation" (Cranny-Francis et al., 2003, p. 1).

New Zealand women played a pivotal part in the 'first wave' of

feminist protest near the end of the nineteenth century – agitating for political enfranchisement to achieve a formal equality between the sexes. But it was the ‘second wave’ of feminist activism peaking in New Zealand and elsewhere around the late 1960s to the mid-1970s that confronted a wider array of topics – not just the “bread-and-butter” issues such as workplace pay and exclusion from certain occupations, but the oppression encountered in supposedly “private” realms and contested by feminists in debates over household equality, marriage expectations and sexual liberation. Such areas were not regulated by formal rules as such, but by unwritten and largely taken-for-granted attitudes and cultural expectations that contributed to everyday understandings of women’s lives and ordered society as a whole. Zeitz (2008) describes how these notions had financial repercussions for women. In the United States in the 1960s, for instance, divorced women were routinely denied loans on the basis of a tacit understanding among lenders that a female’s separation from her husband and “assumed emotional instability” posed high risks of default. Similarly, the prospect of pregnancy meant that working women, despite being legally entitled to borrow, were regarded as bad lending prospects and were excluded from consumer, education and business financing as it was assumed they would lose their job.

As further examples of the beliefs and practices that maintained male-dominated societies and economies came to light (see, for instance, the 1973 Senate Committee on Banking, Housing and Urban Affairs) feminists played a part in the enactment of the US Equal

Credit Opportunity Act which forbade lenders from engaging in a newly-recognised type of illegal action – sex or gender discrimination. This legislation, and similar law changes undertaken progressively in the US and elsewhere, such as the *New Zealand Bill of Rights Act 1990* and the *Human Rights Act 1993*, sought to remove impediments based on the application of *prejudicial assumptions*, signalling, amongst other things, “the dawn of a new era in women’s financial independence” (Howard, 2010, p. 142). Whilst these measures reflected changing attitudes to lending to women, research in New Zealand and Australia on gender and credit suggested that women continued to face difficulties. (I note here that, to the best of my knowledge, there have been no studies – feminist or otherwise – on the gendered implications of credit scoring systems.) An early report prepared for the New Zealand Human Rights Commission by the Society for Research on Women (1982) on *Women and Access to Credit and Finance in New Zealand* did not identify any explicit cases of sex discrimination, but concluded that mothers without employment or investments during pregnancy and child-rearing would be hindered from borrowing because they would not have a suitable ‘track history’ or sufficient ‘time with employer’. The ‘choice’ to perform a biological function, in other words, was disadvantaging women when it came to economic ability.

Differential and “unfair” outcomes could also be attributed to race, ethnicity or age: a report prepared in 1990 for the Ministry of Women’s Affairs on *Māori Business Women and Banking* noted that

credit institutions in New Zealand at the time did not have a programme for affirmative action for lending to ethnic minorities, and that Māori businesswomen often failed to understand the importance of some bank lending requirements such as cash flow forecasts. A more recent study of the elderly in Australia by Gibson and Rochford (2008) identified age as another social dimension that intersects with gender and race, noting that credit issues resonate with a particular force for elderly women since women of all cultural backgrounds live longer than men and make up a greater proportion of the elderly. The conclusion was that elderly women were more likely to face significant financial issues due to a range of factors – a lack of financial literacy; mounting credit card debts with little ability to increase income to repay them; predatory lending practices; the effects of economic fraud and theft (from carers known to the elderly person as well as from strangers); and lack of access to digital technology, particularly for those in regional or rural communities. Millbank and Loviv (2003) had also previously identified ‘intergenerational’ debt arising from guaranteeing adult children’s debt as an issue for elderly women in Australia, given that almost two thirds of such guarantors are female.

Examples such as these highlight the complexity of addressing women’s “inequality” in present-day society, not least because it is debatable whether the various “differences” between women and men (and between various women) and the treatment such differences entail stem from sexism or are acceptable as “inherent” or “natural”

distinctions. These include biological difference, the intersectionalities of gender, age, race, ethnicity, sexuality and class, the present range of social and economic inequalities affecting women (some reflecting the legacy of women's historic treatment), and the widespread belief that all humans have the opportunity to "choose," and therefore must take some personal responsibility for, their life trajectories. In the face of these debates, the very notion of what 'equality' or 'equity' might look like for women, or for all those in society, is itself contentious.

Part II – Methodology and research design

Researchers are urged to devote time and effort to explaining and justifying the key aspects of their investigative framework in a formal manner. A careful reflection on how theory, strategy and methods of inquiry are brought together can assist the reader of a thesis to follow the course of an argument (Miles & Huberman, 1994). My aim in this part of the chapter is to locate my choice of research methodology and methods against the wider possibilities available to researchers..

Interpretive inquiry

The purpose of my study, as discussed in Chapter 1, is to generate knowledge about people's behaviour in contemporary society by explicating the various ways women and men come to understand, account for, take action, and otherwise manage their relationship with

credit and credit scoring systems. I am primarily interested in the meaning and significance that people, as socially situated agents, ascribe to the collective situation in which they find themselves. Such an inquiry can be seen as fundamentally *interpretive* because it involves me, as a researcher, attempting to make sense of empirical data collected from individuals alone or in groups, and forming a view of the qualities that subjects and subjectivities have.

This approach, for me, has a definite satisfaction about it as it accords with my understanding about how our everyday encounters in the social world occur; meanings are constructed by humans as they engage with the world they are interpreting, and go on to define and stimulate individual and collective behaviour. As Williams (2003) notes, our success in interpreting our world (most of the time) marks out our competence as *social* actors, and although each individual's interpretation of the same social situation could be different there is enough cultural continuity in the things we know about everyday life to facilitate meaning, or to understand others' (or our own) behaviour.

As described below, the data collected from individuals in my study were not numerical. The methods of my inquiry therefore differed from those typically employed in natural science disciplines, which mostly seek to measure, quantify or calculate as part of their explanation and theory building (Punch, 2005). Rather, I sought out the qualities of credit and credit scoring systems that were accessible through the subjective dimension of reality – a dimension that cannot be perceived by quantitative tools or methods. As Wolcott (1994)

notes, a *qualitative* approach such as this is common within empirical studies in the social sciences; and it follows that I become the main “instrument” in the study. I develop descriptions; analyse data for correspondence with themes or categories; interpret meaning in light of my research objectives and informing theory; draw out the instructive aspects and lessons learned; and suggest further questions to ask in my (or others’) future work.

The Weberian sociological perspective

The genesis of the interpretivist tradition as a formal research methodology is usually traced to the work of Max Weber around the end of the nineteenth century, and support my construal of the role that “subjectivity” occupies within social research, including the relevance of the ontological ‘lens’ of social constructivism and the significance and value of the ‘ideational’ realm.

As a starting point, Weber understood the role of the social sciences in terms of their ability to describe and explain phenomena that arise from our *human* capacities. Thus, while the natural sciences seek *nomothetic* knowledge (general laws) from the study of physical objects, social science thinking is based around a class of facts that do not exist in the physical world: social facts, in the words of John Searle (1995), that “depend on human agreement that they exist” (p. 2). One can see social facts as including money, loan approvals, finance markets, borrowers, and, of course, credit and credit rating systems, in contrast to “brute observational facts” such as the

existence of coins, paper documents, computers, telephony or the size of populations, “which exist whether or not there is human agreement that they do.” Weber, furthermore, was of the view that the meaning-making process that attributes significance to create the unique elements of social reality stems from our ‘human particularity’ – as Poggi (2006) puts it, how we are “on the one hand compelled, but on the other hand enabled, to locate ourselves in the reality within which we exist and to act within that reality on the basis of the meanings that we attribute to it” (p. 21).

In proposing to uncover social meaning and significance within a sociological context, Weber was convinced that the study of human behaviour and social life must be capable of dealing with the aspects of the world that interest us in their distinctiveness. Social inquiry must therefore use isolating descriptions that pick out what is significant, directly or indirectly, in the light of values – both ours and others’ (Ringer, 2004, p. 78) – to generate *idiographic* knowledge (understanding of unique events) which includes normative self-understandings of the ends held by individuals and social groups. For this reason, the interpretive approach is often thought of as gaining an understanding from the ‘inside’ rather than through the study of external behaviour. At a broader level, Weber’s ideas about the usefulness of interpretive inquiry reflect certain assumptions about the nature of reality and how we should approach knowing that reality. That collection of assumptions has provided a basis for what has come to be known as the ontology of *social constructivism* insofar as it is

believed that people make their own reality and that there are no external universal social laws waiting to be discovered. Constructivists are therefore generally sceptical that social reality is predicated on ‘natural,’ ‘essential’ or unchanging social traits that are rooted in biology, psychology or other innate characteristics. Developments in constructivism – such as those sourced from the ideas of Mannheim, and in methodological works such as Berger and Luckmann’s *The Social Construction of Reality* (1967) and Lincoln and Guba’s *Naturalistic Inquiry* (1985) – mean that it is common now for social researchers to recognise the “duality” of structure when problematising the interests and identities of actors: structure at once constrains social action but is also being (re)created and therefore potentially transformed by it (Irwin, 2008). The notion of “subjectivity” mobilised by my study can be seen as constructivist. It denotes a person’s sense of self that is an on-going process of “being” and “becoming.” It is at once fixed by its circumstances, but also fixing its circumstances.

Weber emphasised that humans exist in an irreducibly *intersubjective* dimension, as they act not only in the light of their own subjective processes but also on the basis of those that they acknowledge in, or impute to, others. Paying regard to the existence of intersubjective meaning-making permits us to see how the building blocks of social reality include *ideational* factors. Ideas involve identities, norms, aspirations, ideologies, or simply ideas about categories or relationships sufficient to mould the interior discourses

of individuals – the “things that people carry around in their heads” (Poggi, 2006, p. 49) – to be constituted then within collective discourses comprised of the things we understand to be agreed by others. Ideational factors influence social behaviour and subsequent ideas and must therefore be appreciated as being both *causes* and *consequences* of social action. In other words, ideas, of which individuals are carriers, come to express a *social force*. Weber’s conclusion was that society is “idea-prone” and that the social and political orientation of certain groups in society can become adopted as conventional directions that people at large eventually take for granted – where the “the inspiration of a few become the convictions of the many” (Bendix, 1966, p. 259). Because the ideas and social actions of individuals have normative as well as instrumental dimensions, they can be studied to discover the attributes of a wider social organisation.

Research design

When it comes to making choices about gathering and analysing data, particular practical approaches to research are often thought to fit more or less ‘naturally’ with given philosophical orientations (Creswell, 2003, p. 5). However, it is readily acknowledged that research at an applied level can be quite a messy business (see, for instance, Bernard & Ryan, 2010): clear-cut models for inquiry outlined in textbooks have to be modified or relaxed depending on the motives and practicalities of the situation (Punch, 2005, p. 5). If a

single type of research strategy were to be identified at the outset as characteristic of my study it would be that of *grounded theory*. The essential idea is that a researcher tries to arrive at a view of what is happening for participants ‘grounded’ in the detailed information and views generated and collected from them. The aim is to discover and create theory inductively by the researcher forming the data into categories or themes that are developed into broader patterns, generalisations or explanations. A grounded theory approach has many attractions in my research setting, including offering the researcher the ability to construct a rich, detailed description of a central phenomenon while using a disciplined and coordinated technique to discover concepts, hypotheses and theories in new or untested areas. However, grounded theory as a prescriptive analytical approach has typically been applied to situations where a process, action or interaction is at the centre of the inquiry, for instance, how humans cope with a traumatic medical situation. It also seems of greatest benefit where there is a lack of an explicit theory explaining ‘what is going on’ for participants. To me, credit scoring as an economic and social phenomenon has the feel of a wider ‘programmatic’ undertaking, intended to constitute a permanent presence in people’s lives and deliberately designed and deployed to guide people towards particular outcomes and effects with definite economic objectives and parameters of deployment. While the coping, managing or negotiating of credit scoring by subjects during the course of their everyday existence was of foremost interest to me,

credit scoring and its processes seemed sufficiently defined to warrant preserving, at least initially, its unitary nature as a social and economic object or phenomenon. Likewise, although my ontological orientation supports the notion that the self and social subjecthood are malleable and changeable, relatively developed explanations of the circumstances and processes by which ‘varieties’ of contemporary subjects arise in relation to financial phenomena were already suggested by my high-level informing theories of the subject (see further below). An alternative therefore was to see this situation as an opportunity to construct a broad *case study* where I could explore in depth a phenomenon bounded by time and activity (Stake, 1995).

In the end, I felt most comfortable with trying to study the impact of credit scoring as a socially and culturally embedded technology, shaping (as yet unexamined) varieties of credit scoring ‘subjects.’ A grounded theory approach seemed feasible if I could conceive of the possible states experienced by participants as subjects (and to be investigated by me) as open-ended, and if I could relax the formal precepts of the grounded theory approach to accommodate a more general mode of emergent qualitative inquiry. Essentially, I aimed to start with an open mind in the presence of some high-level theories which addressed the relationship between finance and social subjectivities, and to end up at a yet unknown point through developing themes and categories into patterns, theories, or generalisations keyed off concerns identified in existing literature and my personal experiences. ‘Saturation’ would be approached when I

felt that few, if any, new insights were being generated through this process about the ‘types’ of people participants (or those they talked about) were, or were becoming, in contemporary society. Because the approach was exploratory and concerned a defined social phenomenon, it still retained some characteristics of a case study.

Research questions

The critical literature outlined in Chapter 1 and the high-level theories sketched in the first part of this chapter provided some good ‘clues’ about the questions that my study could address in order to study the subjective and intersubjective meanings constitutive of individuals’ social life. The key research question I posed concerned the central ‘problem’ confronted by the literature and high-level theories in the context of my study, namely:

How are credit scoring systems implicated in the subjectivities of women and men in society?

This framing of the problem, although only at a high level, can be seen to incorporate a number of subsidiary aspects or components. First, there is a focus on credit scoring as a phenomenon that is a “system” – an assemblage that co-ordinates or correlates processes or outcomes to bring order to parts, members or a field of knowledge. Because it is designed to ‘regularise’ the treatment of particular women or men alongside or together with other individuals, observations and insights that participants might have about the *experiences of others* could be

as valuable as their accounts of their *own experiences*; treatment of women and of men, for instance, could be similar or different. Secondly, there is an obvious focus on “subjectivities” – the state of being a subject which, as discussed in Chapter 1, pertains to individuals’ *understandings* of the world ‘out there’ and their position or treatment in it, as well as the effects of ‘interior’ *processes* and *self-understandings* of individuals. Thirdly, the idea that credit scoring is “implicated” in subjectivities suggests this could occur in a number of possible ways – allowing space for considering the diverse range of explanations for subject-formation provided by the ‘high-level’ theories I relied on. Credit scoring could conceivably affect subjectivities in rational or emotive ways, through conscious or unconscious mechanisms, and, given Weber’s stressing of the intersubjective aspect of human understanding, could be involved with promoting the formation, acceptance or rejection of ideational factors – individual and shared conceptions to which individual or social *meaning* coheres. Lastly, the question implies that the phenomenon is posited within the broader field of “society” – a realm which is not singularly or uniformly experienced by individuals, and which can be seen as comprising a number of sub-domains or dimensions, for instance, that of finance or the economy, of corporeality, of knowledge structures or frameworks, of power relations and of familial or other social groupings. These realms can have connections that are complex, subtle and nuanced.

Considering all of these aspects, and accepting that my

investigation should be confined to individuals in New Zealand, led me to pose the following, more specific, research question:

In what ways do respondents experience and understand systems of credit scoring in society, including the effects on other women and men in New Zealand and in relation to participants' self-understandings?

In addition, the focus of many of the high-level theories on a critique of the performance of subjects led me to concentrate on the day-to-day experiences and understandings of participants, especially those arising in social interaction. In light of this, I was able to break down the research question above into a number of further sub-questions:

What are the everyday understandings and conceptualisations of credit scoring of women and men in New Zealand?

What place or effect does credit scoring have with respect to their daily life, behaviours and social interactions?

What impact do women or men identify credit scoring to have on themselves, or on other women or other men?

How are ideas held about credit scoring constructed, negotiated and modified in the course of everyday lives and social interaction?

What affective reactions or appreciation do women and men in New Zealand have with respect to credit scoring?

What is the extent of women and men's reflection and self-understanding stemming from these areas?

How do these effects, experiences or understandings differ between participants?

Interviewing as data collection

Gadamer (1989) argues that subjective meaning and significance is arrived at primarily through language. I considered that a data collection method suitable for my interpretive inquiry would be one that made use of language – recognising language's role as both the medium of subjectivity/intersubjectivity and as the concrete expression of traditions that give human actions particular meanings. I therefore chose the interview as my principal means of data collection. In implementing my broad exploratory approach to inquiry I accepted that the interviews I conducted should be open-ended, that is, largely unscripted and not 'overly directed' by myself.

Two forms of interview were used: focus group sessions and individual semi-structured discussions. First, eight participant focus groups were conducted early in the data collection phase of my study (February to May 2013). The groups consisted of up to six participants together talking about their views and experiences of credit scoring in response to a collection of simple verbal prompts provided by me. My aim was to facilitate a discussion around everyday topics and issues, such as economic behaviours, financial aspirations, and the relevance of credit and credit scoring to participants' lives, in a mode more like that of a moderator than of a traditional interviewer. The purpose was to elicit individual or shared

views and identify recurrent themes quickly, to obtain ‘a feel’ for the range of views and matters likely to come up during the later open-ended individual interviews. The focus groups also allowed me to ‘road test’ the terminology and discussion themes that I had planned to introduce as part of individual interviews, enabling me to get a sense of whether they were too technically complex (or, alternatively, overly simplistic) for participants to engage with. Because I was working with a number of people simultaneously in the focus group I felt that the individuals within the group generated data and insights for me that would be less accessible in individual sessions. Focus groups often elicited diverse viewpoints and contrasting reactions from participants, and, through exploring the justifications for different views, perceptions, motives and reasons, group dynamics brought to the surface aspects of situations which might not otherwise have been exposed.

Next, thirty individual semi-structured interviews were conducted over a longer period (April to July 2013). The purpose of these one-on-one interviews was to obtain access to more personal histories of participants’ experiences with credit and credit scoring systems. In the interviews each participant was asked initially about their biographical details and was encouraged to explore how they first heard or became aware of credit scoring in New Zealand in order to elicit experiential information. Using open-ended questions I then encouraged participants to move on to discuss other aspects of their experience with credit and credit scoring since that time, including

recounting their observations and understanding of others' experiences and speculating on the wider effects or impacts of credit scoring on others. I felt that the use of open-ended questions allowed me to share more deeply in people's perceptions, meanings, definitions of situations and constructions of reality than a 'fully-scripted' or survey approach. I tried to draw out participants' views as though from the 'inside,' exploring topics and attending to understandings that had particular significance for them. I was able to explore in greater depth than possible in a group situation, participants' reactions, behaviours, understandings, motives and feelings, including the implications for their 'sense of self.'

Focus groups lasted approximately 60 minutes and were held in locations throughout New Zealand suggested by me as convenient for participants. These included office meeting-rooms in Auckland and Wellington, university library meeting-rooms in Wellington, a participant's home in Lower Hutt, a private function room at a pub in Wellington, and after hours in a café in Dunedin. Individual interviews were longer in duration – often up to 90 minutes – and were conducted in more diverse settings suggested mainly by participants. Some respondents selected private places like their own home or a quiet Victoria University sociology faculty office, whilst others were comfortable in more public (and busier) places such as pubs or workplaces. The locations involved were Lower Hutt, Wellington, the Kapiti Coast, and Dunedin. Although constructivist researchers often focus on the specific contexts in which people live

and work to understand the historical and cultural settings of the participants and the intersubjective factors at play, this was not a particular focus for me. Participants were not paid for their participation, although refreshments were provided and a koha (gift) of a \$30 or \$50 supermarket voucher was offered to each participant at the conclusion of the interviews in recognition of their contribution.

The information memoranda and consent forms provided to all participants at the time consent for the interview was obtained are included as *Appendix C* to this thesis. All focus groups and individual interviews were audio-recorded and transcribed, and in this way I had the opportunity to study representations of human experience recorded from spoken form. The data sourced from focus groups and interviews also included the handwritten notes taken by myself during or after the group or individual interviews. At the conclusion of interviews I offered to send each participant a copy of their interview transcripts for checking and comment. However, none of the participants indicated that they wished to see them. I also offered participants the opportunity to receive a copy of the thesis once it was completed, but again none expressed interest in seeing it. In all of the focus groups, and in many of the individual interviews, an anonymised sample credit score (refer *Appendix A*) was introduced as a hand-out to stimulate the discussion. The sample score was intended to give participants (many of whom had never seen a credit score before, whether in graphical form or otherwise) a basis for giving initial impressions of it, as well as exploring further aspects in

discussion that occurred to them. Lastly, I offered assistance at the end of the focus group or interview with completing a written application form (including meeting the costs of postage) that would enable participants to receive a copy of their credit file from Veda. (Participants are entitled to receive their credit file without cost within 20 working days of their application pursuant to the *Credit Reporting Privacy Code 2004*.) Only a few participants elected to take up this offer.

Recruitment of participants

Focus group and individual interview participants were recruited through a combination of methods. Initially, I received indications of interest via e-mail or text message responses by participants to flyers that were placed in my local community and institutions such as public libraries, citizen advice bureaus, shops and supermarkets, and universities. The flyers were also e-mailed to organisations such as sports and music clubs (with the prior agreement of a representative of the particular organisation). The areas and institutions targeted were those that (in my judgement) were likely to achieve a diverse participant group. For example, I placed flyers in different geographic areas reflecting varying average socio-economic situations, like small provincial towns vs. affluent city suburbs, and areas of predominantly ‘blue collar’ vs. ‘white collar’ workplaces. Whilst diversity of participants was important in order to give me the best chance of encountering differing experiences of credit and credit scoring,

achieving an age, ethnic, or gender mix (or any other demographic representation) that was statistically representative of the general population of New Zealand was *not* a specific objective. I also e-mailed flyers to a diverse range of personal and professional acquaintances who I judged might be interested in being participants in the study. As indicated in *Appendix B* to this thesis, the physical and e-mail flyers asked potential participants to contribute their views to an inquiry about experiences of, and attitudes towards, credit and credit scoring in New Zealand.

Another successful method of recruitment was ‘snowball sampling’ where at the end of a focus group or individual interview I asked participants if they would let other people know about the project by passing on a flyer which those other persons could then respond to. This resulted in the inclusion of several persons who contacted me on the recommendation of a friend or family member and who, otherwise, would not have seen a flyer and would not have been recruited. Snowball sampling sometimes involved more than one iteration, whereby a person referred by a participant would then refer another.

The consent form for interviews stated that participants could withdraw from the study up to 2 months after their interviews without needing to give a reason. In that case their contributions in individual interviews would be excluded from the results of the study, and contributions to focus groups would not be referred to if possible. No participants, however, requested to withdraw from the study.

Analysis of data and writing up

But data collection is only the first step; research method is considered to encompass all of the specific or detailed procedures of research so it also includes analysis and writing-up. There were a number of steps involved in this. First, the unstructured qualitative data obtained from interviews required some ‘processing’ to prepare it for analysis. I arranged for transcriptions to be made, reviewed those transcriptions for accuracy against the respective audio recordings, and arranged them in date order within secure data folders on my computer. I reviewed the transcripts within Microsoft Word, and added ‘comment’ boxes in the margins recording my thoughts on the content of what was being said and any correspondence to the broad themes that I had identified in the literature and high-level theories.

After reviewing a number of transcripts in this way, I began generating a number of ‘intermediary’ Word documents – grouping verbatim extracts and my own comments on themes that exhibited similarities (or differences). After the rest of the transcripts had been analysed, and after I had presented an overview of the various themes arising to my faculty supervisors, the intermediary documents were gradually developed and recombined into three relatively stable groupings of text, which ended up as the basis for the three analytical chapters in this thesis. Each of the analytical chapters was anchored around a different aspect of subjectivity, corresponding broadly to those in the high-level social theories I had drawn on: Chapter 4 deals with the ‘objective’ social environment of structures and institutions;

Chapter 5 deals with ‘subjective’ practices and understandings of individuals; and Chapter 6 focuses on the interpersonal or ‘intersubjective’ dimensions reflected in relationality and association.

Interview data assisted in reaching my findings in two ways: first, it provided information directly from the dialogue between interviewer and interviewee relevant to the problems, concerns, themes and issues of interest in my study; and secondly, it allowed me to reflect on the questions I was asking and directions of the study – testing the connections with existing theory and literature, thinking about how the main or subsidiary ‘problems’ were being investigated, and making guesses about new topics or directions that might prove useful. Importantly, I found that I did not arrive at many of the findings in this thesis until the last stages of writing-up. It was only through “essaying” my work – testing out the various insights that had arisen during the study against each other and trying out different positions for (at that stage) an imaginary scholarly audience – that I landed on the observations and conclusions that seemed credible and persuasive within the context of the study. Expressing my ideas, in other words, helped form them. Those ideas are presented in the analytical chapters of this thesis, but are synthesised into a final position in my conclusion in Chapter 7.

Because the research results were to be presented in a way that prevented participants from being publicly identified, I assigned pseudonyms to participant contributions from the individual interviews when discussing those contributions in analytical chapters.

For contributions from focus group participants I referred to the focus group number (1 to 8) in which the participant had been included.

Conclusion

The aim of this chapter was to describe and explain the overall design of my research. In the first part of this chapter I outlined a series of sociological traditions that offer a range of understandings about how the relationship of individuals to society is mediated through subjectivity. Each of the three ‘high-level’ theories – historical materialism, Foucaultian power/knowledge, and feminism – puts forward a cogent explanation of finance’s role in the ‘achievement’ of the contemporary subject and permits an interpretation of individuals’ accounts of their own experiences in terms of the ‘subjective’ and ‘objective.’ The three theories, moreover, construct a *critical* account of how control is exercised over individuals within a credit-led society – in doing so, problematising the place of consumer credit and its technologies as neutral, natural, necessary or inevitable economic and *social* practices. Taken together, the theories allowed me to investigate the credit scoring without undue reliance on particular critical authors, labels, or schools of thought – allowing me to organise my thinking on the topic in ways that (to the best of my knowledge) have not been attempted before in any prior study of finance and subjectivities.

In the second part of the chapter I explained how I went about the design of my research strategy and the planning of practical methods

for data collection in order to learn more about my topic – preferring qualitative interpretive inquiry within a broadly social constructionist epistemology as an analytical approach. Consistent with this orientation, my focus was on gathering information about the everyday experiences of individuals through open-ended interviews to discover ‘mid-level’ explanations or conceptualisations of behaviour. Although this type of data can be thought of as anecdotal, it is commonly accepted as allowing deeper access to realms of experience grounded in the meanings and motives of acts. In the following three chapters I discuss the ways that my research approach and methods allow me to construct an adequate account of credit scoring in the everyday life of participants.

Social Structures and Institutions

Much of sociology is concerned with fathoming the patterns of individual and collective lives – the habitual or organised behaviours that constitute the structure of society. In this chapter I examine the involvement of consumer credit and its technologies with societal structures – in particular, how individuals in New Zealand are ordered by credit and scoring practices through processes of ‘subjectification’.

Subjectification, as discussed earlier, is understood broadly within a constructivist paradigm to mean the forming of a subject with respect to its context or the conditions to which the self is exposed. I outlined in Chapter 3 a range of theoretical insights into this mode of subject formation, drawn from Foucaultian, Marxist and feminist research and writings. A major structural feature of society accorded prominence in each of these three critical traditions (and, indeed, across virtually the whole of sociology) is the ‘institution’ – a relatively permanent organisation that operates using frameworks of explicit or implicit rules, procedures or conventions to treat individuals in certain ways (see generally Hodgson, 2006). Institutions, whilst constitutive of society, are not the only structural elements that exist however. Marxists and feminists point to class and gender, which although not always considered ‘institutions’, nevertheless exert a clear structural influence on subjects in the modern world. Credit itself can be

regarded as a major structural feature of society due to its pervasive application and utility in the social realm. Indeed, some might argue that finance is an economic (and social) ‘institution’ in its own right.

In my analysis of how consumer credit and its associated technologies act to structure subjects’ experiences, I sought to consider both: (a) the ‘objective’ bearing of credit and credit scoring on everyday behaviours reported by participants; and (b) the accompanying ‘subjective’ experiences, beliefs, values and self-understandings evident from participants’ accounts. Prior to immersing myself in the data, I acknowledged that my informing literature raised possibilities about the ability of lenders and other agencies or institutions in society to direct credit users towards particular ends or with a certain overall effect. I have arranged the discussion in this chapter with this in mind, identifying topics and themes that speak to the possible dimensions of governance exerted by credit as suggested by the critical scholars working in this area. Those groupings, which also admit of a critique of a pervasive ‘neoliberal governmentality’ in New Zealand, are as follows:

- The tangible effects of debt structures and credit scoring on individuals, giving corporeal form to necessary/desirable activities, and fixing consumers in economic or social spaces;
- The shaping of the terrain of action and thought under specific incentives for performance – demonstrating also how calculative regimes can be associated with collective norms and identities;

- How the purposeful administration of credit users via bureaucratic rules, procedures and normalising judgments is intensified under the permanent ‘gaze’ of the credit bureau;
- Ways that debt practices are understood to be part of a ‘natural’ framework connecting global technologies, norms, and values, with local actors, institutions and environs; and
- The role of the New Zealand government in regulating credit markets and technologies, including the sponsoring of ‘financial literacy’ programmes as a national priority.

Grouping participant responses around these topics generated insights for me that would not have been available through interpreting any individual account. As discussed in Chapter 3, this is not so much that common experiences validated a ‘hypothesis’ applied generally across a population, but because the *variety* and *contrast* in reported experiences and associated self-understandings contributed new possibilities for evaluating ideas about finance and society.

Materiality and location

Participants I interviewed offered a number of perspectives on ways in which consumer credit and its technologies are integrated into their everyday lives, affecting their material circumstances and ordering their economic or social location and relations with others.

Corporeal practice

For many participants, providing for basic physical and economic needs meant coming to terms with using debt. Bank lending and consumer credit were reported as common ways to enable a variety of routine economic transactions and meet rudimentary requirements. Credit was used to ensure adequate nutrition, obtain health care, secure suitable accommodation, provide for physical safety, and to arm oneself with the wherewithal and vitality needed to perform the physical and mental labour required of economic and societal agents. The decision to borrow to enable consumption was a particularly easy one for participants whose financial position was “tight”, and drawing on bank loans to provide extra money could avoid (or, at the very least, postpone) the kind of desperate prioritisation between, say, one’s health and financial standing that could otherwise occur (Leanne). Hannah explained that without access to credit her immediate life choices could be stark: “it’s eat or go to the doctor.”

These, and the many other examples provided by participants, illustrate how credit is indispensable to meeting many of our material needs – ‘embodied’ habitually as part of daily practices, but used also to “paper over” the financial fragility of some subjects’ lives (Brown, 2008). However, even those participants who considered themselves relatively “well off”, such as Rosie and Teresa, regarded credit usage as “second nature”. Teresa’s partner, for instance, was accustomed to going out to buy wine and oysters on his credit card on the basis that he “deserved it” as a reward for dealing with the mental and physical stresses that his self-employed business placed on him. In situations

such as these consumer credit is understood as something to be ‘done’ routinely to meet the demands of participating in the economy. The consuming body, as Marxists note, is itself a source of productive value for lenders and retailers, and presents an opportunity to exploit the material needs of individuals for profit.

Some participants also described credit use in terms of the materiality of purchasing practices. Evidenced by the ‘summoning up’ of various consumer goods and services by customers, credit purchases are then affirmed in physical credit statements and other transaction documentation. Participants reported ‘doing’ credit both at physical places (banks, supermarket check-out counters, service stations, ATM machines and so forth) and on-line via the virtual market connections provided by home computers, tablets and smartphones where e-shopping ‘bargains’ and ‘in-app’ purchases compete for attention.

Other participants explained how credit defines their physical environment, regulating the spaces to be inhabited and claimed as their own. Christopher, a 42-year-old discharged bankrupt, described the short-term benefits of credit in terms of allowing overseas travel. However, he cautioned against the longer-term material limitations that come from subsequently being saddled with debt. He described how his ‘problem’ debt, incurred in the past to fund foreign treks, had ended up damaging his financial position and thus the prospect of securing his own home back in New Zealand. His only option now was to share rented accommodation with strangers. For Alan, access to credit had provided the means to buy his family some luxury goods from the supermarket as weekly ‘treats’, but over time his increasing

debt burden meant he needed to visit different physical spaces, such as food banks, which he had considered to be ‘foreign’ places before. Vicky was considering moving to a cheaper, provincial area of New Zealand because accumulating debts from her “city lifestyle” in Wellington had made her financial situation untenable. In these examples we see how a relationship with credit locates individuals spatially or geographically, structuring their involvement with physical areas and places – contributing to freedoms or imposing limitations.

With technologies of finance that calculate and record one’s creditworthiness, our past history with debt operates to determine our future relationship with consumption – ordering our economic expectations and shaping the topography of ‘consumer spaces’. The types of grocery brands bought by Alan’s family at the supermarket, for instance, turned on whether he was able to gain access to credit that week. Similarly, Kellie recounted how finding the means to repay longstanding debts freed up money and allowed her to choose to spend more on organic-branded food, which she felt was important for her children’s health. These participants understood credit and its technologies to locate us within market segments, mobilising us as particular types of patrons and customers.

Social standing

Equally important, perhaps, is that credit is needed and ‘done’ by individuals who are members of social groups: in this way consumer credit presents itself as integral to social activity and can be

characteristic of collectives – access to credit allows people to interact with each other and to share aspects of their lives. Participants reported that credit facilitated their social and ‘civic’ existence, allowing them to maintain contact and socialise with others, engage in pleasurable or stimulating activities with others (entertainment, sport, art, hobbies, fashionable activities and so forth), and provide for material or mental solace. Consumer credit also allowed some participants to live up to peer expectations concerning housing, education, dress or leisure activities. Using credit “makes sense” for these people because their borrowing assists in strengthening social bonds – improving and enlarging their social world and allowing them to attain consumption levels consistent with a desirable and ‘reputable’ life. It can also be understood as helping to alleviate the burden we might otherwise create for others in society. Rosie, for instance, reported borrowing from a bank to renovate her house; the improvements would not only provide a more comfortable home for her in the near term, but would increase its resale value and operate as a profitable investment to assist with her eventual retirement. Credit thus has an economic *and* social convenience about it and is linked through consumption to the positioning of our ‘social selves.’

Swartz (2014) is one of a number of authors who have commented on the links between credit technologies and social standing. She argues that the expansion in consumer credit markets in the United States from technical innovations and marketing practices of institutional lenders ultimately resulted in the transformation of consumer debt for aspiring individuals in the mid-twentieth century. Consumer credit became both an indicator of class position and “a

habit of thought” constitutive of gender (Hopkins & Todorova, 2013, p. 6). Barbara was one participant who associated credit with ideas of economic and social position, and said in her interview that she aspired to a comfortable middle-class lifestyle. She imagined that such status would mean that needing to spend money on things like repairing her car would assume the status of a minor inconvenience rather than a major life obstacle requiring her to use credit cards:

I'd have 'white woman's' problems, [chuckles] and I'd just be like, oh what day would suit me to take the car in.

In this example, Barbara expressed a wish to attain the benefits of a particular class position characterised by an *avoidance* of, or *ambivalence* towards, credit use. Some participants, however, believed the active use of credit was a vital way of gaining social status (or at least the appearance of such). Social mobility could be achieved through the debt-assisted display of material trappings; credit allows individuals to purchase houses in desirable areas, buy new cars and boats, send children to 'good' schools, and fund overseas holidays. Borrowing thus assists in achieving (often class-specific) ambitions, with a focus especially on those immediate freedoms that carry prestige or indicate social stature. Some participants such as Rio were critical of equating one's social worth or standing with consumption practices: he thought that attempting to gauge our position in the social sphere by how much one is seen to spend on oneself represented an adverse development for humanity, and one that should be resisted. His unease echoes Marxist critiques of the capitalist structuring of the proletarian subject at the superstructural

level, where commodity ‘fetishism’ indicates an alienation of workers from desirable human values. Despite being aware of the ‘false consciousness’ underpinning credit-fuelled consumption, Rio admitted that it was difficult in practice to remove oneself from a credit-led system that celebrates the ability to spend as a feature of self.

Feminists remind us, too, that women’s position in society and the economy follow the contours of biology and gender, determined largely by the unwritten rules that generally privilege males and subordinate females. A number of participants talked about the ways in which women are expected to perform different day-to-day tasks and take up different roles to those assumed by men, often with implications for their creditworthiness and perceived social and economic standing. The struggles encountered by single and/or working mothers were raised by several participants in focus groups and interviews, many of whom talked about reconciling child-rearing responsibilities with the need to work in order to maintain an ‘appropriate’ income and lifestyle and meet societal expectations of ‘success’ – challenges that are not always faced by men. In her paper, Swartz (2014) links the gendered use of credit with the structural changes in the American economy, by arguing that from the mid-twentieth century women newly-engaged in market work needed to purchase additional goods and services. These included “laptops, transportation, eating out, home-offices” and various other products “to satisfy ceremonial requirements of workers, such as a new and appropriate wardrobe” (Hopkins & Todorova, 2013, p. 4). Similar to many of the participants I interviewed, credit served to bridge the gap in means needed to achieve the individual and collective identities of a

competent worker, colleague or homemaker demanded by the social institutions of work and family. These examples point to how credit use and social standing are configured in gendered modes.

Personal and social dangers

Whilst consumer credit offers individuals a potent way to satisfy economic needs and project an outward appearance of social success, the pressures of managing one's daily finances to meet credit commitments can sometimes pose considerable physical and psychological risks to individuals' well-being. A number of participants were quick to point out the drawbacks of a lifestyle where one's economic and social freedoms were dependent on the on-going ability to access and service debt. They complained, for instance, about having to work in unfulfilling jobs in order to service loan obligations, or becoming ill or feeling physically sick due to the stress of meeting debt repayments. Some had realised that they had grown argumentative about money with others, and had become overly serious, angry or withdrawn as a result. Ian, for instance, described how he tended to avoid those who had come to know of his debt problems. And Alan suffered from a preoccupation with debt collectors that tainted his daily routines:

You don't feel free and you're always uptight because you're sitting at home so you're worried who's ... every time you hear a car coming down the driveway you worry about who it is. Is it some company? Has the bailiff come to cut off the power again? ... A knock at the door ...

As discussed earlier, the ‘reprieve’ provided by credit – enabling us to consume and conceal from others our inadequacies and vulnerabilities – can ultimately go on to blot our creditworthiness and affect us negatively over the longer term. As participants in focus group 3 observed, the ‘spiralling’ effect of ‘chains’ of indebtedness created by certain patterns of credit use is played out through credit scores. Specifically, loan defaults or an excessive build up of consumer debt diminishes one’s credit score, which then sets up a feedback loop – higher interest rates or larger security deposits are demanded by lenders for future borrowing, resulting in an increased financial burden for the borrower, further raising the possibility of default which, if it eventuates, adversely affects the debtor’s already low credit score. Debt, relied on by some individuals as a permanent *solution*, becomes a permanent *problem* – resulting finally in the marginalisation or even exclusion of individuals in respect of the mainstream lending system if their credit score does not meet even the minimum requirements of so-called third-tier lenders. This is an outcome that Kezia likened to incapacitation: “it would cripple me.” And Declan went so far as to suggest that “vicious cycles” of debt force some people into crime:

He won’t be able to pay the credit, so they’ll put the debt collectors on to him. Suddenly, he’s completely outside society. He can’t do anything else. What does he do? He starts stealing.

Despite a general promise of economic and social advancement, these participants recognised credit as a cause of damaging social outcomes for some people: credit can direct us down different paths – not all of

them safe or desirable over longer periods. Credit consumption, in this conception, can be thought of as fraught with risk, and credit consumers can be viewed as a collection of potentially dangerous agents, posing hazards for themselves and society.

Structuring action and behaviour

Experiences such as those above described by participants allow us to observe the connections between credit and the ‘material body’, including those premised on more than just biological necessity and involving expectations of social order. Credit, as Marxists and feminists in particular emphasise, plays an integral part in sustaining and reproducing various ‘social subsystems’ such as work, family, and leisure. Studying how credit is encountered through everyday practices also allows us to consider, more specifically, people’s *actions* and *behaviours* – invoking a level of analysis that Foucaultian (and other poststructuralist) scholars are familiar with in theorising the relation between performance and subjectivity. Butler (1988), for instance, is a feminist theorist who argues that “performativity” constitutes the subject; the characteristics of the self (including gender) thus require agency, but are the outcome of a “legacy of sedimented acts” that “are necessarily constrained by available historical conventions” (p. 521).

Incentives, expectations, and performance

In interviews, most participants recognised that credit scoring systems (and credit systems generally) are designed to prioritise certain

‘attentive’ and compliant actions, such as paying bills on time. Conversely, activities or omissions that are impulsive, reckless, or neglectful, such as ‘over-extending’ oneself by borrowing excessively or forgetting to make debt repayments, are discouraged. Such imperatives can be traced to the creation of economic *incentives* by scoring systems, which are designed to foster borrowing behaviours deemed desirable by lenders. These incentives are additional to those created by loan contracts themselves (which typically seek to encourage borrower compliance through threats of a higher interest rate and/or financial penalties in the event of a default), and by legislation and the State adjudication system (that is, laws and courts).

Positive incentives from credit scoring are created from borrowers’ *expectations* that a present or future economic advantage will follow from engaging in ‘good’ credit actions, because these will produce a higher credit score and make it easier for them to borrow in the future on favourable terms. Conversely, scoring systems can be seen to forbid some choices of action for individuals, thus creating negative incentives because those actions would operate to lower a borrower’s credit score, and could therefore be expected to make it more difficult for those individuals to obtain credit in the future. The object for individuals within this system is to arrange their endeavours and exertions ‘appropriately’ – to *perform* in the ways sanctioned by the logic of scoring to gain maximum personal advantage.

A simple change in individual behaviours attributable to these incentives would be evidenced, say, by a person who, knowing that credit scoring applies to them, chooses to pay for purchases by credit card rather than with cash. Using a credit card will contribute

positively to their credit history and thus to a positive credit score provided the debt is eventually repaid according to its terms and does not compromise the person's ability to repay other debts. In this respect, Jill thought that credit-scoring systems created a 'veiled imperative' for individuals to enter and become active in credit markets: some people might seek to initiate credit transactions 'pre-emptively' in order to establish a good "track record" with credit and "take it from there." The aggregation of such behaviours within a population could have significant effects on the dynamics of lending markets – enlarging the group of active borrowers and ushering in a new 'attitude' of using credit in paying for daily expenses. An increasing number of borrowers, each with growing credit balances, moreover, would tend to make credit-scoring systems more relevant and the incentives even more attractive and compelling for individuals – a 'scale effect' that would depend, perhaps, on uptake beyond a 'tipping point'. In this respect, the logic of scoring, somewhat curiously, combines expectations of strict personal control over spending with a reason to spend more: a synthesis of frugality and free-handedness.

More 'involved' individual responses to scoring incentives could also be anticipated. The clearest example was offered by Geena, who described how she had 'optimised' her existing patterns of credit use upon hearing (via the news media) that positive credit scoring mechanisms were to be introduced in New Zealand. Specifically, she sought a new consolidation loan to transfer and aggregate her existing debt arrangements to a single financier, reducing the amount of periodic repayments and spreading them over a longer period. This

‘upped’ her chances of avoiding payment defaults, but also allowed her to more easily demonstrate that she was *positively* meeting a series of repayment obligations. In this case, incentives caused Geena to pro-actively create new credit habits persisting over time.

Participants also speculated about the ‘psychology’ tied up with scoring incentives and how it might affect individual or collective behaviours. Sharon, for instance, believed that knowing she had a good score would encourage her to use credit cards more in order to establish and maintain a history of ‘conscientious’ use:

I suppose if I found out that was my score, it would probably encourage me to maybe spend more on a credit card, because it’s ... I guess ... some sort of proof that I’m capable of paying things back on time or at least that I’m financially sound not just having credit card payments left.

Such a reaction would seem to draw on a desire to be validated as a worthwhile prospective borrower by the lending system. But credit use could also be boosted by notions held by would-be borrowers about entitlement. Hannah, for instance, thought an individual might be encouraged to spend more on credit if a good score was perceived as a reward for taking on debt. She wondered whether retailers and financiers would therefore exploit the beliefs of particular credit consumers about what those individuals ‘deserve’ in order to sell more products and lend more money. Some participants in focus group 2 drew parallels with the marketing effects exerted by ‘fly-buy’-type rewards systems which have become popular in New Zealand – designed to encourage people to change their spending habits,

sometimes going out of their way to make unnecessary purchases just to accrue ‘points.’

Other participants focussed on how credit scoring creates a borrowing environment in which implied boundaries between safe and unsafe behaviour of individuals are formed and reinforced. Sarah, for instance, wondered whether having a scoring system would ‘protect’ some people from taking on loans that were too large or onerous where their score indicated that they were not able to deal “properly” with that type of borrowing. Knowing one’s own credit score could increase awareness of one’s ‘true’ financial capability, and could prevent a person falling into financial ‘traps’ on account of not yet having acquired the necessary financial discipline. In this understanding, which resonates with observations made in the ‘Materiality and location’ section above, borrowers are regarded as valuable but volatile agents in the financial arena – unstable elements posing risks to themselves and others, with an intrinsic need to be managed.

A good credit score could also be seen as providing protection to individuals against possible future mistakes. Sophie thought that once a good credit score is established it could act as a “safety net” – creating capacity to borrow quickly and easily if future funds were needed, say, in an emergency. Barbara also thought that credit scoring systems could help return subjects to “safe places” during troubled times, noting: “at a later date, if you didn’t have money, you could probably just ‘up’ your loan limit.” In these ways credit-scoring systems can be understood to reinforce acceptable norms of credit use, ‘reining in’ aberrant uses of a scarce societal resource and promising

an abundant (yet judiciously administered) future in which individuals consume and perform in desirable ways. When securing credit, individuals know and administer themselves through performance – recorded, ultimately, as smatterings of information in credit databases.

Collective interests

It was also possible for participants to think more broadly about how the performance of individual borrowers *in concert* can form the basis for social or political collectives, as well as questioning whose interests credit scoring systems might serve in the enactment of ‘responsible’ credit use. Those in focus group 3, for instance, thought that a scoring system would work ‘properly’ only if participation was mandatory for all potential borrowers in a society: an optional system would be “not fair, it would just defeat the purpose of it” because credit bureaus would end up with a collection of credit histories volunteered by just the best borrowers, and would have no ‘bad’ histories with which to compare them. This logic presumes a unity of interest between lenders (as a group) and all ‘right-thinking’ borrowing subjects promoted by credit scoring incentives. It also equates the management of consumer borrowing risks to a quest for a ‘better’ economy or society where the potential for individuals to ‘opt out’ would jeopardise desirable benefits.

Alex expanded on the dynamics of the processes he saw as being at work, commenting on how the pressures placed on borrowers by scoring systems benefit lenders collectively through minimising the costs of debt collection. Debt collection agencies, in his experience,

deliberately “play up” the negative consequences of credit defaults as “scare tactics” to encourage the payment of debts. However, once borrowers knew that credit scoring was being actively employed to monitor behaviour then it is the ‘system’ itself that creates this effect (although individual agencies may choose to “frighten” borrowers further). Under these circumstances, participants in focus group 7 expected that even a minor unpaid debt could ‘hold up’ getting a larger, more important, loan in the future. Alex reasoned that “cos it’s a small amount Baycorp [New Zealand debt collector] can’t be bothered, so they just wait for you to get a mortgage and then you have to repay ... is basically their tactic.” In this account, the incentives attached to credit scoring enhance economic efficiency by appropriately motivating borrowers to ‘pay up’ on a variety of obligations.

As both Vicky and Michael recognised, industry ‘manoeuvres’ such as these draw on a present or prospective need to borrow to assist with the enforcement of debts from the past – an aspect of the ‘futurity’ of credit scoring that elevates the status of even trivial debts as things that must be dealt with urgently and dutifully by borrowers. Notably, these effects are achieved even though past debts would typically be owed to lenders that are not necessarily the ones currently or imminently vetting a loan application. The collective benefits of scoring are thus available to be shared by past and future lenders as a group. Lastly, Sashin reasoned that there would be wider ‘peripheral’ benefits accruing to lenders from the system, namely the production of more docile and ‘agreeable’ credit users who would prefer to pay even disputed debts on time rather than go through the “hassle” of

quarrelling with a debt collector or credit agency. As he said, “I’ve got more important things to do!” The transaction costs (that is, the time and effort required to establish one’s ‘rightful’ status) introduced by the disputes machinery of scoring systems themselves were perceived to drive borrowers’ compliance. These understandings build on prior observations about the assumed nature of borrowers, suggesting ways in which individuals can expect to be governed through incentives as potentially perilous lending prospects – ‘atomised’ risks which ‘naturally’ require corralling by a unified group of past and (largely anonymous) future lenders.

The idea that credit behaviour could be problematised at collective levels (for example, by a ‘lending industry’ that seeks to regularise the habits of a ‘borrowing community’) prompted participants in focus group 7 to question whether a credit scoring system was something that would benefit the economy and New Zealand as a whole. One view was that credit scoring is a systematic way to ensure that the ‘right’ people in the country get allocated loans and the ‘wrong’ people are denied or are discouraged from even applying. A participant suggested that credit scoring could be helpful in addressing what she saw as a problem in New Zealand with “bad” private debt behaviours:

It could be good to help control and help people to rectify and improve their credit scores and to actually help New Zealand’s private debt situation, which is quite bad.

This participant framed credit scoring as a potential solution to a countrywide problem; by acting more consistently with the incentives

created by credit scoring systems individual New Zealanders can ‘shore up’ their collective economic interests and give a more credible shape to their national identity. Credit performance, in other words, is a public matter, and is one of the things that define who New Zealanders are. A participant from focus group 7 could see arguments for detailed statistics about credit scores and credit usage to be made available in order to bring greater prominence to the debt debate, which concerns individuals as citizens:

There’s quite a lot of stigma against debt, obviously cos it’s such a private thing. So it might help to get it actually out in the open, and there could be help for people and suggestions for how to improve it. It would be a good way to get it in the public eye and really attend to the issue.

In publicising such details, the collective economic interest of citizens could be understood to override traditional expectations of the primacy of individual rights or interests – such as the right to keep individuals’ financial and purchasing data out of the public realm.

Other participants wondered whether credit scores had become more used (or more relevant at least) in a post-Global Financial Crisis lending environment, where performing as a responsible credit user could be equated with ‘doing one’s bit’ for the nation at a difficult time. Equating individuals’ credit behaviours with the health of a national economy suggests that a score signals a dutiful relationship one has, not only with past or future lenders, but with the nation’s businesses, one’s compatriots and one’s country. Under this construction of obligation, borrowers are constituted as ‘credit citizens’ who have a public duty to perform as part of an obedient

population. Such a sentiment has been detected in Australia by Greenfield and Williams (2007), who comment on the rise of a finance culture that allows borrowing to penetrate “deeply and necessarily” into citizen’s lives using notions of civic duty. Australians, for example, have been told that their ability “to make sensible judgements about their personal finances is essential for the national well-being” (Coonan, 2004), thus establishing a metonymy from individual circumstances to the national interest. These new possibilities for allowing individuals to describe and define themselves, and the social and political collectives in which they are grouped, involve the calculations performed on the ‘data traces’ left in credit databases with the collective pride (or shame) of citizens.

Methods of administration

A matter that many participants were eager to discuss in interviews was their treatment by various formal organisations in New Zealand that regulate economic and social entitlements. The organisations in question included Work and Income (WINZ), District Health Boards, the Accident Compensation Corporation (ACC) and the Inland Revenue Department. These state-run bodies do not exist principally to lend to consumers, so I presumed, at least initially, that participants wished to describe how the assistance (financial or otherwise) received from these establishments had a direct or indirect bearing on the need for individuals to borrow elsewhere. As interviews progressed, however, it became clear that participants were instead making comparisons between the types of rules, procedures, and

routines of these ‘general’ bodies established to meet basic societal goals or needs, to the sorts of administrative demands placed on credit consumers through credit approval and credit management practices. Participants, in other words, were seeing parallels in the way that organisations, commonly regarded as social institutions, provide explicit opportunities to know and manage subjects through the administration of welfare support or benefits, and the procedures and techniques used by lenders and credit bureaus to regulate and monitor the allocation of debt to individuals in credit markets. Foucaultian, Marxian, and feminist scholars all see the systemised ‘handling’ of individuals by, and within, administrative structures as powerful ways of implementing policies of government, particularly those practices and techniques which are generalizable across domains and establish expectations of how subjects at large in society should conduct themselves. Of interest to me then, were the ‘crossovers’ between regimes of human management and control in these State-led social organisations on the one hand, and the processes employed by lenders to administer and allocate credit in markets on the other. In examining participant reports, I wanted to better understand their conceptions of the ‘ethos’ underpinning these techniques – what common purposes or outcomes these methods of treatment shared.

The bureaucracy of social entitlement

Most participants began by talking about how the processes that determine who receives help, attention or treatment within social institutions could be frustrating because they seek to enforce a set

order which honours form over substance. The slavish adherence by state administrations to form – emphasising and elevating specialised technical distinctions and formal systems of classification, and bestowing powers on staff and officers to judge the merits of applicants/beneficiaries based on these criteria – was seen as a tiresome distraction from people’s real-world problems. It was especially irritating where it resulted in what participants perceived to be “unfair” decision-making on the facts, or where officers were unwilling to help individuals out by “bending the rules” (Thomas, Geena). Even those ‘in-built’ procedures provided by institutions to allow beneficiaries to challenge the merits of official decisions could prove to be drawn out, ineffective, or altogether lacking in substance (Geena). To make matters worse, as Christopher noted, administrative structures are often “excessively” reliant on other organisations (for example, ACC being dependant on the administrative “due processes” of District Health Boards), which has the effect of bolstering the authority of the other agency’s policies and practices. It was common, for instance, to require evidence of due process in another institution to be produced: an example was the ‘properly’ completed forms and documents from ‘qualified’ practitioners in those other institutions to establish ‘validity’.

As Graeber (2016) observes, these aspects (including the annoyance experienced by participants about the processual demands made upon them) are characteristic of *bureaucratic* systems of administration that proliferated in Western countries over the past two centuries, and particularly post-World War Two (p. 27). The bureaucratic administration, on its surface at least, promotes societal

‘fairness’ through tasking officials with applying pre-determined rules and regulations ‘equally’ to beneficiaries, allowing social benefits to be distributed ‘uniformly’ and particular policies of government to be implemented ‘impartially.’ This type of administration, however, can be at odds with ways that people perceive themselves to be treated in other areas of their lives and can be seen as imposing ‘alienating’ demands. Cameron thought that the exertion of authority via inflexible form-based rules meant bureaucratic systems insist on particular ‘ways of being’ that do not suit all types of people. His experience of state-run educational institutions, for instance, was that they were an antiquated “bells and cells” regime forcing people to comply. The Government’s rules applying to small business-owners were similarly unwieldy and intimidating, involving:

A mountain of bureaucracy and paperwork and stuff that’s very daunting to have to work through just to, you know, find your way if you don’t fit within conventional systems.

In these observations, administrative systems are regarded as ‘constructed’ regimes, imposing particular “made-up” requirements on subjects. Cameron’s unease about submitting to the authority of institutions seemed to be that he did not see the requirement that he perform in certain ways as representative of himself.

That could change over time for some people, however. Other participants told stories of how being regulated by systems of administration shaped and invested them as particular kinds of actors. A notable aspect was the extent of the physical and mental commitment required on the part of beneficiaries in performing their

own ‘work’ within bureaucratic systems. Time and energy was required in learning to ‘jump through hoops’ and otherwise navigate the hurdles thrown up by bureaucratic processes. Some participants described how they had acquired and become committed to a ‘specialist’ knowledge – needing to know (in some cases better than the staff and officials themselves) how to perform for the institution in the ‘correct’ way, including being able to draw on the right ‘scripts’ in order to advocate for one’s rights and position. Geena, for instance, talked of the need to understand the ‘right’ types of logic and argumentation to use to advance her case for special benefits, together with having to resign herself to the fact that her fate within the system lay in the hands of others such as medical specialists, community workers, charitable advocates, lawyers and other ‘frontline’ officers. Geena remarked that one must also learn to be careful about what is said and how any criticism is levelled at the administration or its staff. If these people, who are employed or contracted to engage with beneficiaries ‘professionally’ (that is, largely impersonally and within the boundaries of a field of specialised rules and practice), take offence they can use their influence to make life hard for certain individuals.

Understanding the bounds of bureaucratic time and space was also important in attaining entitlement: bureaucracies require beneficiaries to demonstrate a willingness to perform at the ‘right’ times and in the ‘right’ forums, and to accept that an element of ‘waiting’ is often necessary in order to gain advantages. As Jill noted: “They will make you work on it, and eventually they will help.” These examples show some of the realities of how policies and regimes of administrative

control are translated through the personal effort of beneficiaries into ‘appropriate’ individual behaviours. They give an indication of the types of performance required by ‘bureaucratic subjects’ to achieve valid ‘standing’ and be dealt with seriously by the administration.

The bureaucracy of lending

Other participants went on to describe aspects of being handled ‘bureaucratically’ in terms of the practices of lenders and their financial agents who broker, administer, manage or otherwise facilitate consumer loans. One feature that was remarked on in several accounts was the feeling that some sort of external ‘code’ or higher authority existed, imparting what was seen as a ruthless understanding of what ‘counted’ when considering lending and what did not. In addition, borrowers were required to be handled uniformly and exactly according to inflexible and formal policies of management. This proved exasperating for participants like Ian, who complained that debt collectors were not interested in listening to, or understanding, his reasons for not being able to pay his debts. Sashin, similarly, objected to what he saw as the dogged pursuit of debts by collection agencies who used the threat of a bad credit history generated within “the system” as a way of enforcing compliance despite the merits of a particular situation:

It’s very annoying because [collection agencies] just are given a debt ... and they come with this “it’s 14 days or we’re putting it on your credit file.” It’s a stick – it’s more than a stick, it’s a concrete block, and there is no fight back because you’re not fighting with them.

As some participants remarked, the strict attitude of financiers and their agents to enforcing the rules on debt stood in marked contrast to the “affable” and “friendly” nature of the customer service provided by merchant retailers who compete for the sale of the goods and services that occasion consumer borrowing in the first place. Whilst retailers could “go out of their way” to emphasise how flexible they could be – accentuating the value of the consumer’s “right” to choose – lending agents invested with the administrative powers of finance demanded strict adherence to the rules of debt collection, reinforcing expectations that borrowers needed to conduct themselves “by the book.” These observations resonate with the description in Chapter 2 of the evolution of the consumer finance industry, where a shift within modern economies to large-scale systems of credit administration resulted in the lending institutions (who ultimately manage consumer loans) being mostly divorced from the original retail context of the loan, and needing to have no particular “personal” affinity with borrowers. To ultimately survive in the domain of finance (as in a general bureaucracy) subjects need to acknowledge that the logic espoused by a “faceless” authority – the Cartesian “voice” of the expert that emanates from a place beyond any one lender yet “comes from nowhere” (Wylie & Nelson, 2007) – exists and governs the acquisition of persistent and shared habits.

The bureaucracies that command compliance and shape the individuals who are invested in ‘the system’ are, of course, a feature of Foucault’s (1975/1995) work on disciplinary power, which theorised that the rational organisation of the individual’s soul was achieved by the production of the ‘docile’ body. Such production

required the individualised reformation of individuals – controlling and regularising them in institutional settings. Moreover, whilst some participant accounts emphasise the constraints and confinements placed upon beneficiaries and borrowers alike, it is possible to see how the achievement of institutional identities such as ‘patient’, ‘client’, or ‘beneficiary’ – as well as creditworthy borrowers or delinquent debtors – involves the *opening up* of new subject positions for individuals and for groups. As Foucault (1975/1995) observed, coming to know oneself as certain object or subject within the particularised application of institutional knowledge and expertise can involve an orientation of the self towards new capabilities, capacities, liberties and freedoms. As discussed in the next section, this was apparent in participants’ accounts of being handled as cases.

Case management

In relating her experience of a general bureaucracy, Geena explained how “case managers” directed the institutional workflows around the administration of a particular individual. These case managers were “assigned” to individuals and were tasked with evaluating the specifics of the individual’s situation in order to apply the rules of the institution and to determine their treatment. Other participants described the various processes and procedures used in case examinations to assess an individual under applicable rules. In *credit-related* contexts, participants reported encountering techniques of case examination: (a) when applying to a bank for a new loan; (b) when requesting an existing loan be increased or extended; (c) as part of

periodic financial ‘reviews’ carried out by lenders; (d) following a loan repayment default or a material change in a borrower’s financial circumstance; and (e) in initiating formal bankruptcy or ‘No Asset’ relief procedures (Teresa; Rosie; Christopher; Alan). The case examination and administration was not necessarily limited to being carried out in physical locations such as bank offices, but could be conducted within the interpersonal virtual spaces created by the use of the internet and telephone. Although individualised, case examination was a technique applied to many borrowers within a lender’s overall ‘programme’ or ‘portfolio.’ Teresa’s understanding, for instance, was that she was, “just one of probably hundreds that are going through it and they have to manage you with everyone else.” In this way, Teresa’s belief was that the management of her case was a technique of co-ordinating (as well as tailoring treatment for) individuals *within populations* – concerned with consequences for the individual, but also for masses.

Descriptions of participants’ treatment as lending “cases” involved familiar aspects of treatment experienced in general institutional bureaucracies: having to expend personal effort in understanding the rules and meaning of presiding authorities; having to meet criteria such as establishing one’s identity and credentials; needing to present a position or arguing about one’s own situation and status in order to maintain the relationship with the authority; and producing or generating other documentary evidence to the case examiner’s satisfaction (Geena; Sashin; Thomas; Michael). The case examination process here could be seen to further the general objective of institutional bureaucracies of allocating and distributing benefits

impartially among individuals in a population according to set policies or rules. However, for many participants, the ‘due process’ associated with case management in lending seemed to involve a degree of scrutiny and intrusion beyond just what was necessary to achieve allocative ‘fairness.’ It provided the opportunity, rather, for administrators to give closer attention to particular borrowers – to discover and acquire detailed knowledge not only about the participant’s financial situation, but their vital capacities and capabilities, motivations and intentions, and their willingness to co-operate and comply. Participants reported that intense personal pressure for them to perform was created under this close observation, as candidates for particular types of ‘care’ or ‘treatment’. Some participants talked of an unnerving sense of the power imbalance arising from being watched and judged under what they perceived to be a one-way and intrusive process. This effect seemed to be bolstered by: (a) the perceived expert status of case examiners; (b) the perception that those examiners have discretion in the conclusions they draw about the ‘suitability’ of an individual; and (c) the opaqueness of the basis for judgement. These factors could work together to strengthen each other. For instance, participants in focus group 4 discussed the fact that although loan applicants are aware that they are assessed against some sort of approval criteria, lenders generally do not disclose what specific inputs (such as credit scores) to that process have been used and are reluctant to give specific reasons for declining or approving an application, even when pressed. In his interview, Michael guessed that serviceability, security, and “clean credit” were important, together with other matters such as “how

long's your job stability been, how long's your residential stability been." But he did not know for sure what was actually used or how it was done. In these participants' minds, an impression was created that an institutional expert having "mastery" in this area was needed to make a suitable judgement and navigate what was a complicated and "sensitive" area.

Case management then, in both general bureaucracies and in lending contexts, was experienced by participants as a technique that intensified the pressure on individuals to regularise their behaviour under an ever-present disciplinary gaze.

Visible risks

Participants were able to expand on how the policies and procedures of lending determined the nature of the scrutiny they were exposed to, illuminating how borrowers are made visible, within a portfolio of debtors, as risks. If a loan application was refused following scrutiny as a case, that would usually be the end of the matter: as Michael noted, "sometimes they will just spit out a straight 'Declined'" and there would be no further reason to keep the applicant under "observation." However, a loan application that is approved would generally involve completion of several more administrative steps before the loan was formally established and the credit made available – such as the appraisal of loan security and guarantors, and the preparation of legal documentation. (This was particularly so if the loan was for a large amount and was secured over real property.) Even once final checks are completed and the borrower has executed

the loan contract, a loan contract will typically provide that the lender may undertake reviews of the borrower's adherence to loan repayment schedules, or the borrower's income or 'debt ratios', at any time during the term of the loan. An adjustment of the parameters of the debt relationship, or even an outright termination of the loan could result from a borrower exhibiting 'unacceptable' behaviour during the loan term, the discovery of an adverse change in a borrower's financial circumstances, or simply a recalibration of the lender's own tolerance for financial risk. Rosie, for instance, talked about her bank deciding to reduce her lending limits on a credit card following a personal review of other loans she had decided to take out, and Teresa gave the example of being made to reapply for her mortgage because she had fallen six weeks into arrears on loan payments. Failing to meet criteria at these points would have grave financial circumstances: Teresa believed she would have needed to repay the loan immediately. Committing to taking on debt under conditions of on-going scrutiny mean that the stakes are high for borrowers, and the threat of intervention can be particularly frightening where the loan covers a significant period (up to 30 years for a mortgage, for example).

The existence of these on-going conditions suggests that the initial examination undertaken at the time a loan is applied for can be seen as just a threshold or 'entry' event to a longer, staged, examination process where a borrower is put on notice that they are liable to further assessments at any time. Borrowers are effectively placed under the 'gaze' of the lender to be managed as a particular lending case for the duration of the loan term. Some participants said that this made them think carefully about what their future situation might hold before

taking on debt. Others went further, describing how they had ‘steeled’ themselves against the ongoing attention and demands of lenders and their agents – a situation that Cath likened to the sort of ‘trial-by-process’ that occurs under general bureaucracies too: “There is no end you see, every time you think there is an end there is not ... it’s soul-destroying ... an exercise in futility and frustration.”

Credit scoring is arguably one of the best examples of a lending technology that capitalises on the disciplinary advantages provided by surveillance and judgement of subjects, extending and intensifying the control of lenders over the self-regulation of borrowers. The credit scoring model is, of course, reminiscent of Bentham’s panoptic system of observation for prisoners referred to by Foucault (1975/1995) as a metaphor for the rise of ‘disciplinary’ power. Just like Bentham’s prison design, the model brings about scale efficiencies for the ‘authority’ through collecting and monitoring information about behaviours. Credit scoring systems are, in this respect, more effective than traditional forms of information gathering by individual lenders because of their scope: the calculation of creditworthiness under credit scoring covers virtually *all* past and future borrowing cases and is made available for the potential benefit of *all* past and future lenders. As Michael noted, a lender having access to more information about borrowers’ behaviour and intentions, without disclosing any more information about itself, works to the lender’s advantage: credit scoring seeks to combat the asymmetry of information about borrowers’ creditworthiness usually suffered by lenders, by introducing an asymmetry of information of its own to the detriment of borrowers.

But the primary benefit of credit scoring systems, and one that supports the interpretation that lending is increasingly involved in the inner ‘battles’ of the self, lies in the way in which subjects become accustomed to monitor and police their own actions. This drastically reduces both the costs and the effort needed to be expended by the lending authority in ensuring the compliant behaviour of subjects, and dramatically increases the ‘performance’ (that is, the profitability) of a lending portfolio. As Foucault (1975/1995) explained, panoptic systems of observation exploit the visibility of the subject and lead to self-normalisation: disciplinary power, “hidden though ever present” (p. 82) conditioned individuals to internalise the ever-present disciplining “gaze”. Within credit scoring systems, just as in panoptic prison design, an individual knows that: (a) their actions are observable, together with the actions of virtually all other borrowers; (b) their actions are being graded against a scale of norms of performance determined by a central authority and applied to all subjects; (c) their actions have consequences in terms of future entitlements or ‘freedoms’; (d) they can know their own actions and (from time to time) the credit bureaus’ assessment of their performance, but are prevented from accessing knowledge of the performance of other individuals; and (e) they cannot elect to be removed from the system, and cannot individually control or influence the norms of performance set by the authority. In these circumstances, the most rational strategy for a borrower is to monitor their own actions and attempt to comply with the known directives and constraints on their behaviour, in the knowledge that to do otherwise will almost certainly produce an inferior outcome for them.

The pressure to act in ‘appropriate’ ways is amplified, moreover, by the fact that scoring systems are ever-vigilant in recording borrowers’ actions. This places pressure on individuals to self-monitor: as Rosie put it: “I didn’t know they were watching me. I better improve that!” And, arguably, making lending approval dependant on criteria other than just a credit score, and keeping the nature of those criteria opaque, serves to augment the power of the system (and that exercised by lenders). Participants in focus group 8 thought that scoring technologies are deliberately placed outside the reach of “ordinary people” who, even if they could understand them, could not know the exact implications of their own credit score because it is lenders who ultimately choose how to apply credit scores within their own internal credit approval systems. Furthermore, scoring would be difficult to challenge as a system because of the credit industry’s monopoly over its introduction and conditions of use:

It’s amazing how many people don’t know about it and wouldn’t even know to go to the rules to see whether they’re... And what can you do against a big company that’s done it? [Another participant agrees].

Lastly, some participants seemed particularly taken by the ‘documentary’ aspects of credit scoring regimes, and a range of expressions were used to discuss it in interviews. Teresa, for instance, thought the system was tantamount to having one’s “name put in a little black book.” And Rio thought of a credit score as a file or dossier held “on” someone, while Declan talked about how information that is removed from a file involved a “cancelling of the record.” Litia noted that “trails” of data are involved and payment of

a debt after it has been legitimately recorded as in default does not clear the default from the record – your credit record is indelible in that sense. This descriptive imagery evoked notions of the keeping of traditional paper documents or files, on the basis of which actions (of a subject or an authority) could be prompted or justified. The temporality of such documents was also alluded to. Participants in focus group 8 noted that a score “speaks to the last five previous years,” and Sophie discussed how writing down and documenting things was a reminder of the past, but also a prompt for the future – a way of keeping matters at the forefront of people’s minds in the present. Other participants commented on the “weight” that a score, as a documented fact, possesses – derived partly from the perception of it as an “objectively derived” number that “proves” that past behaviours have occurred, and partly from the ‘inertia’ that recording a fact about behaviour within an administrative regime carries. Michael thought that a score, as a documented fact, carried great “influence” even if the actions of the administration in constructing that score are disputed by a borrower and are demonstrably inaccurate. The frustration caused by the time and energy needed to find the right channels to resolve disputes would act as a disincentive to challenging lenders’ actions: “Who do you deal with, Veda? Or is it the company? A lot of people will have that issue.” He had the impression that credit information could prove hard to remove if later found to be incorrect:

My perception is that it seems a lot easier to put stuff on than it is to get it taken off. Even if it’s in dispute it seems to be they still go on there even

though it's in dispute and then the dispute just is on-going, but it still seems to be able to be lodged.

Even in an age where computerisation is rapidly rendering paper documents obsolete, the concept of 'objective' documentation that can be pointed to as legitimating the actions of authorities still held significance for participants when thinking about the institutional or bureaucratic structures of control involved with scoring. Scoring, in this sense, provides a continuity of 'principle' in an era of changing technology – preserving the tradition of creating a record of the self.

In all, the parallels noticed by participants between the administrative demands made of credit consumers by ostensibly private institutions of finance, and the rules, procedures, and routines of 'general' governmental authorities, suggest an alliance and 'cross-over' between finance and governance – what Graeber (2016) calls the “gradual fusing of private and public power into a single entity” (p. 17) approaching total financialisation through total bureaucratisation.

The crafting of compliance

For all the rigour that systemised lending practices and credit-scoring algorithms are designed to impart, some participants nevertheless noticed that pockets of discretion remained on the part of lenders when it came to approving or declining loans, as well as in the ongoing management of borrowers. Geena observed that just as in bureaucratic case management, where personal interventions can be made by a case manager to modify the application of the institution's rules, lenders also have some latitude: “it isn't as cut and dried as you

might think.” Michael noted that even when an application is initially declined on the basis of a credit score, a lending agent such as a mortgage broker could re-approach the banks with an application presented differently, and with an appropriate ‘story’ about the circumstances of the particular client. The exercise of discretion was varied and could work against borrowers as well as for them. But for these participants the presence of a “human factor” (Rio) within the ‘objective’ rules and structures of lending indicated that lending (similar, as Graeber (2016) argues, to general bureaucratic systems of administration) could be seen more as a ‘craft’ – drawing on the skill and judgement of those entrusted to exercise power within seemingly rigid rules, rather than being totally automated or inflexible.

The sense that credit approvals involved an impressionable individual or collective will of sorts – one that could be swayed in certain circumstances – inspired some participants to hunt out opportunities for more favourable treatment, by their own means or through others. These participants sought to ‘craft’ their own outcomes. Litia had been told by acquaintances that struggling borrowers could negotiate an extended time frame with lenders for paying off a debt, so that technically it would not result in a ‘debt default’ recorded in a credit score. She had also heard that a borrower could pay a fee to the credit bureau to remove an item from one’s credit history: she said that personally she would be interested in paying to remove certain credit events from her credit score – using a formalised method of discretion to ‘groom’ her score. Irrespective of whether these facts are true (the first is broadly correct, the second is not), her understanding was that those with knowledge of the finer

points of how the system works, or who are wealthy enough to influence outcomes through payment of ‘bribes’, can effectively contest scoring outcomes. And just as in other areas of society where privilege operates to further the interest of those already enjoying advantage, Litia understood that those who are not fortunate in possessing either knowledge or means must submit to the ‘standard’ treatment and suffer the consequences. Credit and scoring structures are, in this light, more nuanced than they might initially appear – where the rules and outcomes are made amenable to ‘games’ played using the agency and capacities of borrowers and lenders variously.

Role of the State

It has long been recognised that analysis of social phenomena should take account of the effect of formal governing polities. Martin (2004), for instance, observes that all institutions in Western nations are linked with the State (which is itself an institution), and argues that to ignore the ways in which the State influences citizens’ lives will lead to incomplete accounts of society’s structures.

State as lender and regulator in credit markets

The involvement of the New Zealand Government with credit featured prominently in many stories participants told in interviews. First, several participants recounted their first-hand experiences of borrowing directly from the State. Examples included student loans drawn down to cover course fees and living expenses, court-imposed fines repayable to the Crown over time, and various Work and Income

entitlements and allowances deemed to be debt and repayable by beneficiaries to the Government. When describing these arrangements, some participants emphasised that the loan terms and conditions differed (often quite significantly) to those that would typically be on offer from commercial lending institutions. Credit provided by the State does not attract the basic consumer loan protections set out in legislation, for instance, and in many cases does not have a specific repayment date or attract interest on the principal ‘lent’. Nor, as Geena noted, would a citizen’s adverse credit history generally pose an obstacle to loans advanced by the State because eligibility is dependant on the specific criteria determined as part of Government policies and procedures. These examples highlight the versatility of debt as a flexible device for creating and regulating enforceable obligations between parties; debt – usually a “private” undertaking – is deployed as a customised “mechanism of State”, operating as a tool of policy and administration imposing norms of behaviour and thought across communities and populations.

Student loans, particularly, were talked about both as the most significant financial liability many participants had experienced, and one that could be seen to affect publics. The student loan scheme in New Zealand exemplifies a ‘user pays’ philosophy, stressing that certain individuals should assume responsibility for the financial burden of education, the costs of which were previously “socialised” among the wider population. Here, a lending regime instituted to promote public goals divides citizens and beneficiaries into categories of those who should owe and those who need not, and suggests education is an area of competing interests that can be mediated

among individuals by market mechanisms. Some participants were wary of the State's involvement in such pursuits, pointing to discernable changes in the nature of the State's standing with its subjects. Geena thought, generally, that forging lending relationships with the State exposes citizens to new dangers. For instance, she noted that the terms and conditions of State lending can be amended unilaterally even after the borrower has committed irrevocably to its terms. This is a case where "sovereign prerogative" is used to circumvent or nullify the contractual 'certainties' that are usually associated with lending, moulding credit terms and thus expectations of subjects to fit prevailing governance objectives and orthodoxy. Leanne thought that debt-based models, used as part of State rule, can also produce wider effects on individuals and nations – for instance, on the spirit underpinning collective life. She commented on the striking effect that recent changes in Government policy on student loan terms had had on the country: "[loans] were made interest free and that changed the whole psyche of the country." These participants could see how the constitution and disciplining of 'borrower-citizens' could act as a wider mechanism of social control.

A second connection made by participants between credit, the State, and the citizenry, was the Government's role of overall market regulator. Most participants regarded it as self-evident that the State should have an interest in overseeing the operation of consumer credit markets within its national borders, using legislative powers to explicitly codify permissible commercial practice through Acts of Parliament. Ian and Declan, for instance, thought that there should be *more* government-imposed rules around lending, as, in their view,

individuals can too easily obtain credit from finance companies and there are unscrupulous lenders and financial advisors who market “harmful” debt products. A similar sentiment was expressed in focus group 1 discussions in respect of credit scoring: participants thought that rules or guidelines should be established by the Government to ensure consistency of treatment and to prevent manipulation of scores by different lending companies. Stronger regulation, they thought, would also guard against abuse of citizens’ privacy rights. (As noted in Chapter 2, both the *Fair Trading Act 1986* and the *Credit Contracts and Consumer Finance Act 2003* were amended recently to place responsibilities on lenders to avoid imposing unfair contract terms. Credit scoring practices in New Zealand have been regulated since 2004 pursuant to the *Credit Reporting Privacy Code* which, among other things, prohibits the use of certain predictive characteristics in credit-scoring algorithms, such as age, gender and ethnicity.) In these conceptions, consumer credit practices have the potential to offend against widely-shared principles valued by society (for example, the ideas that support social and legal taboos around the disclosure and use of one’s private information). The impression of State regulation formed by these participants was that it is necessary so that ‘unacceptable’ conduct by lenders might be detected and eliminated by the police, the courts, or other Government agencies. The understanding held of the State is that of a ‘protector’, duty-bound to use its sovereign authority to limit the power of the lending industry and guard against harm to citizens.

Not all participants agreed, however, that the right balance had been struck by the State in limiting the operation of debt markets. Marc’s

view was that the Government's involvement in credit scoring regulation was a "classic" instance of market interference motivated unnecessarily by "political correctness." He saw credit scoring regulation as epitomising the sort of power struggle existing between the State and commercial interests. In this case, regulation involved the prioritisation of (misguided) social concerns by politicians to the detriment of a technology that promotes market efficiency:

The fact that these credit scores are done in ways that aren't what the credit-scoring agencies would do if they had a completely free hand, that's politics. It's already a politicised process.

Marc's view involved a different understanding of the State's mandate to govern, and a different view about markets as a force for social good. First, he saw the "reality" of governing as necessarily involving making "trade-offs" – not everyone in society can be a 'winner' and no matter what the decision there will always be some people who will "grizzle" about outcomes. Second, his unspoken assumption was that unfettered market processes, by default, would deliver the economic benefit New Zealand as a nation could expect to enjoy, and that the State has a duty to use its power over other institutions such as credit markets sparingly. These sentiments strike a chord with the basic ethos of the neoliberal agenda, that the operation of "free" markets will maximise economic efficiency and total welfare). The role of the State is not so much that of a protector (of social or cultural values, of democratic will or consensus, of desirable national outcomes), but that of a neutral facilitator, where the interests of businesses and of citizens are expected to coincide most of the time.

Geena, on the other hand, thought that given evidence of the ongoing struggles of the poorest and most vulnerable in New Zealand, standards of permissible lending behaviour were too lax. Her view of the Government was that it had become overly complicit with international capitalist interests and had not intervened in credit market regulation enough. The example she chose to talk about was the low wage “ethos” perpetuated by the government in respect of working class people, reinforced by the State’s actions but also through its rhetoric adopted and promulgated by the media. This was required in order to meet the demands of increasingly globalised production, and in turn necessitated a reliance on debt by working-class people to survive. No matter how much consumer protection the Government built into credit legislation the very poorest people could not avoid the need to borrow. The social effect, she thought, was to lower the self-esteem of low-wage earners, to entrench a defective ideology or worldview, and ultimately to aid the exploitation of the poor to the advantage of the wealthy, driving economic and social divisions throughout the country by prioritising the profit motive.

Geena raised two noteworthy points about the State as an institution. First, she saw it as problematic that government policies have wide reach. Social and political institutions are closely linked, and policy at work in one area quickly stimulates activity in another, rapidly transferring prejudicial assumptions about affected groups with flow-on effects for social status and hierarchies. Secondly, she saw the State as an institution that supports a political agenda requiring debt (and other) markets to be regarded as neutral and necessary apparatuses, whilst at the same time propping them up

through coercion and intervention. Recognising market institutions (and the State for that matter) as political and social constructions, and as active agents capable of forging social direction and change, would re-establish the idea that the source of power ultimately lies with the populace, not with economic abstractions.

Other participants picked up on the idea of citizens being controlled by, rather than being in control of, a State which was ‘in bed’ with financial elites. Barbara identified the New Zealand Government as being “money-grabbing,” and participants in focus group 8 thought that it seemed wrong to apply financial technologies created outside New Zealand to local populations without first questioning whether that exposed New Zealand to foreign control. Clint was one participant who talked about how banking and money involve politics and power, but “behind the scenes” and at a level above national governments, because bankers control governments and politics and have done so for a long time:

I think one of the Rothschild guys [American banking family] was saying, “I care not who writes the laws for a country, give me control of his money and I will run their country.”

He likened debt-related control over populations to slavery:

We’re slaves without knowing we’re slaves – we’re debt slaves. We get registered at birth and you become a chattel of the government.

Irrespective of participants’ perspectives on the motives (sinister or otherwise) of the New Zealand Government, the range of views and the strength with which they were expressed indicates that the State is

seen by subjects as integral to the shaping of their financial or economic lives. But, as critical theorists have long understood, the State not only exercises coercive or dictatorial powers, it also exerts influence over citizens and other institutions through making resources available and lending its authority to certain practices (or institutions) that further its civic aims. The next section examines participants' experiences of a practice designed specifically to empower individuals.

The educated credit consumer: financial literacy

One area that governments have increasingly concentrated on outside their involvement as either lender in or regulator of credit markets is the promotion of financial literacy amongst populations. This educative function of the State is directed towards instilling in citizens the capacity to use and manage money and finance to obtain better individual or family life outcomes, including choosing the 'right' financial products for their needs from those on offer in financial markets. In recent years one of the most visible parts of the New Zealand Government's strategy for increasing the financial literacy of its citizens has been the activities of the CFC, a Government agency which directs its efforts to "increasing New Zealanders' lifelong financial literacy" (CFC, 2016). A number of participants were aware of the CFC's activities through its website (www.sorted.org.nz), which provides a "Kiwi guide to money", offering information and advice to individuals about how to reduce debt, grow savings, and plan financially for significant life changes such as retirement. The

CFC's remit extends to focussing on increasing knowledge about creditworthiness, and its website explains the concept of an individual's "credit history" and includes website links to each of the three major credit bureaus operating in New Zealand. Some participants were also aware of the CFC's promotional activities, such as the nationwide 'Money Week' campaign aimed at stimulating New Zealanders' thinking about their "financial fitness" and understanding the implications of their current financial status through, for example, self-administered financial 'check-ups' (see www.fightingfit.org.nz).

Most participants identified State-sponsored financial education as having a rationale of encouraging credit consumers to become more responsible for financial outcomes so as to reduce economic harm to themselves and collectives such as families and whānau groups. A participant in focus group 7 explained what she saw as the 'problem' addressed by financial education as it relates to individuals in society:

I just find a lot of people actually ... don't understand, like what happens if you're late with a payment. And they don't understand the opportunity costs of them having to pay interest instead of being able to use this money in the future, sort of thing. People wouldn't care.

Declan thought that families that are only marginally literate would find it difficult to make adequate financial progress in life. Possessing the intellectual resources to: (a) understand the working of money and finance; and (b) become more interested in financial matters and 'care' more about the implications of one's financial choices, would render individuals more economically productive. Barbara, for instance, noted that having knowledge of credit market practices cuts

down the time one spends confronting and solving everyday financial issues and therefore increases one's personal 'efficiency.'

Financial education can also be seen as orientating us towards the individualisation of future risk because it appears to give individuals the tools needed to successfully manage their individual capital stores – encouraging foresight, planning and the management of financial outcomes perceived to be attached to, and controllable by, individual credit consumers. A participant in focus group 6 said that having knowledge about financial technologies such as credit scores earlier in life allows one to avoid the mistakes and 'knock on' effects which would plague a borrower in the future: "people should learn about credit scores earlier so that they could take measures to not get a bad credit score." Rosie thought that young people in particular need financial education as it can significantly affect their economic experiences in later life; and Teresa thought that acquiring a basic knowledge at a young age allows more 'specialised' financial practices such as stock market investments or retirement planning to be added to one's "repertoire" at a later date, allowing individual knowledge and practice to evolve in line with one's life course. Here, we witness expectations of the everyday entrepreneurial 'investor' subject.

A goal of financial literacy education is also to allow individuals to take responsibility for advancing and protecting their own financial positions. Geena thought that having access to finance-related information allows individuals to act in self-actualising or autonomous ways – "managing your money" rather than "being managed by your money" – and addressing power imbalances: "if you didn't have

information ... you wouldn't know that you had any kind of negotiation power." She thought that encouraging and enabling individual actors to use their own capabilities emphasises their responsibility for self-education.

A number of authors have criticised the construction of the financially literate citizen – freely and responsibly pursuing investment activity so that near the end of their lives they can retire comfortably – as a self-supporting autonomous agent. Arthur (2012), for instance, sees financial literacy initiatives and programmes as being rooted in strategies of neoliberal power where the choices made available to consumers are “impoverished forms of freedom” linked with a negative form of liberty imposed by an economic system that is seen as naturalised, rather than as a social construct that can be altered or abolished. Financial literacy, from this point of view, can be seen to promote a certain kind of citizen – one who has cultivated a disposition that accepts how the capitalist economy operates (including the individualisation of risk) and a certain understanding of how the relationship between the individual and the economy ought to work. Marron (2014), in a similar vein, argues that the problematisation of financial capability in Britain in recent years has come to be “constituted as a project for shaping the conduct of consumers”, attempting to “call up particular kinds of subjects, subjects who are responsible, calculating and reflexive in their everyday financial affairs” (p. 492). He emphasises how it is the conduct of consumers – *how* they behave rather than to *what* ends their behaviour leads them to – that is of primary interest to governing authorities. Practical ways of knowing and managing individuals,

working with a “wider cultural grain encompassing a financial care of the self” (p. 507), indicates a governmentality eliciting particular kinds of financial subjects.

Some participants were aware that financial knowledge was not necessarily a ‘natural’ thing, and that it brings about certain imperatives. In her interview, Rosie made the point that people are not born knowing how to ‘think financially’: managing money must be learned and is part of a cognitive socialisation – an accomplishment that involves formal or informal instruction from others, which in New Zealand includes the State. A number of participants commented on the wider effects of the State’s activities in formally instituting regimes of knowledge, including how it creates truth effects, engenders a *particular* society, and moulds how subjects locate themselves. Declan, for instance, was aware that despite not everyone receiving the same ‘messages’ from financial literacy education, or necessarily interpreting or applying them in the same way, financial literacy initiatives nonetheless produce a generally accepted corpus of knowledge and practice. The State, as educator, is involved in where and how people learn facts, values, attitudes, methods for thinking and approaching problems, and ways of naming and considering what is natural and normal. Marc made the point that these ways of knowing and being promote a certain ‘worldview’ which operates to define acceptable behaviour and is consistent with the utilitarian principles that credit-scoring systems presume will produce disciplinary effects.

Together with other participants, Rio noticed how knowledge about financial matters was often co-ordinated and achieved through a variety of institutions and agencies operating in concert with the State,

which combined their efforts towards a common goal. In addition to the activities of the CFC, a range of other resources are made available, including financial literacy programmes run elsewhere in civil society, including adult education programmes run by charitable and social work organisations, which are often targeted at ‘at risk’ Māori or Pasifika communities. Literacy efforts are supplemented by the activities of the credit agencies themselves, which prepare and disseminate information about credit scoring to improve credit consumers’ knowledge – for example, see Veda Advantage, 2017). Both Rio and Declan commented on how media reporting of financial ‘issues’ affecting certain groups in society plays a part in how credit scores are perceived by individuals in society. They thought that credit bureaus in New Zealand would deliberately seek to use the media to obtain a good reception from consumers and to normalise particular attitudes about debt. Figures 9 and 10 show that bank lenders and private sector retailers also emphasise the possibilities for changing one’s own life destiny through personal responsibility.

Figure 9: Controlling one’s destiny – 2015

Source: Nicolas Jermyn shirtmakers, Lambton Quay, Wellington, NZ

Figure 10: ASB Bank – Creating futures – 2011

**Some kids
collect stickers.
We teach them
to accumulate
interest.**

ASB
creating futures™

At ASB we've made learning about money practical and fun. Our free Getwise programme for schools has now taught the value of saving to more than 85,000 kids in just over a year. Just like we've done with school banking since 1926. Because teaching money skills now creates cash clever futures for Kiwi kids.

ASB
creating futures™

creatingfutures.co.nz

ASB Bank Limited.

Source: 'Weekend Herald' newspaper advertising, May 2011

In these illustrations we can see how a range of “resources” exist in society to support the personal efforts of individuals to mobilise their own actions as a solution to ‘shortcomings’ in their own conduct.

Most participants recognised that a basic level of financial literacy was required to participate as a citizen in our increasingly credit-reliant society. However, some were sceptical as to whether acquiring the sort of financial literacy promoted by the New Zealand Government would always operate to benefit individuals. A central concern was the extent to which financial literacy generates an unquestioning “trust”, in the sense of a willingness by citizens to engage with lenders as a normalised activity without querying the motives or assumptions inherent in lending practices or the effects of such practices on individuals or society. A danger identified by Christopher was that of the Government understanding the aim of financial education to be changed behaviours, rather than as stimulating citizens’ capacities to think, especially to think critically. He asked whether the concept of financial literacy has been hijacked to promote the interests of lenders:

To make people be able to talk the same language so that banks and credit agencies can sell them credit – that's probably not a good thing. But to make them wary and to enlighten them about the dangers of falling into that trap, then that's probably a good thing – a better thing to be focussing on. Just, yeah, knowledge is power.

These participants were concerned that the knowledge being taught encouraged practices which involve a number of assumptions, that then shape what we think is useful, necessary or ‘off-limits’ for criticism. Geena was of the opinion that only a particular type of financial literacy was being promoted by the Government – one that might involve an element of critical thinking, but not one that is *too* critical, because then it might cause social unrest:

I’d hope that they’d encourage more critical thinking, but perhaps they can’t - because if you were thinking critically, then maybe you’d realise that New Zealand wouldn’t be such a great option right now.

In terms of the types of knowledge and impressions being circulated, Geena questioned whether the choices made by the media in the interests of presenting a balanced story were being made fairly, or in fact being used ‘strategically’ to promote certain messages about the use of debt and the allocation of responsibility to individuals. She, and a number of other participants, brought up the example of a newspaper story about a Pacific Island couple having their home taken away from them by a lender, with the inference that it was their mismanagement or foolishness as uneducated people that had caused this. Clint suggested that the job of the media was to deflect the public’s attention from the elite of the financial world because the media is orientated towards scrutinising political decisions and actions that governments are involved with and think that governments are the ones to blame:

The media is the shield in the way that the politics is presented, definitely. You can look up some studies that show how all the independent media's

been consolidated and controlled by the giants over a period of 20, 25 years, sort of from the 80s through to now.

In these participants we see a recognition that the State is engaged in promoting self-responsibility by financially literate individuals who can make choices for themselves and alleviate the need to regulate the finance industry and its products. Yet, as Arthur (2012) argues, the State, paradoxically, ignores the need for collective political action as a means of improving the autonomy and security of consumers. By routinely reinterpreting problems that require civic action as problems that can be solved if individuals conduct themselves more knowledgably and/or ethically as citizens, civic action is reinterpreted as private consumer action – a situation that creates a tension in financial subjects and leads to a political apathy reflecting the alienating properties of the technologies employed.

Conclusion

“Human beings make their own history,” wrote Marx, “but not in circumstances of their own choosing” (1963, p. 15). My aim in this chapter was to evaluate this basic statement about the positioning of individuals within society with respect to consumer finance and credit scoring. I wanted to shed light on the particularities of how credit and its technologies are involved in the shaping of individual and collective lives – how subjects are determined by their surroundings and the context in which they find themselves. Marx’s idea is a particularly apt one to focus on because it is broadly reconcilable with the approaches of Foucaultian and feminist constructivists, who both

emphasise that the self is negotiated socially and historically within given societal structures. A major focus in all these theoretical traditions, moreover, is on the role of “institutions” in history and society – organisations that bring an enduring order to our lives and provide the backdrop for social subjecthood; indeed, in sociology, institutions are sometimes said to be the kinds of structures that matter most, in making up the “stuff of social life” (Hodgson, 2006, p. 2).

Fixing upon the individual

An analysis of participants’ experiences of credit suggests that consumer finance is mobilised in a number of diverse settings with “subjectifying” effect. Focusing first on individuals’ everyday relationships with credit, interview data illustrated that participants understand and experience credit materially: it *matters* within the structure of our daily routines. Debt is the only realistic way for some people to obtain life’s necessities, reinstate the body as a source of productive value, and inhabit or lay claim to certain physical places and consumer spaces. Embodied, enacted and performed through a variety of corporeal connections, credit attaches to subjects physically, through its intimate involvement with the economics of the body, but socially also – regulating how individuals present and locate themselves within wider human structures such as gender and class. Credit thus appeals to the self in a variety of ways: as a crutch for a needy corpus; as a means of determining one’s physical environment; as an ingredient in the jostling for economic and social standing; as a characteristic of individual identities and social collectives; and as a central means to fulfil desires for consumption and the receipt of

patronage. Consumer credit, at this level, yields a habitual user, ‘sold’ on credit’s utility and convenience, yet remaining aware (often keenly) of its pitfalls and dangerous possibilities. In Marxist terms, this construction of the credit consumer can be said to reflect the dual nature of finance – admitting of transformational possibilities, whilst bound up in a ‘fetishisation’ of the commodity. Feminists too, note that credit holds liberatory potential, but may equally serve to fix or entrench the existing contours of gender. As a social mechanism, credit thus holds both *promise* and *risk* – the key aspects, coincidentally, of finance that scoring systems seek to monitor and control.

To draw attention to borrowers’ ‘doing’ of credit is to emphasise the agency of subjects within structures and the will that precedes and accompanies action. Credit scoring systems are specifically designed around a suite of economic incentives that bring *order* to individuals’ actions and thoughts – marking past behaviours as desirable (or not), and encouraging the enactment of certain future activities. Such incentives depend integrally on consumers’ *expectations*, and in their accounts virtually all participants were involved in inferring and projecting possible effects on themselves and others, matching these with ideas about conceivable forms of future conduct, and attempting to validate proposed action on the basis of values and beliefs of financial ‘entitlement.’ Such ‘imagining subjects’ call into existence an ideal economic agent – a desirous creature, displaying a strategic intent to perform within the economic system in ways that optimise its own position. It is these individuals – tasked with translating thoughts into concrete action under constraints of relative scarcity, and given

the means to alter their financial position through the exercise of choice – that exist to make economies more productive and credit markets more profitable. In this environment I suggest that scoring exposes individuals to new ways of conceiving of the boundaries between safe and unsafe behaviour. In doing so, the algorithmic computations performed on the ‘information traces’ left by credit consumers in electronic databases come to signify what it means to be both an individual borrower *and* a member of a national collective – differentiating between types of citizens appropriate for our times. Again, we see credit’s involvement in the moulding of subject positions – drawing attention to new capabilities and statuses enjoyed by ‘consumer-compatriots,’ whilst foreclosing on other ‘irresponsible’ actions that, apparently, would imperil both individuals and nations.

Administering the self

In examining participants’ practical dealings with loans it was also apparent that borrowers are “handled” in ways characteristic of administrations encountered in general institutional bureaucracies – made subject to the formal and informal procedures, customs, and routines that determine ‘worthy’ recipients and govern access to financial and other benefits. Creditworthiness, in this disciplinary setting, can be interpreted as a *bureaucratic notion*, where compliance – required in accordance with the prevailing rules, ‘rationale’ or logic – results in the acquisition of persistent and shared habits of practice. Taken further, credit scoring can be regarded from a Foucaultian standpoint as a *method of examination* that permanently extends the bureaucratic ‘gaze’ of an administrative authority via the credit bureau

– ‘clinically’ creating and reinforcing norms of behaviour in populations. Within this intensified surveillance of their intimate details, borrowers come to know themselves as particular, yet general, ‘cases’, made visible as problematic instances of financial risk amongst an overall portfolio of borrowers in need of individual and collective management.

These ways of closely knowing and aligning populations of credit users can be seen as having wide socio-political implications: scoring can be argued to produce a socially and politically conservative environment for subjects – seeking, as it does, to “stabilise” the nature of those social and economic relations that permit the financialisation of the population to continue unchallenged. A further key outcome at the level of the credit consumer, also observed in participant responses, is the allocation of responsibility to the borrowing self for producing its *own* creditworthiness through *self-policing practices*. Borrowers ‘owe it to themselves’, in other words, to become answerable for the effects of their own consumption choices – accepting financial outcomes that they, as *willing* and able subjects, cause. It is this responsibility to become, and remain, a mindful, discerning and dutiful consumer that marks the embarkation of the credit user and neoliberal subject both, on personal journeys of self-provisioning and self-improvement, where the rewards and risks of conducting ourselves in this environment are taken on as part of an individual ‘project’ of both prudence and entrepreneurship (see Marron, 2014, pp. 494-5). That a score determines one’s placement within an overall population managed in economically optimised ways, shows the co-existence of biopolitical power (concerned with

the vitality of populations) with that of the disciplinary form (focused on the training of individual bodies and minds). As discussed in more detail in the next chapter, having individuals actively monitor their own actions and adjust their behaviours ‘appropriately’, is one way that inroads are being made into the governance of selves by finance: rendering the inner regulation of one’s actions, one’s ‘self-discipline’, accessible and amenable to the profit-generating activities of lenders. For all the rigour supposedly imparted by its administrative process however, finance can be seen to operate as a ‘craft’ and as ‘negotiated territory’ at the level of the individual. Participants observed a ‘human element’ often apparent in dealings with lending administrators – demonstrating, perhaps, the impracticality of having lending systems fundamentally reliant on the choices of human borrowers being fully automated or rule-driven. Indeed, this feature, in which private appeals to bend the rules or exercise compassionate discretion are sometimes successful in modifying otherwise uniform outcomes, suggests that finance, at its heart, is still a ‘work under construction’ – concerned with mastering our ‘humanness’ as much as promoting technical efficiency.

Participants’ descriptions of borrowing practices also drew attention to the way that credit is routinely crossing the public-private divide by being incorporated directly into the structures of formal political government. New Zealand’s ministries and state departments are increasingly applying debt-like techniques to citizen-beneficiaries – tailoring the form of private-sector ‘commercial’ debt-like arrangements to promote particular administrative policies. These ‘quasi-debt’ instruments are used, for instance, to direct the allocation

of welfare expenditure amongst particular groups of individuals – costs that might previously have been socialised amongst taxpayers or the citizenry as a whole. Re-characterising the State's relationship with its citizens as one of lender and borrower provides a way of rendering certain civic and State practices conventional and customary – drawing on essentially age-old understandings of what it is to 'owe' to establish civic obligations quickly and definitively. In interviews, participants also commented on the State's willingness to participate in wider practices orientated around debt that affect the characteristics of social or political collectives such as nations. As a regulator of credit markets, the State uses its sovereign powers to place limits on the activities of lenders and guard citizens against 'excessive' harm. And as the instigator of financial education initiatives amongst the population, the State strives to instil in consumers of financial products the capacity to make the 'right' choices to maximise welfare. In these instances State intervention is based around clearly articulated statements of need – the protection or enhancement of citizen's economic interests and capabilities. However, both these activities can be seen as being rooted in strategies of neoliberalism – adopting the (typically unspoken) assumption that markets operate as a force for social good, and making resources available to encourage a certain type of financially-literate and highly individualised investor-subject.

Knowing institutions

Studying the way that financial technologies like scoring affect ordinary New Zealanders demonstrates how a subject in society can be known, and come to know themselves, in accordance with

particular interests, including those promoted by the “public-private alliance” (Graeber, 2016) between finance and state structures. It shows the various modes by which finance is applied to the ‘self’, training bodies and disciplining minds not by coercion or edict or force, but via the ‘authoritative’ structures surrounding us that make specific practices possible and preferable. Arguably, however, the greatest insights about society and the self can be gained from the conclusion that credit itself can be identified as a social institution: a durable and systematic agglomeration of rules, conventions and routines “constructed around clusters of appropriate activities” and “appropriate procedures” (March & Olsen, 1989) that recur, recycle, or are repeated over time to regulate behaviours and promote norms of thought. In Giddens’ (1984) terms, credit measures up as a social institution in a number of respects – not least because credit is one of a number of “human practices that last longest and extend farthest in geographic space” (p. 301). Seeing credit as a social institution avoids assuming that finance is ‘at play’ only in lender-borrower interactions or point of sale decisions involved with consumer goods. Rather, attention is drawn to its wide reach (illustrated by the fact that credit is heavily intertwined with other institutions) and its multiple features – power, constraints, and ideology – whilst affirming its complexities and multifacetedness. Credit scoring, in such a setting, can be understood as an *institutional technology* of power and of the self – an undertaking with subjectifying potential, augmenting existing power relations and contributing to the positioning of borrowers as particular types of *institutional subjects*.

Lastly, framing credit in terms of its collective, institutional, and historical properties not only renders it more accessible to sociological analyses but tells us something about the nature of institutions themselves. Observations of how “the practices and interactions with ‘real’ people with bodies that talk and act constitute social institutions” (Martin, 2004, p. 1251) resonate with a constructivist ontology that allows people to be seen as inside rather than outside institutionalisation processes. Such a *practice-based* conception of an institution suggests that an institution is actively constructed, as a human product, being dynamically sourced from its members. This highlights the centrality of agency and choice in reproducing social structures and, among other things, suggests that “rather than being static, harmonious and benevolent, institutions can be “rife with conflict, incoherence and change” (p. 1254). The deployment of credit scoring in New Zealand certainly seems to involve the institutionalisation of ideas that lead to a change and intensification of the relation between finance and the individual as well as the populace. Arguably, the aggressive drive of the neoliberal economy to commodify and financialise virtually everything heralds the arrival of a future in which *social facts* like one’s creditworthiness become things to be produced and consumed in institutional settings – reducing the distance between finance markets and social subjecthood.

Individual Practices and Understandings

It is sometimes said that the nature of people's thinking has changed as the world has become more "numerical" – that "the algorithms and mathematical formulae" (Graeber, 2016, p. 41) by which individuals come to assess and interpret their circumstances become sources of interior direction. Such an idea implies that people's habits of thought can be moulded by, or to suit, their environment. In the context of contemporary credit use, it might be asserted that credit consumers are ordered as particular kinds of people by their *internalisation* of an arithmetical reckoning characteristic of loans and lending. Is there any evidence from participants in my study that bears this out? In contrast to the previous chapter, which focused on identifying the sort of person the finance system requires, directs, presumes or invites us to be, this chapter more closely examines how credit and its technologies are involved with the 'interior' processes of the self. Specifically, it focuses on the reports participants gave of the reasons, intentions, meanings and motives associated with 'negotiating' their individual relationships with credit. Paying attention to first-person accounts of how individuals rationalise their participation in credit-related activities allows access to the *subjective* experience of

participants, including the processes of “subjectivation” – our innermost “activities that have led one to make oneself a certain kind of subject” (Hamann, 2009, p. 57).

As a concept, subjectivation provides an intuitively satisfying description of the processes of subject-formation within society, because it seeks to explain not only what is *done to us*, but what we *do to ourselves*. It focuses on our cognitive acts and the internal rationalisation that validates the motives behind them. It also confronts the reflexive subject because it posits the self as one that is aware of others’ perspectives of it, and appreciates how the self might be other than it is now. Subjectivation sits comfortably with many critical constructivists as a general explanation for the formation of the self because it readily accommodates the notion of *governance*: whilst individual agency plays a central role in the constitution of subjecthood, the subject is not completely self-determining and must react to the forces that surround it. Subjectivation is also compatible with theoretical accounts that see the self primarily as an effect of power, if power is understood to include drawing on the abilities and capacities of the self to effect a neoliberal governmentality. Lastly, the concept of subjectivation resolutely incorporates a *social* take on the subject – it reminds us what goes on inside our heads is affected by our belonging to particular communities and groups (nations, professions, political and religious movements, generations and so forth).

A diverse range of perspectives was evident in participant responses. Reflecting the varied nature of the processes and understandings encountered in the dealings and thinking of participants with respect to credit and scoring, I have organised my analysis of the interview data in this chapter around the following topics:

- The techniques, tactics and strategies deliberately engaged in by individuals as everyday ways for managing their involvement with credit and scoring, and the understandings, motivations and intellectual rationales that accompany these activities;
- The meanings attributed to a credit score, including what it indicates or implies about a person, and how a score is regarded and responded to as an object, a descriptor, and a tool in society;
- How credit scores are used as vehicles for personal reflection upon the nature of the place one inhabits in the world, and how the self comes to be known through an imagined ‘other’; and
- How ‘resistance’ is framed and attempted – discovering and exploiting anomalies in finance systems, recharacterising the “truths” involved, and pursuing ‘psychological’ escapism.

These aspects relate to participants’ ‘habits of thought,’ and how interior processes shape the self to suit a ‘financialised’ environment.

As noted in earlier chapters, the particular focus for my study was credit scoring, but the discussion below also includes observations about how participants thought of, and initiated, general consumer

credit practices. The analysis concentrated mainly on considering reports of thinking that prompted intentional or deliberative actions – the sorts of conscious and purposeful practices where there was clear awareness of a goal. These are the sorts of practices that Weber referred to as ‘rational action’, but I also consider participants’ thinking behind what he called ‘traditional actions’ – those based on established custom or habit, where people act in a certain manner because they have always done things that way. Emotional or affective states are considered in Chapter 6, which concentrates on exploring the social aspects of scoring through feelings and sentiment.

Individual approaches to managing finance

Participants reported using a variety of personal practices to engage with finance and establish patterns of credit use and repayment. These ranged from straightforward rule-based responses for meeting the demands of the credit system to more involved techniques or strategies to achieve specific or general objectives relevant to personal financial management. These practices are especially significant to the study of credit scoring given that choices one makes in drawing down on debt, selecting particular lenders, or utilising particular types of credit are recorded by credit bureaus as one’s credit history, and directly affect the calculation of one’s credit score.

Rule-based action and 'tactical' responses

Simple rule-based approaches adopted by some participants for regulating how and when to use consumer credit had the advantage of being quickly and conveniently applied and easily adhered to over time. They inject an orderliness into people's everyday dealings with credit while minimising the amount of energy expended by individuals. A simple technique used by Jill to manage her finances was to abide by the cycles that credit card repayment terms established – paying off the balance in full every month. Ian, who had struggled to service or repay past credit card loans, said he tried to do something every day to deal with his debt – making small payments, checking his credit balances, or telephoning the credit card company to keep them informed and enquire about credit relief. In line with the incentives provided by credit scoring systems, these types of approaches were focused on giving effect to decision-making via habits of action – achieving active compliance and avoiding procrastination.

Some participants, however, reckoned that minimising one's involvement or activity within the lending system was the best approach. A participant from focus group 7 suggested that until a need for significant borrowing arose then no-one should expend effort in thinking about acting in certain ways to affect one's credit history, and, as Thomas explained, even once an individual found themselves in debt then they could conserve their energy by just ignoring repayment. A similarly blunt attitude to involvement with credit was offered by Christopher, who described how after defaulting on debt

repayments he had pursued bankruptcy as a coping mechanism to avoid, among other things, being harassed regularly by creditors. The principle that seemed to operate for these participants was that the ‘hassle’ of credit in terms of repayment could be avoided by simply ignoring or denying an involvement in the expectations and logic of credit systems. These participants refused to cultivate new habits of thought – effectively choosing to hold credit at ‘arm’s length’.

These participants were the exception, however, and more often the individuals in my study reported drawing on their history of engagement with credit systems to guide present and future behaviours and establish rules for credit use. Negative past experiences with credit might lead some participants to be careful about using certain types of credit. Kezia, for instance, had learned to “avoid credit cards like the plague” and Sharon had adopted her parent’s rule that “if it is possible to save then save first and then buy it.” Lisa also reported that her memories of Ireland in the difficult times of the recent financial recession had shaped her present attitudes and behaviours. Although negative, these experiences had not put participants off using credit entirely. Rather, they had become more wary and ‘tactical’ in their use. A disciplined approach to credit use could be to borrow only to enable certain types of spending (Lisa; Rosie), or to borrow only on the basis of economic necessity and paying strict regard to the price and availability of substitute goods or services (Christopher; Marc). Becoming more ‘judicious’ about credit use was a common theme, resisting the temptation to use debt too

frequently, and distinguishing between real economic ‘needs’ and mere consumer ‘wants’. As Lisa put it:

If you can’t afford it don’t get a loan for it. Is not going on that holiday really going to make or break you? ... No, it’s not worth the stress down the track ... going on a holiday and lying on a beach for a week or two as opposed to how many years of paying and stress is not worth it.

Positive past experiences with credit usage had allowed some participants to establish a track record of repayment with a credit provider, and raised the prospect of their progression into other forms of debt with that provider or other lenders. A tactic used by Christopher and Natalie to boost their credit standing was to stick doggedly to a financial repayment plan, even when that meant being inflexible in other areas of life or closing off other options. The inconvenience was seen as ‘worth it’ if it would prove one’s good credit record. These participants prioritised compliance with credit rules over other demands in their life, and the resulting ‘good’ credit score effectively translated their relationship with credit into something that felt tangible and enabling, giving them the courage to embark on future life plans that would depend on access to debt. Another simple tactic employed by Rosie when borrowing was to choose the most ‘mainstream’ credit option, such as using prominent high street lenders. These examples show ways that some borrowers seek to minimise the energy required to think about debt. However, unlike those who ignore or reject the demands of credit these participants placed their faith in the ‘prompts’ provided by credit

systems, believing that adhering to a regime of regularised behaviour was the least ‘fuss’ way of existing.

Actively managing one’s credit existence

In situations where simple rules or tactics are adhered to, it could be argued that there is very little in the way of conscious awareness or self-reflection, and the self could be said to be a habitual actor – a passive or semi-automated “subject” of action. In contrast, a number of participants described how they had adopted a more engaged approach – deliberately investing time and effort in devising a range of general or specific techniques in order to self-manage their behaviour and achieve their financial objectives or goals. These types of practices can be interpreted as contributing to the formation of a more active and discerning credit user, a consumer who takes the initiative and more comprehensively explores ways of existing as a dynamic financial subject. Being insistent and self-confident about what one wanted played a role in this. Barbara explained how being assertive was a vital part of how she managed debt, and Cath had realised she needed to be firm about what she wanted financially following her relationship break-up: “sometimes you've got to put your foot down and demand a certain amount of respect.” Barbara also noted that a certain amount of scepticism was warranted when it comes to listening to the “advice” of others, including that of financial institutions and financial advisors. The emphasis here was on seeking an independent and self-determined relationship with debt.

Many of the personal debt management practices reported by these ‘active’ participants could be seen to mirror the sophisticated calculative rationalities that underpin commercial financial management. These include discriminating among options based on expected value, grasping the notion of opportunity cost, employing planning and monitoring techniques, and appreciating and mitigating future risk. Instances in which participants would compute ‘trade-offs’ when considering action were common. Sharon, for instance, justified using credit cards to buy food when she was travelling given the difficulty and time involved in preparing her own food. She also gave the example of incurring small amounts of debt to support herself in order to avoid having to work longer hours in a job when the time that could be used for study was at a premium. Hannah used a cost-benefit analysis to choose which university to apply for, and deciding whether to use one’s own labour to save costs and avoid debt, and both Rosie and Sophie mentioned calculating when eligibility for government benefits made entering employment ‘worth it’. Kellie described how she strove to be more financially astute, setting a fee structure for her home business where making things clear upfront for her customers would (a) prevent some people from taking on services if they could not pay, and (b) give her a sound basis for settling any fee disputes. Practices such as this created the ‘right’ expectations and provided an objective basis on which to assess behaviour – similar to the ethos that underpins credit scoring technologies, which seek to establish an upfront assessment of ability to pay and clear away

disputes over whether one had the capacity to service debt. Participants were sometimes faced with a choice between two disadvantageous options. In these circumstances it was a case of choosing the 'least bad' path of action. Kezia, for instance, had prioritised debts according to their interest rates, and had decided to pay tax debt rather than her outstanding crèche fees.

Understanding the time frame over which lending was to occur and weighing up the perceived benefits from taking on debt were features of many participants' decision-making. Hannah was still at university but had a goal of avoiding debt in adulthood and said she was "already thinking four, five years ahead." She had considered the longer-term trade-offs involved with incurring student loan costs now so as to obtain better income prospects in the future. Being clear about what debt can contribute to one's life was important for Natalie:

I know that I wouldn't be able to afford study if I didn't have a student loan, so to me it's important to have the student loan there, especially because what you get back from it, particularly if you do well, is so much more than what you would get if you didn't.

Some participants reported being wary of taking on debt because of the future risks associated with fickle employment opportunities or the possibility of a general housing market downturn. One strategy for guarding against financial risk was to make contingency plans or accumulate savings as a buffer. Lisa explained that although her employment contract would end soon and there was no guarantee that it would be renewed, she was not feeling panicky about it because she

had savings. Teresa had put a certain amount of money aside to help her deal with future life uncertainties and saw this as “kind of like survival for me” – reducing stress and insulating her from adverse financial consequences. In a few cases participants perceived risk from macro-economic phenomena as having a positive side. Kezia, for instance, told of friends who had invested in the property market, banking on the rewards from risk favouring them and positive gains allowing them to live mortgage-free in the future. Risk was perceived by some participants as relating to the way one chose to participate in financial markets. Hannah’s perspective was that there are financial risks that come with the sorts of behaviours that achieve a good credit score. She saw this as a matter of trade-off – preferring to stay with a low score if it meant she could avoid exposing herself to debt that, if repaid, would produce a credit history.

Having a vision of what life would be like with and without debt motivated Kellie to plan the steps that would be needed to reach her financial and employment goals. Setting up another business to complement her homeopathy practice, renting bigger premises, using a number of social systems/events to promote her business and attract customers, and integrating her childcare responsibilities with that were ways that her life plans could be integrated with her needs for credit. A concern for the future was evident in other participants’ life plans, including the prospect of retirement, where the calculation of income-earning potential over one’s life course was considered.

Calculative techniques

Some participants described how they would routinely perform explicit financial calculations as part of keeping themselves within the limits of fixed incomes or budgets. Ian, for instance, was able to calculate how long the \$51,000 he owed in debt would take to be repaid on his current income: “51 versus \$600 a week – it’s not a pretty picture!” A change in financial circumstance due to illness meant that Alex needed to plan and budget scrupulously, putting specific amounts of money aside – such as \$15 for a bus fare to the hospital. He kept vigilant – and remained accountable to himself – by performing calculations at the point of purchase:

I go to the supermarket and use the calculator on my phone for every single thing as I’m taking it off the shelf and putting it in the basket. I’m punching in the price and that to know what I’m spending, cos I know I’ve got basically, there is only so much I can spend on food and things like that ... You’ve got to count every cent that you spend.

The need for Alex to ruthlessly focus on “watching your pennies” underscores how difficult economic circumstances usher in certain financial behaviours, but also the extent to which budgeting techniques have come to permeate our daily lives. The formalised knowledges underpinning models of accounting or bookkeeping are routinely enlisted in personal circumstances to keep spending behaviours in check. Some participants, for instance, described how they keep ‘mental accounts’ with running lists of debts owed to

creditors, inventories of assets and debts, and ‘shadow’ models of bank accounts in their heads. Adapting accounting techniques to domestic circumstances allowed a reckoning of financial position and gave individuals reason to pause and take stock of a particular situation as part of planning, or before making a spending or borrowing decision.

Other participants reported using banking and payment technologies to establish their own monitoring systems for spending behaviours. Hannah checked her on-line bank accounts daily to make sure that her pay had gone in and to keep tabs on her spending. Leanne sought to ‘stay on track’ financially by constructing a system involving her setting a mental limit of \$1,000 in her bank account which she regarded as her ‘zero’ balance that she should not dip below. And Natalie, despite having savings, would use her interest-free bank overdraft as a convenient way of gauging how much she had exceeded her normal weekly cash budget and adjusted her future spending accordingly. Debit cards (such as those for EFTPOS use) are popular in New Zealand and limit one’s purchases to the amount of credit balance in one’s current account. A number of participants discussed choosing to make electronic payments using these cards to force them to make budgeting decisions based only on money available immediately. The transaction statements that were produced effectively kept a record of those decisions. Other payment methods were used to oversee and put self-imposed constraints on spending. For Leanne, the comparative rarity of using cash nowadays meant she

could use it as a self-management tool – she carried cash because that is how she preferred to budget:

It can be quite a good memory aid for what you're spending or what you've even done that week. "Oh, I've got no money? Oh, that's because I went and got my hair done. I've already had my treat for the week."

The calculative technologies presented and embodied in bank accounts, financial currency and debit cards to monitor and manage one's exposure to debt shows how credit systems rely on tangible form and action: personal credit management – achieved through cash handling, store payment terminals, computer screens, the internet and other technical apparatus – attaches the self to internal regimes of expectation and responsibility that surround debt. Participants sometimes reported, however, that the rationality implied by these tangible technologies and the parameters of financial management were supplemented or modified by other, more instinctive factors. Clint described how in making the decision to purchase a house for his family he combined financial planning with intuition: the decision to buy involved forethought and discussion with others, but also seemed like a natural thing to do as it produced the 'right' feelings for him.

Other examples were given of *qualitative* distinctions some participants made between debts, based on the nature of repayment obligations: as participants in focus groups 2 and 4 noted, not all debt is seen as the same, nor do all consumers react to it in the same way. Debt that was interest-bearing rather than interest-free would generally be given attention first because of the 'power' that interest

holds, and large debts generally took priority for payment. However, subjective factors also seemed to come into play, which meant that the relative importance of debt was not necessarily based on repayment terms or the size of the loan. A participant from focus group 3 said she would take more care and give more thought – “heavy consideration” she called it – to honouring a bank overdraft as opposed to an outstanding bill with a utility provider like Telecom, despite the amounts owing being the same. Moreover, in some participants’ minds the source of the loans was important in deciding which ones to honour first – whether debt is owed to family, friends, the government, mainstream institutions, or ‘lower tier’ lenders makes a difference. Participants did not elaborate further on the reasons for this, but the perceived informality of some types of debt, the authoritative nature of some lenders, or the likely repercussions of default, could be factors at play.

In these participants we see a spectrum of engagement with finance, made possible by credit rules that emphasise compliance and self-discipline. However, in his study of the marketing of an on-line credit scoring product, Langley (2014) concludes that the credit scoring consumer goes beyond a mere disciplining, to “re-draw the ‘line of subjectivation’ present in the assemblage of mass market consumer credit” (p. 458). He writes: “While fear of moral condemnation and of the loss of freedom which follows from failure to make existing repayments continues to enliven the conduct of the credit consumer, hope is also invested in the very market mechanisms of control that

increasingly govern credit relations” (p. 458). As discussed in the next sections, credit scores can go beyond the insertion of rational calculative techniques, adding to the guidance or ‘cues’ able to be brought to the credit relationship at the individual level through socially-mediated meaning-making and personal reflection.

A variety of meanings

Further insights into ways that individual and collective engagement with finance is possible can be obtained by looking at symbolism and social subjecthood. When asked what a credit score meant to them, or would mean to others, participants discussed a variety of ideas about what a credit score represents, and what, conceptually, it achieves or demands of people. Studying the meanings assigned by participants to credit scores points to our involvement as subjects with technologies of credit at a *symbolic* level, where a credit score is interpreted as a “signifier” taking the place or standing for the other (the “signified”). Focusing on subjective meanings reveals not so much a credit score’s ‘natural’ or inherent properties, but the way in which credit scoring acts as a technology of signification – serving as a resource for acts of individual interpretation and its social functions and use.

A measurement

Since very few of the participants had actually seen, or could recall seeing, a New Zealand credit score, I introduced physical hand-outs,

into interviews as an aid for discussion. Each of the two hand-outs (reproduced in *Appendix A*) included a visual depiction of a ‘Vedascor Plus’ credit score that I had received from Veda in response to my request (made under the *Credit Reporting Privacy Code 2004*) in March 2011, and again in March 2012, to see my own credit score. Even those who declared they knew little about the workings of the credit industry or credit scoring systems seemed to quickly grasp the underlying concepts invoked by the ‘Vedascor Plus’ hand-out and could readily volunteer an opinion on the meaning of the hand-out.

The general idea of a ‘score’ as a reckoning, a tally or a result that expresses a measure of a person’s attributes or a degree of accomplishment was talked about by many participants. Most participants noticed immediately that the Vedascor involved numbers presented on a page and arranged around, and along, what looked to them to be a numerical scale. All participants guessed that the largest-sized number presented on the page was the score. Using the visual presentation as a guide, participants guessed that the scale represented a continuum where a ‘low’ value number presented on the range would not be as desirable as a ‘higher’ score. At least one participant suggested that within a range of 0 to 1,000 there might be an optimal or ideal position of 500. Seeing the apparent boundaries caused some participants to speculate about the relative significance of a change in score, such that a 200 point drop (a 20 per cent movement on a 1,000 point range), for instance, was judged by one participant as likely to

be significant. One participant wondered whether the period over which a change occurred would be important, although they could find no reference on the hand-out as to the time frame over which the score was generated or whether a large movement in the range over a short period of time would be of concern or simply indicate that scores were inherently volatile. These comments and questions indicated a familiarity of participants with scale ranges as a form of quantitative representation dependant upon shared meanings.

The credit scores in the hand-outs was positioned relative to a spectrum of colours, which also were quickly noticed and commented on by most participants. A participant in focus group 7 suggested that: “Adding the colours to the gradation gives the information as to whether [a] high [number] is good or bad.” Teresa agreed that the colours carry connotations, and Hannah suggested that the colours on the scoring scale could indicate financial position or worth: “Red means you’re in the debt, the green means you’re in the money.” As Levitas (2013) has noted, the rendering of colour is a liminal practice that invokes moral and affective attributes. Several participants talked about the colours on the hand-outs using metaphors. Sarah, for instance, explained what the colours signified to her: “Red is danger and green is safe.” Other participants sought to draw analogies between the colours used in other information systems in society – “traffic lights”, “a weather pattern”, “temperature” and a “TV test pattern” were suggested. One participant in focus group 6 remarked on how the use of colours within a scale range drew on systems of

meaning used elsewhere so that a higher number has a positive meaning:

I've never seen a test where the highest number is actually a negative or means something negative, and neither do I assess the colour green as anything negative because we've been taught since we were little kids that red means stop, green means go. And so we associated red with negative, green with positive.

Another participant from that focus group suggested that the meaning produced by credit scores is the deliberate result of drawing on conventional social cues:

Obviously their scoring system or their rating system has a lot to do with how we live in our society and the kinds of things that we're used to and that we're taught in school.

These responses demonstrate that the 'accomplishment' achieved in the symbolic representation of a score relies on social conventions – the distinctions, categories and heuristics associated with prior knowledge and existing information systems in society. Notably, Veda replicates the colour spectrum used in its depiction of credit scores in diagrams contained in explanatory material available to consumers in paper-based pamphlets (Figures 11 and 12). These depictions form part of Veda's tangible 'brand collateral' that communicates Veda's advertising messages in support of sales and marketing of its services.

Figure 11: Veda – Visual depiction of sample ‘Vedascore’

Figure 12: Veda – Cover of explanatory pamphlet for scoring

Centrix, a competitor of Veda's in New Zealand, also employs colours (in its own way) to indicate the status of aged credit accounts under the so-called 'positive' reporting regime (Figure 13).

Figure 13: Centrix – visual depiction of sample credit history

A tool or instrument

A number of participants also made connections between the meanings attributed to the Vedascore presented in the hand-out and its functional nature: the credit score was something that was doing or saying something. Kezia saw a score as a tool with a particular use:

It enables people to do things. When they need money it's there, you can take that money and make more money, or you can take that money and choose what to do with it.

As part of enabling access to credit a score could also be seen as describing or making a statement about us. A participant from focus group 5 could quite easily imagine how a low score could paint a “picture” of a person’s behaviours or the events that have shaped their lives:

One-income family, they've got bills, they've got a mortgage, they've defaulted on a loan ... Single income, child on the way ... They've lost their job ... They live in [earthquake struck] Christchurch and their house has devalued by 50% ... You've gone to Harvey Norman's right? And you've gone and bought a fridge and a washing machine and an oven and a new stereo and you can't pay the stuff back and they repossess it and they can't get even a quarter of what it's worth... you're screwed!

A score could thus tell a story, initiate or produce a conversation or dialogue, make a guess about us, or uncover meaning from our behaviours. One participant noticed the similarity between the format and layout of the Vedascore, and the medical diagnostic tools she used when she was at work as a nurse; and Hannah noted that, as a diagnostic tool, a credit score created the detail or data necessary for analysis – a score was all about “reading between the lines” to assemble facts. As a diagnostic tool it would also prepare us for an overall assessment someone else would make. Natalie thought that there would be some benefit to her in knowing her credit score:

It's the same as any other analytical tool to me. It's not black and white – there are all kinds of shades in there, in the same way that, for example, my GPA [Grade Point Average] gives me a good indicator of how I'm doing and what I know and what my chances are of getting employed after I graduate.

However, she was uncertain about its exactness and how it could be used:

But it's still not the 'be all and end all' – it's simply for analysis. It doesn't mean I have an 80% chance of getting a job; it just means I know that I'm at this point and this is what people might be looking for.

Participants in focus group 8 agreed that although a score opened doors to credit, it was not a 'sure thing' as there was still an element of control and discretion that could be exercised on the part of lenders, and perhaps luck. If a person scored in the middle of the range and applied for credit, a participant in focus group 4 thought that: "You might get it, you might not: it depends if it's a good day." Rio echoed the same sentiment, and thought that what a score means to lenders depends on the subtleties of *their* systems, intended uses, and context. A participant in focus group 2 made the point that ultimately it is how someone else sees the score (primarily lenders) that makes a difference to her, not what she thinks it represents. These conceptions draw on notions of a credit score as a tool for authorities to draw on; a form of expert knowledge. Natalie was able to relate the Vedascore colours to the imagined attitude of the specific bank deciding about lending:

So my assumption is that the green score would be a positive thing, that that would be the bank saying, "Yep, this is a good credit score" and then I'd say that the yellow is maybe a little iffy but probably still possible, then the orange is starting to be a warning and red is them going, "Probably not."

This raises the idea that scoring holds different meaning for different people – a tool that works for certain people in different ways – and which has an agenda or promotes particular interests. Another participant from focus group 2 said she regarded a credit score as a ‘necessary evil’: it enables credit, which she found personally useful, but it operates to give lenders discretion: “It’s like a means to an end ... it exists, but you don’t necessarily want it to exist.” In this conception a score worked for lenders, although it was thought by some participants that individuals could also take advantage of scores in some situations. Teresa related a case where debt management services were used to collect unpaid debts from a person, but then debt management services became useful to that person in collecting their own business debts from others. Geena did not see a problem with such a ‘reciprocal’ application of financial technologies – if scores were good enough to allow banks and businesses to make money then they were good enough for her to use as well, and credit scoring’s versatility meant that it is “sometimes used against you, sometimes it’s used for you.” Marc believed that it is not possible to say categorically whether a credit scoring system was a good or a bad tool, and the meaning of credit scores changes depending on the perspective from which they are looked at, and in light of what values are at stake:

It’s a double-edged sword though ... it’s like splitting the atom, it can be used for good and it can be used for evil and so you have on the one hand – a sharing of information that arms the businesses with information that

stops them all falling, each in turn, falling foul of someone who wants to rip them off. On the other hand, and the risk is though, if there's any corruption to that information, someone who wasn't in that situation might unfairly be treated.

Implying qualities of the person being scored

Some participants understood credit scores as documenting, displaying or representing the intrinsic qualities, talents, merits or virtues of the individual person who is scored. In focus groups 1 and 5, for instance, it was thought that a score indicates "trustworthiness." Other participants thought that a score infers personality or temperament, as Michael noted: "Cos it's character, it's part of that side of it." One participant saw a credit score as indicating the 'vitality' of a person, and related this especially to the colours involved on the scale. Sophie thought that someone with a score that is in the red zone could be "dangerous." Characteristics could be associated with the propensity to undertake desirable or not so desirable behaviours, or conduct oneself in certain ways. Various participants suggested that a person with a higher score might be more organized, be more 'clued up' with their money, avoid frivolous spending or make sensible judgements or choices. Conversely, a lower score would indicate a person who was not as "prudent." A participant in focus group 2 concluded: "It's kind of like your likeliness to be able to pay back your debt and your reliableness to a

lender.” In this conception, a score was connected with behaving responsibly – by not letting others down.

Although some of these implied characterisations mirror general social attributes, some participants were sceptical about reading too much into a credit score in this way. This was either because a score was seen as not being designed or intended to show characteristics or qualities outside lending domains, or that a score would not provide a true or accurate measure, for example, of one’s virtues or dedication. Declan, for instance, was cautious about concluding that a score would accurately reflect one’s discipline and trustworthiness because his understanding was that a person who saved their money for consumer purchases and did not borrow would not be scored as highly as someone who had many dealings with debt. A lower score could therefore represent someone who simply likes to deal in cash and avoids the lending system. Similarly, a participant from focus group 4 suggested that a wealthy person with good intentions to repay debt might nevertheless have had a minor ‘slip up’ with some bills and consequently suffer from a bad score. A credit score allowed a narrow, targeted, assessment to be conducted for the purposes of the lender, but would miss wider context: “That mechanism’s quite quick to judge without seeing the person in their environment”. Part of the discomfort felt by some participants about credit scoring processes, irrespective of who uses or benefits from them, was that people could be unfairly ‘pigeonholed’ with no room to argue. As a participant in focus group 2 remarked: “You don’t want to be defined by a number.”

Past, present and future

Other participants saw a credit score as comprising a store of past behaviours, a present value, or a future path or direction. Kellie observed that a lot of ‘bad’ financial behaviour could occur over time before debt collectors are eventually called in, credit defaults are listed with the credit bureaus, and one’s credit score is affected. A score could therefore be regarded as a present accumulation of a chain of events in the past – a distillation of prior activity. In interviews a number of other participants explored the idea that a score could involve a grasping, in the present, of both past and future alterations in economic worth. In this conception, the credit consumer is signified by a score that is a stock not only of past successes but also of future potential – historic ventures and opportunities for new endeavours.

Given that financial return is the direct counterpart of credit risk for lenders, one way to think of credit scores is not as a risk indicator but as a measure of profit for lenders. As a participant in focus group 2 noted, from a lender’s perspective:

It’s all based on how likely are we to recover our money and how much money are we likely to make on top of that ... how much profit are we going to make.

A score can thus be seen as having diachronic qualities – it provides a provisional present measurement of our performance in the future, coupled with an expectation that our future will need that score. One participant suggested that a good score would mean that the relevant

individual is worthy of being invested in by actors in the financial system – that the person has the potential or capacity to take on debt to generate profits for the lenders. A score could be seen to operate like a fuel tank gauge – measuring a stock of reserves. That an individual's potential is sufficient to support an investment means that a person might be said to possess adequate 'human capital', and if scoring is understood to be a present estimate of a future happening – an anticipation or "precommensuration" of future value that Thorsteinsson (2014) argues is characteristic of capitalist endeavour – then it can be conceived of as a way of calling on, and 'monetising', our future. Other participants could see how scores would be orientated towards the future – as a sign of or signal for forthcoming behaviours. Participants in focus group 5, for instance, thought that if a person was in the 'green zone' of the Vedascore then action would be needed to taken to maintain that position – to "pay your bills on time" or "not miss any payments or not be late", and that a score implies an upkeep obligation dependant on repetition and performance that would ensure the continued orderliness of a person.

A credit score might also suggest that a progression on the part of an individual is required, or might create an expectation that a path of personal development or betterment existed or should be followed. A participant in focus group 7 could see how a credit score signalled advancement, together with an implied promise of wealth accretions and change:

Like in education when you were talking about progression reports, it's about progression in reports, when it's moving to having a visual kind of graph or something showing progress. So it's human. It's not just a number.

In this sense a score can be seen as indicative of others' desires for us to act in certain ways – an implied promise of progress, advancement, betterment, or change, and of opportunities involving oneself and others. A score, then, represents the latent agency of the individual in the context of the desires and wishes of others and the self.

Reification: a credit score as an 'object'

Crossley (2011) observes that since most symbolic associations involve shared meanings and are not just personal, we often assume that meaning exists independently of the way in which we, collectively, *choose* to apply the symbols as social conventions. Crossley argues that when we disregard this 'conventional' nature of symbols and understanding them as objects we end up reifying them. This phenomenon was arguably evident in the discussions with various participants who suggested that a credit score could be seen not just as a convenient technology constructed with a purpose and a place in the financial world, but as an object in its own right, possessed of a presence, nature and qualities of its own. Sophie, for instance, talked of her score as something that could be increased gradually – a thing that could be cultivated and improved with self-work. Participants in focus group 1 suggested that a score could be

viewed as an achievement – checking on it and seeing it in the green zone would be the reward for good behaviour – or that a score itself is a reward. Crossley argues that the tendency to mistake intersubjectivity for objectivity is quite evident, for example, in the way we attribute qualities to abstract objects. This is the sort of thinking that would lead a participant to talk of a score that is “reasonably good” – not just a shorthand way of referring to the creditworthiness of the person to whom the score related, but as characteristics of a score as an object itself. Sophie raised the idea that for some people a score is something that has become reified, beyond just a status or entitlement indicator (like a character reference or certificate of currency) but towards an actual quantified measure of present value (similar, perhaps, to a bank balance). If a person’s net worth can be judged by the score, then it is possible to see a score as someone’s worth. Taken to its logical extremes, a technology that made completely accurate predictions of future behaviour based on the past could reduce the entire life chances of a person to a score, especially given the cyclical/feedback effect of scores on opportunity and life chances. This would be the ultimate in the “precommensurative” disposition of finance mentioned by Thorsteinsson (2014) above. Viewing a score as an object standing in relation to people can also lead us to query what the nature of that relationship is. We could ask, as Hannah did in her interview, whether a score is capable of being owned and exploited, and, if so, to whom does it belong and in what ways can it be exploited? The tendency to

mistake the conventional nature of a symbol as a natural ‘intrinsic’ object or quality suggests a potential for a pathological fixation on the objects of production, which from a Marxist perspective carries negative implications for human alienation.

The reflexive subject

Self-reflection is something most of us do relatively easily; the very process of talking about a topic often stimulates introspection. Participants’ interview responses discussed above contained indications that participants were, or had been, involved in reflecting on their behaviour and beliefs, including the sort of person they felt they were required or desired to be in modern society. However, I wanted to explore this aspect further, to understand more about the processes of self-reflection related to finance and the extent to which scoring technologies were implicated in contemplation of the self.

I sought to explore aspects of participants’ self-reflection in two main ways. First, near the end of interviews I asked participants explicitly whether, as a result of the interview discussion they had just taken part in, they felt differently about their personal management of credit. Some participants said that they felt no differently, or hardly any differently, compared to how they had felt about credit or credit scoring before they had discussed them, and had only a moderate degree of interest in finding out what their own credit scores were or in considering their credit-related behaviours further. Other participants, however, reported being:

- more curious about credit scoring as a topic, particularly in knowing how employers might use it;
- anxious and worried about where financial information used for scores comes from and where to find out more about this;
- more inclined to think more carefully and be less “lazy” about paying bills on time, especially small bills; and
- willing to spend some more time thinking about credit scoring.

Secondly, during interviews I took note of statements made by participants that indicated they were thinking about the role of credit scoring in their understanding of self, or thinking critically about the relationship of credit scores to themselves or to society in general, and I encouraged them to elaborate. This yielded a number of responses that are discussed in further detail below. Some of the insights are quite complex and touch on the processes of self-reflection as well as on outcomes.

Views of oneself

Crossley (2011) notes that to acquire a distinctive sense of self is to acquire a sense of one's own particularity by appreciating that one's perspective on events is only one perspective among many. The main instance in which participants understood themselves to be seen by others in the context of credit and credit scoring was when imagining the perspective of lenders who relied on credit scoring systems. The

comments revolved mainly around an understanding of the justification for banks and other lenders using credit scoring systems to further their interests:

It is really hard for banks or any other institution to judge. Like, how am I going to trust you if you're going to pay it back or not (Jill).

If I was to lend anybody money, I'd want to know with surety that they could pay it back (participant in focus group 1).

So I would be the same if I lent someone money and they avoided me. So I can't blame them for that (Alan).

In these circumstances individuals were able to see themselves as an object in the experience of another – adopting the perspective of lenders, backed by an understanding of a general financial logic of trust that constitutes borrowers as risky lending prospects.

Self-reflection and change

Participants from focus group 2 discussed the notion that credit scores can force us to face 'honest' truths in a process of self-examination. The process of confronting one's own credit situation could be "painful", such as where a credit user comes to a realisation, based on the meanings and 'logic' that they pick up from their credit score, that they need to "sort themselves out." This situation could lead people to examine and mobilise the resources they possess for change and transformation. Many participants commented on people's ability to adapt to changing financial circumstances and technologies. Some

participants had learned lessons about how to shape their attitudes to debt and alter future behaviours from their experiences in the business world, or through significant events that had occurred in their lives such as relationship break-ups. The knowledge gained ranged from the specific, such as avoiding the use of finance companies, being more careful about accepting automatic credit card limit increases, or being wary of interest rates, to the more general, such as the need to factor ‘the unexpected’ into financial decision making and to focus more on planning. Cath described how learning experiences could take the form of sudden realisations or shocks, and could be harsh.

A number of participants described how the processes of self-change involved striving to be mindful, self-aware, careful, focussed and to remain in control. Many of the techniques overlapped to some degree with the sorts of personal financial management techniques discussed earlier in this chapter. However, the emphasis in these participants’ accounts was squarely on the self as the object of construction, rather than on the objective dealing required to remain financially viable. Kellie, a naturopath, described how she set out to consciously change her mentality towards financial dealings: “so I did a bit of work on myself.” This “work” included knowing what the acceptable boundaries are in the payment of debts. For some participants, shaping oneself involved knowing one’s own weaknesses, including excess risk taking as a result of being too ‘adventurous’ with debt. Teresa described how she would attempt to ‘keep herself honest’ by continually reassessing her position and

judging herself – making a commitment to abide by the promises she made to herself. Knowing one's boundaries was important for Ian, who described how he was acutely aware of passing the point at which debt had become unmanageable, and that he needed to seek help from others about matters he could not control. In these participants we see how much of the self-shaping that occurs with respect to financial matters is in relation to liminal understandings – how the borders of acceptable behaviour are negotiated and accepted, and how marginal practices, existing at the 'edges' of the self, are rationalised.

Anxiety as a productive force

The anxiety about the everyday management of credit that a number of participants identified experiencing provides an insight into how the impulses underlying self-change are mobilised in productive contexts. Geena, for instance, described 'obsessing' for a period of time over a Work and Income claim for financial assistance that would be used to pay off her debts. She said she experienced physical as well as psychological distress as a result of intently focussing on this specific outcome, and the physical effects she suffered demonstrate how processes of self-change can be corporeal: that is, how the body serves as a resource for self-construction. Other participants, such as Teresa, described fretting almost constantly about the effect of late loan repayments, and also described how she worried about staying with her partner when his actions adversely affected her credit history. Wondering whether she should prioritise 'the financial' over 'the

relational' produced a generalised state of agitation for her that was exacerbated by not knowing how common her situation was. The fact that financial matters are often a 'taboo' subject for discussion with others meant that she felt isolated and unsure of her position. It was not until she went through a process of negotiating options for debt repayment relief with her electricity provider that she realised that a lot of other people have problems paying their bills and that the processes of worry and self-bargaining were probably normal. In these examples we see how finance admits a continuous project of self-agitation as part of the disciplining of credit consumers – a 'motion of the self' bringing about a state of 'productive' anxiety. As the next section shows, there are other social mechanisms that can be invoked through credit scoring as a resource for self-construction; because we do not have direct knowledge of others we often have recourse to an imagined 'Other' – laying us open, for better or for worse, to the use of social stereotypes in self-reflection.

The spectre of irresponsible credit use

Arriving at an understanding of oneself involves a comparison of oneself with others. A notable part of many participants' accounts of credit was how they went about comparing, explicitly or implicitly, their own debt- or scoring-related behaviours to personal credit practices that they understood to be improper or irresponsible. A common way to invoke the comparison was through employing the notion of a 'bad' credit user who was naïve, neglectful or lazy, as

opposed to a more prudent, sophisticated, dutiful, discerning, engaged or worldly credit user, who participants saw as epitomising ideal credit behaviour. Examining the way this presumed class of ‘bad’ credit users was deployed as a social stereotype illustrates how mechanisms of debt draw on social cues to allow us to orientate our relationship with credit. As participant discussion showed, however, it also exposes some of the internalised contradictions at play in the ways in which social difference is stigmatised in social disciplining and employed in technical systems of control.

Participants advanced many different views as to what ‘bad’ credit use was and its causes. Bad credit use included behaviours that risked debt default, such as choosing to take out loans with no practical prospect of repaying them, and also choosing to maintain unrealistic attitudes, such as believing that everything would be ‘all right’ without engaging in financial planning or forethought, or assuming that the State will provide for you. Often participants alluded to contrasting ‘good’ credit-related behaviours (whether their own or hypothetical examples) as related to smart decisions or to having a plan. This distinguished good users from others who did not have anything worked out because they did not ‘care’ enough. Bad users were described in negative terms as “not trustworthy,” “irresponsible,” “immature,” and lacking foresight in not being “able to see the long-term effects of their actions.” Some participants suspected that misapprehensions about good credit management might be a product of cultural experience or lack of knowledge. Migrants entering a new

country, for instance, might struggle to understand what is acceptable or prudent behaviour and might not know how to dispute a bad credit entry and that could adversely affect a credit score. Lisa commented that some New Zealanders' apparently 'laid back' attitude to taking on debt is because they have never really seen credit failures and truly bad financial times – like those experienced in Ireland and other parts of Europe recently.

Participants acknowledged, then, that not having learned (or been given the opportunity to learn) the disciplines that attach to good personal credit management mean that individuals do not know any better. Likewise, finding oneself in a desperate financial situation means that one cannot really be blamed for taking on debt, even when the prospects of repaying it are slim. In these, and many of the other situations outlined above, the adverse effects of credit are outside the conscious control of those affected. Yet despite this, many participants seemed content to accept the negative stereotypes propagated in social arenas of these people as inferior and less worthy, less deserving or less able to be looked up to. What purpose do the stereotypes serve if they are not correct?

Part of the answer, of course, could be that my characterisation of the situation is oversimplified: that the way in which naïve, unfortunate or misguided behaviours were characterised as bad or undesirable was not so clear-cut in participants' minds. This possibility is strengthened given that at one time or other we will all recognise ourselves as fitting these descriptions and yet feel that the

label of a ‘bad’ or irresponsible credit user is not in fact appropriate. Another possibility, however, is that the fixed, repeated characterisation of a person or social group based on an oversimplified judgment or image that is pejorative is promoted by dominant forces in the financial industry for a reason. Stereotypes can serve as convenient shorthand to express shared values and beliefs, including expectations as to how we are to behave. Pejorative stereotypes, as Lippmann in his pioneering work *Public Opinion* (1922) notes, also serves to express a fear of the ‘Other’: such an Other is to be pitied or held in contempt, rather than revered or admired, and is a figure that we fear becoming because we too might fall prey to the same circumstances in an all-too-perilous world. If this latter view is correct then credit scores are vehicles for knowing ourselves through knowing an ‘Other’. Observing the region on the Vedascore range in which such a class of ‘miscreants’ would fall – a zone of potential disorder and anti-discipline – propels us to submit to the forces of finance which reform, valorise, and police us as credit subjects.

The idea of an ill-meaning, ill-advised or illegitimate underclass of financial citizens thus operates as an internalised social disciplining technique, but one that contains a paradox or contradiction that we suppress in observing it. Examples of financial naivety in New Zealand are not necessarily confined to the poor or disadvantaged, and are arguably evident in so-called ‘sophisticated’ credit use such as borrowing to fund property speculation, where one is consumed by large financial ambitions and gives oneself over to a faith in

continually rising house prices. Furthermore, those who enjoy a lifestyle that brings in a lot of money can operate on the basis of broad assumptions and not devote the time or see the need to think closely about debt decisions. There is no need to ‘sweat the small stuff’, and, as Sharon remarked about her partner, “He’s always got enough money to buy so he doesn’t need to think about it.” The apparent illogicality of demonising others for their less than perfect behaviour when we ourselves are occasionally prone to these same ‘failures’ is magnified if it is believed that the credit system itself often places these people in precarious circumstances, subjecting them to complex arrangements that introduce financial uncertainty and risk on a global scale. From this perspective the “doublethink” and hypocritical attachment to the promotion of negative stereotypes can be seen to form a necessary support for the workings of credit scoring systems.

Credit scores as a prompt for wider critical evaluation

Some participants viewed credit scores as providing an opportunity to initiate a critical examination of what the scoring system is trying to achieve and how it might adversely affect people. In this way, a score is a prompt for wider questioning, discussion or critical analysis – not just of an individual’s proclivity or capacity for self-change, but also of the validity of the assumptions that are being applied to us by others and of the sort of society we have built for ourselves. In this way, credit scores can be ‘turned back’ upon themselves. Hannah, for instance, queried whether including factors beyond someone’s control

in the characteristics that make up a credit score is actually 'fair'. The industry may well argue that the response of an individual to uncontrollable factors is exactly what the score is testing, but the fact that Hannah raised this query shows that a score is a cue for individuals to at least query the appropriateness of the system. Another concern raised by a participant from focus group 5 related to the meaning of a mid-range score of 500. To her, such a score indicated that an individual's payment history or other characteristics were not perfect compared to those of some others: that not everything is being done properly. The participant queried what is wrong with New Zealanders that everyone cannot pay their bills on time? To this participant a mid-range score raised larger questions about why we accept a society where not everyone can pay the debts they take on; and why the type of differentiation produced under credit scoring systems needs to be drawn between people. As Marxist and other scholars of domination and oppression might argue, this type of critique can be seen as the most powerful form of self-consciousness – coming to realise the possibilities for social change by confronting the nature of one's own society. In all, these perspectives illustrate the social complexities involved in the recognition of oneself in the workings of technical systems. If scoring can be seen as a productive site for self-understanding (albeit fraught with contradictions inherent in its 'logic'), then a case might equally be made for the self as a constructive endeavour – a site of financial profitability subject to the governance of the lending industry.

Resistance

One thing that was notable in virtually all participant interviews was the acknowledgement that scoring systems placed pressure on them to self-shape in order to accommodate the financial system. Most, if not all, participants seemed to take it for granted that a degree of learning and adapting – of administering and moulding the self – was expected of them as part of operating ‘efficiently’ in a financialised environment. While this was not surprising for participants, not all of them were accepting of having to act in ways conducive to further surveillance and control by the lending industry. The objections were either ‘in principle’, or, in many cases, concerned particular ways in which this control played out in their lives.

In this respect, many participants gave descriptions of ways in which the lending rules, corporate structures, market spaces, and expectations and identities attaching to credit scoring and debt systems were circumvented, moulded or undermined to better serve participants’ own desires, ambitions or beliefs about how to conduct their lives. A feature of these practices that first struck me was that they were engaged in as part of participants’ normal social life, not necessarily as dramatic or unusual acts, but innovative or experimental ways of organising people’s mundane daily activities. A feature of this “everyday resistance,” as Scott (1985) has termed it, is that it is often subtly or covertly practiced, negotiating the gaps and fractures in power when dissension or outright rebellion is perceived as too risky.

These practices are of relevance to this study because, following Vinthagen (2013), acts of resistance can reveal the nature of power that they are set against. The discussion in this section focuses on how everyday acts of resistance seek to elude or circumvent power that operates to fashion the self in everyday ways.

Avoiding or rejecting credit

A number of participants reported being generally uncomfortable about the significant position that credit occupies in their life, particularly the ways in which they are expected or compelled to operate in 'financialised modes'. Sarah, for instance, disliked the values, beliefs and motivations implied by money, despite knowing she has to operate in a world orientated towards finance:

[It] makes me feel uneasy and I always like the things that don't need money in a way, like in the last year, I just don't want to think about it, don't want to worry about it, don't want to have it.

Other participants had more specific complaints. Lisa, who valued stability and permanence in her life, linked her general unease about debt with a dislike of the transience associated with becoming a 'mobile' economic citizen and the apparent fickleness of the impact of global economic events on one's financial circumstances. Being a borrower meant having to accept the consequences of shifting world markets as interest rates and credit availability varied over time. Other participants had realised through their own money dealings that

it was not possible to be financially independent – to perfectly control the outcomes of one's life – and seemed resentful that debt seemed set to be a constraining factor in their lives no matter how hard they tried to comply.

Some participants, however, did not accept that they had lost all control and believed there were choices to be made against being wholly subsumed by finance. Kezia provided an example of freeing herself from some of the influence of debt by altering her everyday activities, in small but deliberate ways, to try to reduce the need for credit as a consumer. She described, for instance, how she chose to hunt for inexpensive clothing at charity shops to gain the same kind of thrill she would experience from acquiring new clothes at full price from retail stores, looking to gratify herself with comparable thrills. She also periodically asked her bank to *decrease* the amount of her overdraft limit to counter the temptation she would otherwise feel from the automatic limit *increases* typically made by banks to encourage greater credit use. She acknowledged that seeking to repudiate the norms created by consumerist marketing discourses and distancing herself from some types of credit in these ways had disadvantages; it removed the convenience of her bank overdraft for emergency purchases, and forced her to have to think and act more resourcefully. In this example, seeking and enacting agency through the circumventing of finance itself comes at a price: the work required to 'make do' without credit or a reduction in the opportunities available.

People who are dissatisfied with having to rely on the credit system, or who cannot be accommodated in ways they would prefer, might be expected to search for choices, options or alternatives, in some cases gaining inspiration from others. Litia, for instance, expressed her admiration for world travellers, who she saw as ‘thinking outside the box’ and being willing to experiment with different modes of living. The idea of travelling had also inspired Barbara, who was considering ways to reduce living costs by moving to countries with lower prices than New Zealand. Litia also talked of her sister, who had learned to “work the system” so that she was not reliant on earning an income. These participants were considering ideas from other ‘rebels’ to test how their normality could be altered, using the past struggles of others as a ‘resource’ for building up ideas and methods of resistance. Critically-orientated media can also play a role in encouraging new thinking about one’s situation, including questioning the overall ‘ethos’ underpinning the debt economy. Christopher described how his personal perspective on debt had been developed from a documentary film he had seen which was critical of the post-GFC finance system. Clint, also, relied on daily media reports to challenge his past conceptions and acceptance of debt:

Finding out this information about the LIBOR scandal [fraudulent wholesale interest rate manipulation by major banks], all this kind of stuff, has made me really cynical about a lot of things.

All of these participants were aware not only of their own dissatisfaction with a financialised existence but also of the

possibilities of avoiding or rejecting aspects of it. As finance draws on the resources of the self – on agency and inspiration – so too are these resources mobilised in resistance.

Manoeuvring within the system

Entirely removing ties to consumer debt systems was an aspiration for some participants, although very few had a concrete plan for doing so and most would probably admit that it was unrealistic. A more common approach described by some participants was to try to use systems imposed on them in their ordinary and daily activities to turn the actual order of things to their own ends. These ‘popular tactics’ (de Certeau, 1984) sought to lessen the hold that lenders had over individual borrowers by discovering ways to manoeuvre ‘behind the scenes’, using forms of resistance that circumvented the power to co-opt in more ‘clever’ and creative ways.

Rio conceived of resistance to finance as ‘playing a game’, finding opportunities to work to reduce the burden and impositions of the credit system. Efforts to exploit gaps and anomalies in systems of credit were discussed by Sarah, who described how students in her home country (the Netherlands) effectively arbitrated the differing sets of rules for interest-free student loans and interest-bearing deposits:

They borrowed a few hundred euros a month, put it aside in a saving account. And the interest on the saving account was higher than the

interest you pay on your loan, so you could actually make money by just depositing it in the bank.

Linking disparate parts of the overall system to one's advantage was also discussed by Hannah, who was aware of the student loan idea above being considered by people in New Zealand, although in circumstances of historically very low interest rates in New Zealand she was not sure if it was actually being used in practice. The idea might therefore be circulating within student communities as a 'myth' rather than a reality. A variation on the idea was discussed by Geena who, with a nod to finance theory, observed that interest-free debt obtained from the State would decrease in real value in an inflationary economic environment, providing an advantage to the borrower.

While schemes like these rewarded ingenuity with economic advantage, some participants were concerned with devising systems just to allow them to get access to credit in the first place – often as a necessary coping strategy in an otherwise precarious financial existence. As a student, Kezia drew down on current student loans to pay interest and penalties from past Inland Revenue debt – effectively capitalising past debt into her future debt obligations. Geena had invented an elaborate system of 'cycling' credit card debt, by buying groceries and other necessities on numerous credit cards in turn, and then using her government benefit payments to stave off the minimum payment demands or penalties on an overall increasing level of credit card debt. These participants used the conventions and rules of state

lending and welfare provision in conjunction with credit systems to engineer advantageous financial outcomes for themselves.

When credit systems are predicated on establishing creditworthy identities it is unsurprising that the ‘ruses’ of resisting agents seek to manipulate the borders and regulations of those functional personalities. Under credit scoring systems, credit events attach to the legal holder of the relevant debt despite the economic and social relationships of the borrower with other parties that often provide the resources to sustain the debt. (The relational implications of this fact are explored in greater depth in the next chapter.) This mismatch causes complications or impediments for some consumers seeking to access credit. A participant in focus group 6 gave the example of his daughter, whose bad credit history prevented her from being listed on a joint mortgage with her husband even though her current overall economic position was better than her husband’s and she would be assisting with the repayments. The principle, however, can also be exploited to one’s advantage. Teresa described how she sought to transfer a delinquent credit account into her partner’s name before it was listed as a default with a credit bureau to avoid marring her credit identity. A more elaborate technique was employed by Rio to circumvent the lending application system by structuring the relevant lending arrangements through his son:

Two years ago I wanted to buy a piece of land. No one would give me a mortgage because I’m too old. One factor was my age. One factor was my income, they said I didn’t have enough. So my son bought it. He was

working on a fishing boat and he had shitloads of money briefly, for 11 months. And I've made the payments on it every day since. ... Money appears in one of his bank accounts every week, and they take it ... because that's how blind some of this stuff can be.

Diverting credit transactions through another legal person in this way conceals one's social or economic identity and removes oneself from the gaze of the algorithms underpinning systems of credit scoring. It is a form of economic disguise, altering the financial data trails and allowing agents the ability to get what they want by accessing credit via a proxy. Such behaviour, which subverts formal processes for creating virtual identities, did not surprise Marc, someone who had professional familiarity with the workings of financial systems. He was careful, however, to make the point that such behaviour does not remove risk for all participants – the interposed proxies still bear the consequences of their virtual identity:

People who find themselves unable to do what they want to do dealing with the system will look for other alternative routes and they'll either interpose somebody or find somebody who's prepared to arbitrage with their own rating if they've got a history, and the price of that is that any good history that then flows after that, and the bad – the risks sit with the person who intermediated or the person goes to another institution.

In these examples, participants played with their financial identities to gain advantage, indicating that the power that circulates within finance is one that operates on identities. In addition, they illustrate how agents who use elements within an existing system to circumvent or

resist consequences of power – drawing on other sources of finance, enlisting consumption practices to gain access to credit, or routing one's transactions through another – simultaneously promote, to some extent, the power-loaded discourses and the “truths” attaching to those systems. As Vinthagen (2013) notes, resistance can involve being both an agent exercising powers and a subaltern who has been subjugated and reduced to order, involved in negotiating or balancing their position as both the subject and object of power.

Availing oneself of relief in the rules

Vinthagen (2013) cautions that we should not seek to label all acts undertaken by a subject to secure advantage under powerful systems as ‘resistance’. Availing oneself of legal means for extinguishing debts arguably does not fall into the category of resistance, and instead reveals something about how resistance is dealt with by dominant forces. For example, Christopher told of how he had used New Zealand's codified bankruptcy procedures to write off \$21,000 of debt, and Alex explained how he had deliberately evaded contact from Baycorp, a debt collection agency, until a legal ‘time barring’ period had expired, meaning that Baycorp was legally precluded from enforcing and collecting the debt. The actions of these subjects generated an advantage for them to the detriment of individual lenders, but this advantage is specifically provided for by the legal system that regulates credit dealings generally. Vinthagen notes that the nature of power and resistance is that they affect each other over

time, manifesting in “actions and reactions, of innovations and counter-innovations, measures and counter-measures” (pp. 30-31). Codified bankruptcy and time-limitation procedures might therefore be seen as a counter-response to past resistance against power – a consequence, perhaps, of ‘rulers’ learning new things from subjects’ acts of protest and providing legal ‘relief valves’ to create obedience and quell more widespread rebellion. The types of acts Christopher and Alex reported, moreover, are ‘expected’ by credit scoring systems, insofar as the algorithms and models take account of the correlative effect of these types of actions in producing credit scores. Their acts, then, are not so much an anomaly that individuals have exploited as they are consistent with expected outcomes (albeit rare and undesirable from lenders’ viewpoints) and thus accommodated within the credit management systems that exist to administer and control them. A difficulty of analysing resistance is distinguishing resisting acts from acts that have been commandeered by dominant forces.

Psychological or intellectual resistance

An interesting twist in Christopher’s account arose from his subsequent admission that he did not list all of his debts for relief under the bankruptcy provisions – preferring to keep a debt to his dentist ‘active,’ being owed to “one particular company, which I had a bit of respect for.” The effect achieved for Christopher was to enact an agential capacity, asserting an ability to select which lender was

deserving of repayment and moulding the economic outcome accordingly. The psychological satisfaction was undoubtedly real for Christopher but from the viewpoint of the interests that credit systems exist to serve, any 'slight' to the system was non-existent. This raises the question whether, for an act to count as resistance, it is just a participant's *perception* of an act that matters, or is it necessary to prove that harm has been caused to systems of power. Is resistance, in other words, something to be evaluated objectively or subjectively?

This question can be approached from another perspective if we consider the instances where participants reported attempting to 'detach' themselves emotionally or intellectually from the realities of debt. In these cases, subjects resist what is perceived to be the power of credit not through outward actions that achieve outcomes contrary to the disciplinary strategies of dominant forces, but by controlling their inner reactions or attitudes. Geena, for instance, sought to feel better about her dealings with problem debt by reminding herself that financial outcomes are not always within one's control, and are sometimes attributable to chance, luck, fate, or the unpredictable nature of the system. Jill, similarly, reported 'switching off' from the stresses of debt by taking the attitude that "there's no point in worrying now." Sophie described how she sometimes ignored or denied the existence of her debt: "I actually hate owing people money, so the loan – I pretend it doesn't exist." Sharon, similarly, described a friend's attitude to debt:

She's under the perception that she'll never have to pay it off because student loans are just a fabrication of the government or something. I think she's quite detached possibly. ... And I think she'll ignore it until she can't ignore it anymore, if that time ever comes.

Judged objectively, approaches such as these do not alter the substantive outcomes of credit systems, since debts must be (and generally are) paid by borrowers according to their terms. However, these practices do have the effect of creating a psychological (or subjective) distance from the conditions that people experience personally as oppressive. As Rio said, "the trick is, of course, to remain in power, is not to need this as a consumer, *or not to let it bother me*" (emphasis added). As a coping or survival mechanism this type of approach has been observed in other contexts where, although subjects ultimately comply with the demands of power, their outward actions are seen as a *disguised* form of resistance, shielding themselves psychologically. In these circumstances subjects practice 'detached,' 'fatalistic' or 'instrumental' compliance, as opposed to the 'committed' compliance of accepting subjects.

A variation on this approach is where subjects deliberately jettison rational bases for decision-making, such as the 'financialised' mentality that permeates neoliberalised discourses. Sarah, for instance, said that she chose to rely on feelings and intuition instead of adopting the deliberative or calculating attitude to personal finance observed in others. She would simply look for a solution to a problem at the time it arose rather than planning to avoid or mitigate the issue.

This brought some flexibility and freedom to her circumstances, and it meant that she could not ever ‘fail’ at what she saw as the process of being an orthodox credit consumer:

I always really listen to my intuition ... just whatever feels good ... my intuition is pretty strong plus I’m really bad in thinking things over. Until now it always worked, like I’ve always done what my intuition told me and I’ve never really made any mistakes.

Other participants reported practising ‘intellectual’ resisting techniques that re-characterised their understandings of how debt should be related to. Geena talked of various approaches to debt she had tried in order to relate to it differently in her life. In one attempt she had sought to reify debt – to consider it an object in its own right in order to “focus it down” and control it, rather than see it as a situation or an aspect of herself. This allowed her to approach “being involved with it as an entity” and to frame her relationship with it in ways that were ‘healing’: “I like to think of the debt as a child that I’m taking care of.” Barbara discussed how she conceived of money as energy and how that allows her to work conceptually and spiritually on wealth creation:

To me, money is just a form of energy, so if you can figure out how to work the form of energy in money, in a spiritual way, then you’re probably set. But I do work on that stuff. I work on abundance, and I work on wanting wealth in the system, but at the end of the day, everything’s just energy so it’s just this form of energy.

These practices, which involve shifts in psychological or conceptual outlook in order to ‘re-programme’ oneself, are interesting because they are ambiguous: it is not clear whether they should be viewed as resistance. One argument is that a distinction should be drawn between practices that allow one simply to function or feel better about complying with the demands of the credit system, and those which seek to avoid ‘buying in’ *at the level of the self* to the rationalistic conceptions promoted in financial discourse. Striving to become deliberately more positive about debt, for instance, can be seen as an example of the former – a coping device that allowed debt to ‘sit’ better with some participants and led to different perceptions of their own situation. Kezia explained that if one is in debt then it is possible to have two attitudes to it – that of a victim (which has negative effects on personal attitude) and that of someone who can make a difference to it (which gives rise to more positive feelings). Kellie saw being proactive (“engaging your energy”) as a way of being positive, as opposed to passivity, which leads to feeling hopeless or trapped. Taking control through using the perspective of the self allowed these two participants to reclaim a sense of agency from the financial system, but did not seek to reject or disengage the power of the financial system. In Geena’s case, moreover, her deliberate use of psychological techniques had the aim of being “more conscious” of the debt, to instil an enhanced sense of responsibility, and to give her direction. Thinking like this helped her to become

more engaged with her debt and desirous of a relationship with credit as a part of the self.

In contrast, approaches which seek to reject one's position as a product of debt can be argued to be resistance because they are oppositional: they imply an unwillingness to expose the self, which is what Lazzarato (2012) argues debt is primarily concerned with. That the freedoms attached to autonomous subjects are the target of power was illustrated by Rio, who considered that the ability to resist lay with one's ability to control one's own feelings. He reasoned, for instance, that one is not, and cannot be, insulted if one does not allow oneself to be insulted, and that techniques that distance oneself from self-identifying with the objects of the financial system are effective because they resist engagement at the level of the subject, which is what the credit system requires.

However, that a distinction exists between these two situations is debatable, and, as the discussion above illustrates, talking about resistance to power can become murky when we consider the range and variety of practices that participants imagine can disrupt the subjectifying power of debt. More research is undoubtedly needed in this area to better theorise the effect that powerful systems have on accessing the ultimate realm of control: that which is exercised over the self.

Conclusion

In this chapter I sought to examine the working of participants' 'interior lives' by investigating their accounts of managing their relationship with credit within society's institutions and structures, establishing themselves through purposeful thought and actions as viable objects and subjects of credit. I was interested specifically in the proposition that a 'financial reckoning' has come to dominate our processes of thought, creating self-ordering credit consumers through applying an instrumental rationality peculiar to loans and lending.

Participant responses proved a fertile source for the study of the internal processes by which individuals understand themselves and society. My finding, elaborated on in more detail below after some brief methodological observations, was that participants performed significant amounts of 'mental work' in their everyday engagements with credit and financial technologies, but that more than just 'computational competence' was required. Their reactions and responses to the requirements of finance drew, rather, on a diverse range of meanings, conceptions and heuristics, relevant to the divining of the social and the self as much as to the technical aspects of finance. Finance, in this sense, is entangled in wider mental processes relevant to the self and its governance. Participants in some instances seemed transformed by their engagements in ways seen as desirable by the credit industry, whilst for others the changes involved in habits

of thought or overall attitude served to distance or insulate them from the demands of finance at the intimate level of the self.

Researching the interior

An initial hurdle I encountered when considering participant data was identifying a suitable analytical framework for the analysis of the self's 'inside' workings. My general strategy of inquiry outlined in Chapter 3 was orientated towards gaining an appreciation for social phenomena in terms of the normative understandings that people 'carry around in their heads'. During my analytical phase, I went back to survey theoretical work in this area to see if there was a specific approach that could be used to study the mental processes by which we acquire and maintain a sense of self. It was then that my attention was drawn to a group of sociologists who specifically theorise the study of individuals' 'inner' processes *and* suggest ways to go about empirical research. Zerubavel (1997), for instance, advocates trying to identify evidence of various "cognitive acts" in the analysis of data, with such acts including: perceiving, attending, remembering, framing, generalising, classifying, interpreting and time reckoning. Approaches like this have their attractions; not the least being that a researcher is left looking for evidence of a definite set of mental processes, which can then be examined in respect of individuals as members of collective "thought communities," sharing common interests, traits or objectives (see also Mannheim, 1936). In my case however, I ended up choosing an analytical path that was less

‘clinical,’ and which concentrated on accounts given of the ‘internal work’ performed by participants both in terms of processes of thought *and* the motivations, ideas or reasons attributed to them. Like Zerubavel’s “cognitive sociology,” my approach was directed towards examining *subjectivation* – what it is that we do for *ourselves* to become social subjects. And it acknowledged (also similar to cognitive sociologists) that individual experience is not solitary – that every thinker exists within a ‘social envelope’ that colours her or his perceptions and actions. But I felt my approach more directly engaged with Max Weber’s appreciation of the *normative* and *ideational* foundations of the social realm, and of individuals as engaged primarily in *meaning-making* vis-à-vis others (see Chapter 3). Having access to participants’ accounts in these respects allowed me to place a greater emphasis on investigating, for instance, the semiotics of credit scoring (what a score signifies or represents), the position of the reflexive subject (how credit scoring is used to rationalise the nature of the self *in situ*), and the ‘truths’ that are negotiated by individuals in confronting finance (for example, the need for self-responsibility, or how ‘resistance’ is framed and enacted). These aspects of subjective experience were also a major focus in Foucault’s work, most famously through his study of the operation of technologies of self, but also in his lesser remarked upon theorisations of how technologies of self work with those of production (“which permit us to produce, transform, or manipulate things”), signs (“which permit us to use signs, meanings, symbols, or

signification”) and power (“which determine the conduct of individuals and submit them to certain ends or domination, an objectivizing of the subject”) (Foucault, 1988, p. 18), and in his later studies of individuals’ cultivation of an ethical relationship with themselves (Foucault, 1976/1990).

Self-management

There was much evidence in participant responses of individual thinking and action being orientated towards the calculative techniques and activities characteristic of finance. Participants reported engaging with credit-related phenomena and ‘operationalising’ their everyday relationship with debt using a range of practical measures. These ranged from relatively simple rule-based decision-making to more involved techniques or strategies using physical, digital or ‘mental’ technologies that sought to achieve general or specific financial objectives or goals. These internal practices resulted in the ‘regularising’ of credit habits – allowing one, for instance, to quantify, budget for, evaluate and discipline one’s performance in fiscal terms. Activities like these are integral to the world of financial management, where reckoning of risk and return and a mastery of one’s reckoning of, and exposure to, future outcomes is paramount. The practices also revealed the substantial amount of ‘self-work’ needed to be performed by financially-vigilant subjects on themselves to facilitate borrowing and go about improving or maintaining a personal credit score. Relatively ‘low-level’ tasks such

as mastering the transactional ‘scripts’ of finance were in evidence, but also more amorphous practices such as learning to approach financial matters with the ‘right’ attitude and outlook. Participants indicated that these activities – almost always unpaid and generally not regarded by the finance industry as involving any ‘cost’ to individuals – contribute to the production of the specialised knowledge of one’s abilities and competencies, including one’s capacity to shape oneself. These individuals align with the ‘typical’ portrait of a neoliberal subject, illustrating a self-monitoring, dynamic figure, receptive to new ways of organising their own conduct and regularising their ways of thinking to better meet the expectations and demands of the market. However, the experience of cultivating a ‘finance mentality’ within the self, which comes with the implied ‘reward’ that the logic and values associated with debt management are available to be transferred to other areas of our lives, was not uniform. Some participants reported that applying a financial perspective was not always straightforward, *qualitative* distinctions based on hierarchical ideas of social ‘value’ or ‘worth’ were applied to modify their decision-making around debt. That subjective social factors sometimes supplant the strictly ‘objective’ dictates of economic decision-making indicates that financial thinking for these participants has its limits, resulting in more ambiguous or liminal experiences that defy easy categorisation as the atypical experience of a ‘financialised’ subject.

Meaning-making

Further insights into ways in which individuals engage with finance as a resource for self-construction were obtained by examining scoring and social subjecthood at the level of *signification*. The first-person participatory perspective of individuals revealed that credit scores were loaded with individual and collective meaning. The way a ‘Vedascor’ handout in interviews was graphically depicted using a scale and colours, for example, led most participants to quickly recognise it as a means for measuring and indicating the attributes and qualities of a person within a population. Its pictorial representation draws on the symbolism established in other technical and scientific information systems encountered in society – systems that we have collectively devised to make sense about the world and to convey information between humans on the basis of a common understanding. Additionally, the use of colour, as Levitas (2013) notes, is never a neutral undertaking, and documents presenting credit scores draw on vibrant visual cues to evoke and impart cultural meaning. Participants also saw how a credit score could be seen as speaking about a person in ‘expert’ ways that are important to, and promote the interests of, lenders; scores could be seen as a warning, a threat, or a personal encouragement to choose a particular path in life, as well as being representative of the actions or support of others. Interpreting a score as a ‘thing’ in itself – an achievement, a present or future store of material value or worth, or as an object with its own qualities – arguably reified the conduct of borrowers in “precommensurative”

(Thorsteinsson, 2014) ways characteristic of capitalist endeavour. In all, the individual meaning-making that was occurring with respect to credit scores shows how they can act as mechanisms for transmitting and embedding human values, establishing new truths about individuals, and calling us to act or fulfil roles and expectations. In this context, credit users identified not just with their position as a ‘borrower’, achieved through participation in lending practices, but also with social positions and practices shaped by widely shared cultural norms which indicate the sort of person we should expect or desire to be in society.

The reflexive subject

As discussed in earlier chapters, credit scoring is designed to prompt would-be borrowers to examine the effects of their own actions, and compare those with standards derived by the actions of other individuals in a population. As Callero (2008) notes, the moment we begin to assess our behaviour and reflect upon our conduct, we can be said to enter the ‘me’ phases of the self – involved in the introspective experience of what it is to be an individual. For many participants, financial technologies such as credit scoring operated to bring about a ‘reality check’ – stimulating a self-contemplation about how their conduct could or should be changed through action or learning. Here, we see evidence of meditative self-disciplining at the level of the individual, emphasising characteristics of ‘responsibilised’ neoliberal subjects – “as rational, calculating creatures whose moral autonomy is

measured by their capacity for ‘self-care’ — the ability to provide for their own needs and service their own ambitions” (Brown, 2006, p. 29) within the particular ‘logic of trust’ prescribed by scoring systems. Scoring was thus constituted as a productive site for self-evaluation and the creation of self-knowledge, aligned with an explanation of the existence and use of credit scoring systems by banks and financiers as keeping borrowers ‘honest’. Our unique human ability for appreciating our selves often leads us to gain awareness not only of our own motivations and desires, but also the ways others see us. In understanding oneself as an object in the experience of another, some participants reported anxiety as a primary force used to mobilise the resources we possess to transform our financial habits: playing on a heightened awareness brought about by self-contemplation of our boundaries and limits, and how one’s self might suddenly or gradually be adapted to meet the expectations of others. A finding that demonstrated some of the complexities of how the self is understood and negotiated in society, however, was the distinction that existed in some participants’ minds between ‘good’ and ‘bad’ credit behaviour, which would lead to particular credit scores. Some participants invoked preconceived, negative stereotypes of those with ‘bad’ credit as ‘irresponsible’ and deserving of blame, despite recognising that no person (including themselves) could achieve an ideal credit position in practice. The way in which outcomes that could be attributable to existing societal inequalities or sheer chance were used to demonise an imagined sub-class of credit users (to which, on this basis,

participants themselves might one day belong) involved an internalised contradiction that operated to equate ‘adversity’ with a ‘blame’ or ‘contempt’ for those less financially accomplished. I suggest that this attitude, which is socially-attained and arguably congruent with practices of the neoliberal subject for whom competition and self-provisioning (as opposed to compassion and solidarity) is constitutive of the self and other, is a necessary ingredient to invoke the ‘successful’ working of the credit economy.

The resisting subject

The self-contemplation engaged in by credit users is yet another example of the ‘self-work’ required in responding to financial technologies as a viable economic subject. The instances talked about by participants included drawing on the interior resources of the subject, ‘letting loose’ one’s capacities for introspection on the individual and social problem of having a relationship with debt, and mobilising one’s internal resources for cultivating changes in one’s attitudes and mentality. Whilst the processes of self-contemplation reported by participants often extended to finding new ways to accept debt ever-more-closely into their lives, not all participants were engaged with or accepting of the “truths” propagated by the credit industry and embedded in the logic of scoring systems. Reflecting on the effects of debt on their lives prompted some participants to question whether the credit scoring system itself was ‘fair’ and why, from a more holistic perspective, the technical distinctions drawn

between people are necessary. This demonstrated aspects of reflexivity that involve critically identifying, opportunities for resistance as well as compliance. Moreover, the variety of “everyday resistance” practised by participants shows how powers of introspection provide more than a simple choice of accepting or rejecting credit. Some participants sought to resist the demands of the credit system by finding ways to ‘quietly’ circumvent or undermine the rules and structures of credit, often drawing on other ‘rebels’ for inspiration and working *within* the system to displace its effects. In addition, the practice of what could be termed “psychological resistance” was described, by which participants sought to distance themselves from, or alter, the effects of credit upon themselves *subjectively*. Despite achieving a sense of satisfaction from not ‘buying into’ the dominant culture of compliance, it was not clear whether acts by these subjects would be characterised as ‘resistance’ by all critical theorists because the acts would often not be outwardly or ‘objectively’ obstructive or harmful to those in power.

From a sociological perspective, studying the manoeuvrings of resisting subjects throws into relief the role of creativity and the restlessness of the human condition in powerful systems. Such a study also shows how, in a search for coherence, stories, myths, symbols, structures and tools available in everyday situations can be used *productively* to accept or repudiate the power imposed by systems of credit and challenge the subject positions offered up by credit systems. Pickett (1996), in examining Foucault’s theoretical

work on resistance, concludes that forms of resistance depend on and can illuminate the forms of power at play. For instance, “[s]ince power is spread through society and not localised in any particular place, the struggle against power must also be diffuse” (p. 458). Resistance undertaken in clever or subjectively complex ways, where the creative powers of humans are deployed to alter the effects of credit in ways not known even to its creators, suggests an “adversary” (that is, power) that itself operates cleverly, and with subjective complexity. Further, while resistance is not simply the “antimatter” or a negation of power, “it can be productive, affirmative, and even use the techniques of power” (p. 459). In this construction, I suggest, power, paradoxically, can depend on agents’ capacities not only to accept, but also to resist, systems of finance. As noted above, a focus on the opportunities for meaning-making and semiotic association, rather than simply the cognitive ‘mechanics’ that underpin our interiority, allows me to more directly scrutinise the subjective content of subjects’ experiences in credit systems and gauge the extent to which our inventive, resourceful, and *autonomous* selves have become vital to the operation of modern-day credit systems. The suggestion, taken up in my Conclusion chapter, is that governance of *one’s self* is a vital component of a system that governs us as subjects. A focus on collective understandings of finance, and the possibility of cultural transmission of ideas about credit and scoring, also paves the way for a more in-depth discussion in the next chapter on the place of finance in the individual meaning-making arising from *intersubjective*

constructions. This extends to notions of care and responsibility, concepts of 'likeness' and 'difference', and emotions, morals and ethical behaviour.

Relationality and Association

Paying attention to participants' treatment within institutions or wider social structures as in Chapter 4, or to the patterns of thought that cohere within 'economically viable' individuals as in Chapter 5, allows two different perspectives on how the self acquires form as an object and a subject. The two viewpoints complement each other, and can offer a combined explanation of ways in which credit binds the self with the other in society. Some sociologists, however, prefer a third perspective, choosing to focus on the *web* or *network* of relations and interactions between actors as the primary analytic unit for the scientific study of social life. Their belief is that social actors are primarily formed, maintained and transformed by interaction with others – acquiring language, developing the ability to reason and think reflectively, and allowing for techniques that inform competence to be experimented with in real-life and imaginary settings. Here, as the relational sociologist Crossley (2011) notes, the emergent properties of social selves do not subordinate actors as parts to the structural whole, nor elevate individual agency, but add to our list of ways in which the self is generated, acknowledging that in many ways

“collective life is greater than the sum of the individual actors it involves” (p. 18).

In this chapter I further develop the theme of finance as an activity with social and political implications by investigating participants’ understandings of how credit and its technologies are implicated in interactions and relations with others. My aim, in examining how participants conduct themselves in the knowledge that they exist in association with others, is to reveal the *interpersonal* dimensions of finance. In terms of a theory of the subject, this allows for the study of *intersubjectivity* – a zone or facet of the subject that encapsulates the ways that people experience their social existence: how they fit together with others, how things go on between themselves and their fellow citizens, the expectations of self or other which are normally met, and the deeper normative notions and images which underlie these expectations. Of interest here for Marxist, Foucaultian, and feminist constructivists is the potential for credit and its technologies to *co-ordinate* networked individuals along particular social axes – demonstrating how the “social imaginary” (Levitas, 2013) is a *conventional* creation that promotes certain views of what individuals should be achieving in association with others. Such analysis posits a self that can be explored through a critique of neoliberalism where responsibilised individuals equate “moral responsibility with rational action” (Brown, 2006, p. 29) in performing and conceiving of themselves.

With these matters in mind, I have organised my analysis of participants' responses around the following themes:

- How credit connects us 'transactionally' with certain individuals and entities, but also extends through the economics of social relationships to enactments of 'care' and responsibility for others;
- Ways in which credit scoring, as a mechanism of selection and ranking, emphasises our 'likeness' to or difference from others, with implications for our relative social standing;
- How emotional or affective states are informed by finance, including participants' feelings about credit scoring and towards lenders and debt systems generally; and
- The location of credit in the shared moral understandings of individuals, including how financial behaviours and the financial system can be tied up with notions of ethical action.

Unlike many of the topics discussed in Chapters 4 and 5, very few of these matters are afforded analytical space within the 'official' discourses that surround the lending industry, or are explored to any great degree in the extant research literature on finance. I felt that, methodologically, the topics discussed below presented new avenues of inquiry that will serve to enlarge scholarship in this area.

Relations with others

I start by examining the ways in which credit and its technologies impact on participants' relations with others – both how credit and credit scores have implications for relationships with others and how others' actions might impact on the use of credit or their credit score.

Connections and interactions with others

Participants offered many examples of how credit and credit scoring are involved in forming, maintaining, and shaping relations with others. Most obviously perhaps, when gaining access to consumer credit, borrowers interact with a suite of corporate actors and professional agents within lending networks. These include entities with definite roles recognised by the credit system such as bank lenders and finance companies, and also the brokers, valuers, lawyers, and insurers who represent and attend to the interests of various parties. Because credit scores play a key part in authorising which persons can be lent to and on what basis, the interaction of credit bureaus with lenders contributes to the transactional identity of borrowers within these relationships. Kellie observed that extinguishing or transferring debt (for example, by paying off a loan or changing banks) effectively removes a set of these persons from your life, although who the original lending parties were remains documented on your credit file, as does your performance for them. Participants in focus group 3 noted that the legal duties on the

borrower's side of the transaction can extend to relatives such as parents or grandparents who act as joint mortgagors or guarantors – bolstering the strength of the credit application and underscoring the economic utility of family and social relations within credit arenas.

More generally, participants noted that credit and creditworthiness can be tied up with social relationships because of the economic interdependencies brought about by sharing our lives with others. A topic frequently raised in discussions was the financial repercussions arising from caring for dependents. Christopher, for example, described how taking responsibility for children meant incurring costs and making financial sacrifices which could span a considerable period of time and affect one's credit standing. Vicky described how meeting debt repayments and maintaining her creditworthiness depended on family-related decisions associated with the geographies of living and work. Both participants emphasised that their ability to care for dependants relied on the availability of credit to bridge short-term needs. Alan saw that having a poor credit history could affect his ability to provide for his family: "If I had to get something quickly, or had to buy a new TV or washer – not having the cash, I wouldn't be able to do that on HP [hire purchase], or anything like that." For these and other participants, credit acts as a conduit in the social realm – an enabler for intimate and family relations, and a gateway for entering certain relationships.

Many participants reported having to reach out to those in their social networks for support in times of financial need. Given that

assistance from others (financial or otherwise) can act to lessen the likelihood of credit defaults, some participants thought that a credit score reflects, directly or indirectly, the extent of support from one's social network. For instance, Sophie could imagine how the credit scores shown in the two hand-outs I presented for discussion in interviews (refer *Appendix A*) were linked to parental assistance:

The 754 one perhaps has a better parental backup, ... if they get themselves into trouble, their parents can kind of [help] ... The 564 person could come from a lower income family and have the issue of, "My parents can't back me up. I'm on my own."

Sophie also wondered about the effect one's upbringing and education has on one's credit history; for instance, where the past influence of one's parents, peers and teachers affects a person's financial behaviours. Participants in focus group 5 thought if a person's parents had not told them about the importance of establishing a credit history early on they would have a low volume of transactions, which contributes to a low credit score (known in the credit industry as a 'thin file'). A number of participants remarked on how advice about financial matters given to them by their parents figured as part of wider expectations and values imparted to them. Parents satisfied a familial responsibility to establish the 'background' against which a child might conduct themselves – shaping others as (perhaps) they themselves had been shaped (see also 'Giving financial advice' below). In these situations a credit score could therefore, in a Marxian sense, be seen to reflect, or comprise, the "cultural capital" transmitted

between generations whereby knowledge of successful debt practices is acquired and mastered along with many other forms of social competence (Bourdieu & Passeron, 1973; Bourdieu, 1986).

Impact of credit on relationships

An individual's credit standing can also be seen as a *cause* of some social relationships, as well as an effect. First, participants offered examples of how credit played a part in strengthening existing social bonds or bringing about new social relations. Alan described how a good credit score could provide the means to participate in mutually beneficial activities: having access to credit generated opportunities for joint consumption by his family, which resulted in a positive shared experience: "I would use that money and we'd go out and buy something, or we would go away for the weekend, or something like that." Kellie reported how a friend would make visits to her to talk about her debt situation, and Rosie thought that borrowing to undertake a joint project such as renovating a house brings people in a relationship closer together. Kezia thought that people in similar financial positions might be more socially compatible, and observed that her friends with families and mortgages interacted with each other easily because they share the same life 'package'. In these examples, credit acts as a catalyst for the pleasures of 'sociability', and the shared aspects of economic responsibility serves to nourish social bonds.

In other situations financial necessity can be the primary or sole motivation for creating social attachments. Alan and Rosie talked of how they would seek out acquaintances who could assist them financially – in work settings, through sports or recreational groups, within gambling circles, and amongst other ‘clients’ of welfare organisations. Other participants talked about a particular social formation in New Zealand aimed at sharing the costs of accommodation and making it more affordable – the Kiwi phenomenon of ‘flatting’ with acquaintances or strangers – which has assumed the status of a cultural rite of passage among segments of the population (University students, for example). Sophie’s experience of setting up a flat with five other students involved her using her credit history to open utility accounts, taking responsibility for pre-paying rent and bonds, and occasionally lending money to her flatmates. She emphasised how a sense of *camaraderie* had developed among members of the group during this process, illustrating how practical need, and the financial arrangements that allow it to be met, can act as a foundation for forms of social interaction.

Financial co-dependencies or connections with others through debt, however, do not always lead to positive social experiences. Several participants described how their difficulties in managing debt had soured relationships with others – upsetting day-to-day routines and spending patterns, causing stress and resentment, and imperilling social ties. The financial wrangling arising from Cath’s separation

from her partner, for instance, ended up adversely affecting her ability to relate to her friends, causing her to become more insular:

I don't even feel as if I'm a good companion or friend at the moment. My friends are all wondering why I'm so grumpy. Well they know, but nothing is normal. I've just felt a bit depleted and a bit saddened and you don't have the same energy.

Likewise, constant hounding by creditors for debt repayments meant Alan had become reluctant to communicate with anyone at all: "You get to the stage ... I unplugged the phone from the wall because you just don't want people ringing."

Being saddled with debt, furthermore, can limit one's options and compromise one's independence. The decision to stay in otherwise failed relationships in order to 'get by' financially was one that many participants, including Kezia, had seen or made themselves:

Well we're not really partners. We've kind of split up, but we're a financial team and we're committed to supporting each other until we finish [university study]. So when he's finished and I'm finished we'll quite possibly live separately, but we need jobs before we can do that.

Entwining one's life with another's can mean that the risks of credit default are extended from one person to another, and a number of participants thought of their close social relationships as being financially risky. The example of caring for dependants surfaced in discussions on this topic, as a case where one needs to accept that a sacrifice of one's credit standing is sometimes required to meet the

needs of those in one's care. Teresa had first-hand experience of the fraught financial consequences of an intimate relationship: bad investment and spending decisions by her risk-taking partner meant that she had needed to "pick up the pieces" afterwards:

Those sorts of people do achieve big things in their lives, but at the same time it's kind of really stressful if you're going along for the ride and then if they crash and burn – it's a lot bigger than anyone else.

All of these examples show situations where the implications of finance spill over into personal and social realms.

Giving financial advice

One way that some participants thought credit matters were implicated in interpersonal relations was through the practice of giving financial advice. Many participants reported having received advice or guidance in face-to-face contact with those in close relationships, such as partners, family members, parents, or friends. The advice – usually given verbally – encompassed whether, when and how to go about borrowing money, and in some instances focused on the desirability of building up a good credit history. Participant accounts seemed to confirm theories advanced in the sociological literature that characterise advice-giving as a communicative mechanism for enacting 'care' and support for others, albeit a complex and nuanced one dependant on specific context (see for instance Goldsmith & Fitch, 1997). The informal 'interpersonal advice' received by

participants was often unsolicited and offered gratuitously in social settings, and was distinguishable from the types of formal advice sought from qualified technical or expert advisors (such as accountants or lawyers) which impose an expectation of legal accountability upon the advice-giver. Curiously, participants readily acknowledged that in some cases the advice offered in close relationships might prove not particularly useful if followed: as Christopher pointed out, the guidance may not be based on the actual knowledge or experiences of the advice-giver, but based on incorrect understandings or assumptions, and in some cases would not be what the advice-giver would do (or have done) themselves.

However, in the examples talked about these failures did not seem to detract from the intention or sentiment lying behind acts of advice-giving. Advice-giving practices were instead seen as having multiple purposes or motivations, such as displaying the advice-giver's social or familial commitment to the welfare of the other, or even cultivating the advice-giver's sense of self by enacting empathy through internalising the perspective of the other – what Crossley (2011) describes as cognitive internalisation (a way of internalising and mirroring others). When asked in interviews about the purpose of this type of advice-giving, Kellie and Ian thought the content of the advice was not particularly important and it wasn't a case simply of communicating information between two people; they viewed it, rather, as a way of cementing or maintaining relationships or friendships. Sharon noted that at times it was possible to see financial advice-givers as hypocritical or self-serving, but generally she felt that

they were moved by a sense of social or interpersonal duty and a concern for the well-being of another. Trnka and Trundle (2014) argue that social settings at times necessitate a switch between neoliberal logics of self-responsibility and care of the self, and other forms of interpersonal responsibility and obligation. In participants' examples we can see how social actors are involved in the enactment of responsibilities that transcend the narrow neoliberal logic of self-interest that demands that we each act as autonomous individuals.

Geena also drew my attention to what she called "advice by proxy" – information imparted to potential borrowers via the marketing and advertising material of lenders – and was sceptical of its value as 'assistance' based on what she saw as a fundamental misalignment of motivations and interests: "It's bad 'advice,' and it's biased, but it's still advice and it still influences people quite a lot." She felt that many people, influenced by the perceived authority and expertise of the advice-givers, would uncritically accept and act on advice from these sources. Other participants thought that such advice could be patronising. Rio was disparaging about what he saw as the overly-paternalistic nature of both lenders and welfare agencies which offered advice, and set or suggested rules to follow to protect people from their own actions. He thought that the views of these agencies coincided too closely with the overall outlook of the 'establishment' – seeing that as akin to a 'religion', where exploitation occurred under the guise of protection:

We'll look after you. We'll provide the sheltering ... so you can live your life underneath here, this all-encompassing cover. That'll keep them happy. Suck them for 30 years paying a shit load for their mortgage.

It would not seem that the types of advice-giving practices discussed by participants directly determines subject positions. A characteristic of advice, after all, is that it is not mandatory to follow it, and an individual is left to choose whether to alter her/his behaviours in response to it. But financial advice-giving appears to play a role in social settings in more subtle ways, contributing to an overall background discourse that transfers not only facts and knowledge but also ideas about culturally acceptable ways of using and thinking about credit.

Finding one's place – locating oneself

In earlier chapters I examined how some participants equated the performance of individuals under the calculative technologies of credit with the 'common good', providing insights into ways that our civic 'sameness' can be mobilised by the technologies of credit markets. However, notions of likeness and difference can be seen to permeate credit scoring systems more fundamentally, providing the basis for the constitution and location of persons that are valued economically and socially in distinctive ways. In this section I investigate, in more detail, participants' understandings of: (a) the nature and dynamics of the similarities and differences constructed by scoring systems; (b)

how scoring systems operate to compare and position us economically but also socially; and (c) attitudes that individuals have towards others (and to themselves) due to relative placement within borrowing collectives.

Determining similarity and difference

Conceptions of similarity and difference are manifest in credit scoring systems, most obviously by the statistical ‘discrimination’ among individuals contained in a credit population, based on predicted future actions. The mechanics of selection group us with others within parameters of like creditworthiness, and provide a reference point for evaluating our relative differences. The resultant credit scores allow lenders to distinguish at a granular level between would-be borrowers, and decide whether a particular borrower’s individual differences justify adding them, together with past applicants to ‘approve’ or ‘reject’ baskets. As discussed in Chapter 4, the notion of difference is played out economically through the incentive mechanisms embedded in scoring algorithms that offer “rewards” to individuals for eliminating differences between their past performance and desirable standards, and impose “penalties” for those who either fail to comply or continue to exhibit undesirable behaviours of the past. Here, the economic ‘success’ of a credit consumer lies in the subject’s willingness and ability to conform by eliminating personal differences relative to the norm. It was understood by virtually all participants that scoring algorithms establish a set of economic facts that allows

our financial performance to be compared with that of others, and that a good credit score opens up better possibilities for obtaining credit and managing one's consumption more successfully. Borrowers might be able to get a crude sense of their relative creditworthiness from the outcome of their lending applications, anecdotal information from their social networks or from the media. However, credit scores (such as those I introduced into the interviews for the purposes of discussion) encode and present this information to prospective lenders and an individual borrower (upon request). It is not necessary for credit consumers to know the credit scores of all other borrowers in order to make such comparisons if the distribution of scores amongst a population is known, or if an indication of the parameters and relative measures are included with the score. The credit scores presented as interview hand-outs (refer *Appendix A*) included a range of measures on them, such as "Relative risk", "Application odds", and "Population odds". In addition, Veda made various public statements at the time of the interviews on what a particular score means (for example, a score of 700 or more could be viewed as a 'good' credit risk, while a score of 100 or less means it would be difficult to obtain credit – Veda, 2009), and, if asked, loan brokers or the lending institutions themselves are likely also to give an applicant a sense of how their score compares against the population.

In these ways scores and scoring regimes say something about the 'class' that a person occupies differentiated by relative risk, but also implies something about the group. Through learning of their relative

position by having their individual abilities and capacities graded and calibrated against a population, people also become aware that their ‘package’ of financial characteristics forms part of the sum total of possible types of packages – the overall mass of borrowers. Through scoring’s “totalising gaze”, as Marron (2007, p. 106) puts it, the collective body of borrowers emerges “within a discourse and apparatus of risk” (p. 116).

With respect to the sorts of cognitive processes on the part of borrowers discussed in Chapter 5, people’s differences made visible under scoring systems bind them together with a particular type of ‘sameness’ – an likeness derived from a “mental membership” (Crossley, 2011) of a community of borrowers. Participants in focus groups 1 and 6 noticed that various interpretive measures included on the sample credit scores I showed them – such as “Population odds” – did not appear to change with the person being scored. They interpreted this as showing there was a “national standard, as opposed to you compared to standard” and that an important marker of creditworthiness was one’s membership in a national borrowing group. Other, more subtle, implications were discussed by participants in focus group 2, who speculated that *inaction* by an individual, rather than action, might lead to one’s relative creditworthiness deteriorating in comparison with others: if the average performance of the population of borrowers improved due to their actions but yours remained constant then your score would worsen, relatively speaking. This means that a person’s score – a

measure of performance relative to a population – is determined in part by the actions (or inaction) of those around you. Hannah pointed out the converse situation: if the population's average performance had decreased but your credit-related behaviours had remained constant, your score would improve. In this sense, credit scores can be seen to comprise a collective 'communication' between individuals – scores are a way of transmitting knowledge of ourselves to others, and also knowledge of the behaviours and impacts of others' actions to us, knitting the 'many' together with the 'one' through determining one's relative position.

Social comparisons

Hacking (1990) reminds us that the process of making associations and comparisons – the practices of “lumping and splitting” phenomena into categories according to perceived similarities and differences – impart *social* meanings which support the social division of the world and our place in it. Many participants thought that individuals would understand a credit score as sending wide signals about the role or position they had in society given that economic facts are often responsible for establishing social truths. Some participants remarked on how comparing ourselves to others in this way and drawing conclusions was a familiar part of social life. Barbara, for instance, noted that we discover our own illnesses by way of comparisons with healthy bodies. Rosie told of how she assessed the significance of damage caused to her home in an earthquake by seeing

how others were affected. A number of participants talked about how financial characteristics are important indicators of cardinality in society. People take note of ways in which relative wealth is signalled and assess what this means for their relationship with others. Kellie described, for instance, how she had formed certain expectations about someone she had met recently, based on details that he revealed about money matters such as his salary. Financial information is useful not only for economic purposes but in social contexts as well. However, a number of participants suggested that the way that differences amongst people are produced and harnessed by credit scoring systems is problematic. Rio thought, for instance, that some people would look to a credit score not just in terms of what it could do for them in terms of taking on credit, but primarily as a measure of status among their peers:

Some people would feel validated that someone had agreed that they were a great person, and “look, use my number to prove it.”

Kezia thought that the action of seeking the ‘reward’ of a good credit score was flawed if a person did this mainly to achieve a positive view of themselves based on a comparison with others: “If someone feels good because they’re ‘better’ than someone else, that’s pretty dodgy.” Participants in focus group 7 thought this was especially true given that people find themselves in quite different financial and economic situations from each other, for reasons which are not entirely of their own making. It might, therefore, be due to sheer luck or circumstance

that a person achieves a high or low credit score, and this would mean that a credit score was not a sufficiently meritorious measure to use in judging self-worth. It might also imply that there is only one way to order one's life in terms of finance, when in practice people take different approaches to managing their money based on a diverse set of particular circumstances. In this vein, Teresa thought that it was wrong to equate measures such as credit scoring with our social worth because it diminished the value of social differences.

A number of participants thought that there were inconsistencies and double standards employed in the 'official view of what constitutes 'responsible credit use, and this produced distortions in what otherwise could be touted as a coherent economic and social framework. For instance, Kezia talked of how we are 'programmed' to see only the 'asset side' of people's lives – her friends with expensive houses were considered "successful" despite having correspondingly large borrowings (that is, mortgages). Teresa also pointed out that debt-related stress affects the wealthy as well as those at the poorer end of the scale – although this is not openly talked about and we are left with the impression that high levels of indebtedness are a desirable and manageable part of life.

Participants also questioned whether individuals would always possess the physical and mental capacities to modify their performance in desired ways, and therefore whether the incentives in credit scoring systems work in practice to affect or motivate all individuals to the same extent. A recurrent example brought up in

interviews was that of individuals with physical or mental disabilities, where the material body prevents the performance of activities expected of 'typical' or 'desirable' credit consumers. As participants pointed out, physical disabilities can often result in economic disadvantage because: (a) there is a need to rely on others for care and assistance (Leanne); (b) medicines, treatments and necessary modifications to accommodation and transport impose extra costs (Christopher; Alex); (c) opportunities for independent work are more limited (Barbara; Christopher); (d) a lack of energy can be a problem (Barbara); and (e) achieving formal educational qualifications can take longer than it would otherwise (Thomas). These factors point to differences that effectively place a brake on individuals' abilities to structure their credit behaviours to achieve the designation of a 'creditworthy' citizen no matter how enthusiastic or willing the person in question is to alter their habits. Participants thought that persons with mental health difficulties could be similarly disadvantaged, particularly those who find it difficult to respond to incentives because of cognitive afflictions that affect memory, motivation, or decision-making, as well as those who experience physical or psychological addiction to drugs, alcohol or gambling (Thomas; Geena; Alex; Barbara; Alan). In these cases the incentives created by scoring systems fail to produce the desired performance, and these 'varieties' of people are destined to remain underprivileged.

These examples highlight a further link between debt and corporeality, but the aspect emphasised by most participants was that

scoring systems do not seem to make due allowance for people's impaired abilities to service debt and therefore do not accord these human differences sufficient value in the construction of a credit score. These participants understood credit scoring to recruit only certain types of people as successful citizens – able-bodied, active, and mentally 'fit for purpose'. People who do not have these characteristics will fail to 'measure up' under credit scoring over time and their inferior grading will relegate them to outsider status within the credit population.

With respect to these examples, credit scoring gives the impression that personal and economic transformation is attainable by using one's agency to alter financial habits and produce a good credit score. However, in practice scoring may operate to marginalise sections of society and subject borrowers indiscriminately to macro-economic effects. Geena talked of how a system that offers a changing credit score implies that a person has an opportunity to influence or change their credit status for the better: that one's credit history reflects not a fixed social position but a shifting state of play within a process of social interaction – a mobility of identity. The reality as she saw it, however, was that our reliance on credit and expectations for advancement are linked to the wider economy despite there being an appearance of increased personal responsibility for one's financial situation. As participants in focus group 7 remarked, a real estate agent or an agriculturist suffers financially if the local or international markets they rely on for income decline, and this may have a greater

effect on their credit score than their personal actions. Macro-economic events, moreover, can cut across class divides, subjecting everyone to economic shocks. Lisa, who lived in Ireland at the time of its financial crash in 2008-2011, observed how credit problems produced disharmony and had made enemies of people as they fought over financial problems, “the economy or the country – there’s a sense of the whole mood was affected. The trickle down effect is very obvious.” As Harvey (2005) has most notably observed, exposure of individuals to shocks from globally connected markets is a feature of neoliberalised economies – an intimate connection forged by the unprecedented mobility of capital in transnationalised markets (see also, Brenner, 2006).

Attitudes harboured towards others

A further criticism levelled at the fine distinctions drawn between people in credit scoring systems is that the competitive nature of people and the tangible rewards afforded by a ‘good’ credit score might encourage individuals to act towards each other in socially divisive ways. J.S. Mill’s (1907) famous dictum, “Men do not desire to be rich, but to be richer than other men,” sums up the sentiment expressed by participants in interviews insofar as credit scores not only could be used to meet an individual’s own financial needs, but to position themselves strategically in competition with others. Hannah said that based on her understanding of how the credit scoring system

works she could not help but wish for other people to default on their bills: “Well that’s my hope, as terrible as it sounds.”

It was not always the case, however, that participants would wish others to suffer relative to them. A different perspective was provided by participants in focus group 2 who noted that existing social bonds might take precedence over the ‘rivalry’ presumed or invited by credit scoring. Caring for a close relative, for example, could be expressed through providing financial support that would improve the credit history or preserve the credit standing of that person, “like when a [close relative] has put down their name for their flat phone bill and then somebody’s run up the charges – they’ll need help.”

Such support, however, might only be offered selectively: for example, it might be extended only to people in a particular social relationship, and it is possible that people could have an incentive to stand by and choose to watch others get themselves into trouble in order to make themselves look good, financially speaking. Kezia traced this back to the methodology employed by credit scoring systems, which she thought emphasised comparative standing and created “an imbalance between people, saying, ‘I’m better than you.’” In Mick’s opinion, “the gap between rich and poor has gotten greater, no question about it,” and he felt that credit scoring systems could undermine social cohesion, as “something that could potentially drive a bigger wedge.” He thought that the well-off classes could achieve superiority through shaming the less wealthy, making their opinions known to those whom they regard as inferior. Cameron agreed that

credit scores could be seen as markers of inequality and that they provided a justification for the wealthy to treat those who struggle financially with contempt. He figured that social dignity in places like New Zealand turned on the presence of debt and was judged by the *relative* gap between rich and poor rather than absolute levels of wealth:

If you live in an impoverished village in the developing world, well, everyone has nothing. But here, if you're poor, two things impact on you – one is that you're treated with contempt by society and the other is that you're in debt. You not only have nothing but you owe, and that pressure is a really harsh thing.

Geena saw the media as complicit in reinforcing negative attitudes toward disadvantaged groups such as social welfare beneficiaries, including permitting derogatory comments to be posted to online news stories and then representing those comments as 'feedback' or 'public opinion.' She had experienced feelings of shame first-hand when asking for discounts in shops on the basis that she was a beneficiary. She could avoid this by choosing to pay the full price using a credit card, where the finance charges were the cost of preserving her dignity – the price paid, effectively, for avoiding social opprobrium:

The interest that you pay, which is really the opportunity cost as it were, you're paying that so you don't have to go through the hassle and humiliation.

In these examples we see how the logic of competitive comparison invokes social attitudes – of contempt, of hate, of shame, of humiliation – as organising concepts propped up by the “objective” positioning of individuals within borrowing populations, shaping attitudes that individuals harbour towards others (and to themselves).

Affective subjects

Situations such as those discussed above illustrate how the relative positioning of individuals in collectives can be tinged with an emotional hue, giving affective texture to the activities of everyday life. In this next section I examine the ‘affective practice’ of participants in relation to credit and credit technologies in more detail, studying how the range of feelings and emotions occasioned by economic and financial relations plays a part in the production of the contemporary self at the level of the individual.

The study of affect and emotion supplements traditional approaches employed in finance research, in which the focus is primarily or exclusively on individuals as rational calculating entities. It rounds out a study of selves in society that accepts rationality as comprising a part, but not the whole, of individual subjectivity, and treats emotions and ‘feelings’ as elaborated subjective experiences – not just physical or mental disturbances to bodily activity. Geena remarked on the significance of affect in navigating our world. She talked about how feelings and emotions operate alongside, or instead of, more rational modes of decision-making, sometimes to the point where “logic

doesn't necessarily come into play." Likewise, participants in focus group 1 suggested that even a person with a bad credit history shown "objectively" through a credit score could still disregard it in their own minds because they did not "feel like they deserved it." In these instances, emotion and feeling overwhelm rationality in the totality of subjective experience.

While Crossley (2011) reminds us that emotion is a permanent dimension in the world – not something that is to be turned on and off, such that we are sometimes emotional and other times not (see also Heidegger, 1962) – emotions can nonetheless become more vividly experienced or noticed on some occasions. A participant in focus group 6 thought that emotional responses to credit scores would arise most conspicuously at times when those scores pose a barrier to action:

Unless it actually adversely affects their day-to-day life, most people probably wouldn't really care. If it stops them doing something that they wanted to do, then yeah.

On this understanding, "caring" about one's credit standing is not something that is done continuously, as a constant or generalised activity, but unevenly or sporadically, sparked by circumstances in which scores become noticeable by taking on a certain relevance, and in settings that are largely overseen by lenders. This can be seen in the design of scoring and lending processes – where credit scores, largely absent from view for most of the time, 'pop up' at the time of

major financial decisions such as buying a home or a car using loans, drawing on the fear of denial as motivation for compliant behaviour.

Many participants reported that in general they thought themselves to have little emotional feeling about credit scoring. The reasons for this varied. Lisa, who generally believed that scoring would operate to further and promote her interests, said that she didn't mind the idea of credit scoring and there was little reason to care about credit checks being done because she could guess that her credit history was good. Sophie thought that credit checking activities could be accepted without getting emotional because in her case debt (a student loan) was a normal and common thing for those in her peer group to have, and also because it was offered in a 'trusted' context (her university), which imparted a sense of 'rightness' or inevitability to the situation. These participants appeared not to be overly worried about credit scoring due to the reassurance gained from their respective settings.

In a slightly different scenario, participants who knew that their life decisions were already constrained by their bad credit history reported having no particular emotions about credit scoring because they had become resigned to their situation over time. For instance, Alan said he would "just accept the fact that I can't do the things that I want to." Clint talked about how he regarded credit checks, which he encountered infrequently, as simply a functional necessity and not something to get upset about. The idea that scoring just 'comes with the territory' was raised by participants in focus group 8 – "It's just one of those things, isn't it?" – and the inevitability of there being

‘winners’ and ‘losers’ in a credit environment was raised by Barbara who took a pragmatic view of her place in a ‘monied’ society:

I don’t think financial institutions are actually that fair. And I think everyone’s a slave to the money really, on a personal level. But, we need it, so you’ve got to do the best you can with it.

Mick saw a lack of emotion about things like credit scores as a product of general apathy and an attitude of indifference held by people in contemporary society. His idea was that people’s emotional states are determined by dominant discourses circulated within society, which dictate the ways in which we self-identify:

Part of what is happening is the world is becoming more blasé and that it’s more driven by technology and the media and people are losing their sense of identity. So you’re going to find that there’s going to be less vehement objection to something like this, to any developments that are going on. People are fed a certain line by the media and by the advertisers and gradually that becomes part of who they are. They’re selling you your ideal self-image but it’s actually their image ... and your identity becomes the identity they’ve created.

Cath thought that a “business-like” attitude to financial dealings was deliberately encouraged in society, and people learn to keep emotional reactions “under wraps,” even when those dealings were prompted by highly emotional events (a marriage break-up in her case).

The field of ‘relational sociology’, as advocated by Crossley (2011), provides insights about the *social* nature of emotions (or of

their apparent absence) in these situations. First, the separation of parts of one's life into different areas can be seen as characterising an underlying "classifying" impulse which all humans face. The separation of areas of one's life need not correspond to "natural" divisions (although they are often perceived to be such) and are essentially arbitrary. Secondly, although financial interactions might seem to us to be affectively neutral, neutrality itself is an emotional hue. Crossley would argue that confining our emotional responses to credit to certain parts of one's self – those personal and private territories separated from the 'public' realm of finance – is an example of the "conventional" nature of how feelings are permitted to be shared in society. It is an indication, in other words, of the way in which we operate collectively to delineate boundaries and make sense of our world by reference to a community of borrowing subjects.

Several participants suggested that the deliberate dampening of feelings could occur not just as an act of social complicity but as part of an act of *resistance* to the influence of debt systems. As I discussed earlier (see 'Resistance' in Chapter 5), rather than indicating passivity or submission the cultivation of emotional detachment could be experienced by subjects as a way of reclaiming a sense of agency. A participant in focus group 7 explained that because she felt that statistical information presented on credit scores was 'manipulative,' it was not worthy of her emotional investment. In another example, Kellie discussed how she deliberately sought to develop a feeling of calmness, and focused *positively* on her comparisons of herself with

others, to avoid the jealousy that mechanisms like credit scores might otherwise create. Rio said that he had cultivated a detached attitude to credit, taking only a “philosophical” interest in things like scoring as an amusement – only “for humour value” as he put it – because he had chosen “not to live in that world.” He explained how he “distanced himself”, putting himself out of reach of finance, by rationing or blocking his emotional involvement, thinking that the financial system (and paying debts in particular) deserved one’s attention and emotional energy only to the extent needed to achieve one’s particular purposes. He used a surfing metaphor to describe how to avoid being enveloped and ‘dragged down’ by the circumstances of, and processes embedded in, borrowing:

I’ve used the financial system as best I can, just to stay on the wave actually because you get the nose of the board down you’re fucking under ... You watch out for that jive because it can fucking floor you.

Since very few of the participants in the study had actually seen their own credit score, a number of them offered guesses about how others might feel about the sample credit score I offered in the interviews for discussion, or how they themselves might feel if the score I had presented were theirs. This underscores an important point – that emotions might be said to be social not only in colouring the actual interactions we have in society, but also as part of imagining ourselves in hypothetical social situations and invoking the perspective of others.

Sophie and Teresa speculated that people's feelings about credit scoring would very much depend on their current financial circumstances, such as whether they needed a good credit score to get their first mortgage. Other participants recognised that not everyone would have similar outlooks. Kellie thought that positive feelings like happiness are relative – someone who has a lot of money still might not be happy. Rosie thought that a credit score could be viewed positively as being useful, or as encouragement to improve one's behaviour, although she said that she could see how others might react differently. Specifically, she acknowledged that some people might have the 'wrong' types of feelings – not the 'right' sorts of feelings, that is, those desired by the finance industry. Participants in focus groups 1 and 4 thought that people might feel anxious or stressed about finding out that they possessed a credit score, and Rio reasoned that this could be brought about by a fear that a score would be used against them:

A fear that if they've only got a '302' then what is it going to do to their next mortgage application?

Other participants linked emotional feelings about credit scores to concerns about privacy and surveillance. For instance, Hannah speculated that being troubled about the idea of credit scoring could stem from people being puzzled about how a credit score could exist and have arisen without the individual knowing of it. A participant in focus group 3 could imagine that some people, no matter what their

score was, would feel outraged to find someone or something was collecting data and ‘keeping tabs’ on them. A member of focus group 3 imagined that people who realised that they were being watched would be upset: “It feels a little bit Big Brother-y, that they can go back and check everything that you’ve bought or had a loan for and judge you on it.”

One way of interpreting the apprehension or nervousness felt about having revealing personal information recorded is with reference to Goffman’s (1959; see also Simmel, 1906; 1955) theory of secrecy. For Goffman, to control information is to control one’s self, and to lose control over the manner in which an individual is regarded and known across various contexts leaves the self vulnerable to the control of others. One way that market devices such as credit scoring might exert ‘social’ control over individuals through their emotions is by playing on their inclination to respond to being judged by others. A participant in focus group 1 thought that even if it were not to be applied to a lending transaction in the immediate or near term, the fact that someone could potentially find out that she had a low score would be worrying: “I’d hate anybody thinking though, that I had a low score.” Michael, a mortgage broker by profession, talked of the embarrassment experienced by those who find out that they have unpaid debts at the time they apply for a loan:

Especially people that are unaware of it or think it was resolved at the time without anything being put on their credit. Like they’re probably the ones that are most aggrieved and feel embarrassed. Embarrassed probably

to me, and probably if they've got a partner and the partner's got clean credit - they might feel guilty. It's quite bad.

In this case, having others see the evidence of a past credit default caused embarrassment, and perhaps a feeling on the part of the borrowing applicant that they have “let themselves down” (participant in focus group 4). Sashin, a rental property agent, observed that some people's reaction to identifying a credit default is to express gratitude for the opportunity to rectify it:

I have people who have defaults or credit collections against them, and they're grateful. They didn't know about it. Maybe they're lying, maybe they did know, but they'd have to pay it off by the next time I check.

Other participants discussed how one's ‘pride’ could shape financial dealings. Kellie explained how her own pride had prevented her from applying for a reduction in school fees on the basis of hardship, meaning she had to borrow to pay the amounts. Ian, likewise, said that his self-consciousness about his financial situation meant that when it came to family or child support obligations he was reluctant to reveal his true financial situation. Litia and Vicky discussed wanting to protect themselves from the humiliation of exposing their financial problems for others to judge, and Kellie hoped she would be able to avoid developing the “inferiority complex” arising for those who are the object of social contempt on the basis of being poor. It is not difficult to see how these powerful feelings are available to be harnessed and exploited by credit scoring systems; a credit score

makes our successes or failings visible to others, and operates as a source of pride or embarrassment, in the eyes of others and ourselves. These situations also indicate how affective practice operates intersubjectively, across a few or many people – it is only possible to feel ashamed (or proud) in the real or imagined presence of another.

Emotional responses to finance

Although the emotional states that participants described in interviews were often connected to particular instances related to credit, such as making bank loan applications or wrestling with a home budget in order to avoid defaulting on loan repayments, they were also related to experiences of credit more generally. Participants thus perceived the emotions encountered within the *wider* domain of finance to be relevant to discussions about credit scoring, suggesting that affective practice can be threaded across expansive sites, drawing on general experiences in our lives to colour our responses to specific phenomena.

The emotions reported by participants as arising in relation to their general experiences of debt were, for the most part, negative. The presence of debt was seen by some participants as the legacy of disappointing outcomes – failed business ventures, gambling debts, or the result of discrimination or malicious action by others – and participants felt that being saddled with debt removed the economic freedoms people might normally expect to enjoy and diminished the size of their social world. Kezia expressed disbelief at the “unreal”

extent of debt that could accumulate over time and said she was “awed” by the size of her loan, while Alan talked about the feeling of being swept up in a larger system of debt – of *being consumed by credit* rather than *being a credit consumer*. Not earning enough to get a loan to buy a house or to pay off debts and improve a credit history was seen by Sharon as “demoralizing”; and Geena felt she had been diminished in the eyes of her bank to a simple dollar value – a dehumanising experience caused by her on-going inability to service her debt.

Many participants focussed on what they imagined the future could hold. Alan felt that his debt was always hanging over him, waiting for him to return from elsewhere, and Rosie thought there were dangers in banks making lending products too easily available: for some consumers succumbing to the temptations of easy credit meant that failure was inevitable. Rosie was frustrated at not knowing the ‘right’ financial decisions to make in times of financial distress, and Geena felt trapped by her financial situation: “it just seemed like I could never get out and I think that had a detrimental effect on me mentally.” Hannah despaired because she thought that she might be forced to take on more debt in the future and her debt situation would be permanent or perpetual – “I will die with my debt!”

Credit use left a grim impression of credit on these participants; the presence of debt in their lives signalled failures in financial competence and indicated circumstances that had allowed others to trap and control them. Credit scoring, in the light of this attitude,

could be seen to amplify the negative qualities of consumer debt: to be a tangible memory of one's failings, a mechanism for recording one's shortcomings (and recycling them for future use), and the painful realisation of one's indentured status, subject to the will of others. As Cameron observed, debt, and the documented instances of 'financial transgression' contained in credit scores, establishes rights for others to persecute us and intrude upon our lives:

You're not just with little, but you're in debt. You're hounded, you feel like a criminal, like a semi-criminal or you feel bullied, you know, by these people that come for you because of your unfortunate situation.

Intimate or family relationships are social sites where we often perceive there to be most 'at stake' emotionally, and some participants told of how the emotions experienced in relation to debt adversely affected their relationships with close relatives and loved ones. Teresa was so angry at finding out that her partner's actions had contributed to her being placed under debt examination procedures by her bank that she considered leaving him, and Cath's relationship with her brother broke down in the wake of her relationship break-up and family disputes over money. The precarious nature of some spaces occupied for family or work added to anxiety or stress. The fear of not being able to provide for oneself or one's family was felt strongly by those experiencing financial uncertainties from the lack of a job, and Kezia discussed how having dependants added to the "scariness" of the situation. Hannah and Barbara believed that it was common for people with loans to worry excessively – as Hannah said, "it's the

reason people lie awake at night.” Sophie thought that when it came to loans which were difficult to repay because of one’s changed financial situation, “the idea of thinking about it would probably cause me to have an anxiety attack.” Some participants reported trying to borrow from other sources in order to pay off existing debts – leading to a ‘cycle’ of borrowing and to particular kinds of emotional subjects that are repetitively materialised through the processes of credit.

For these workers, consumers, parents, and partners, the ‘affect’ drawn out by credit practices encompassed the personal struggles needed to tend to physical and mental needs, and everyday routines and rituals of obligation and anxiety. A feeling of not having sufficient ‘space’ was a feature of some descriptions. Hannah felt her freedom and independence had been compromised by the economics of her situation; and Ian reported battling constantly with himself over an instinctive desire to ‘escape’ his debts in New Zealand and seek the help of his family in England:

I tell myself, “Ian, you definitely need to go home”, and then the other Ian says, “no, but Ian, you’re going to bloody sit this out and win this and go through it and you’ll be okay.” But the other one is saying, “no, no Ian, this ain’t good, this is not right.” Your instinct and your gut is telling you go home and be with family that can help you get back on your feet.

Part of Ian’s inner turmoil arose from his sense that in breaking the promise he had made to a debt collection company he had also broken a promise to himself – that his ‘self’ had become a victim of circumstance and he had failed in enacting the successful subject of

credit. Geena, too, felt that she “owed it to herself” to concentrate on meeting the cyclical payment demands of her credit cards, and Natalie saw it as important to at least try to improve her credit status because otherwise she would have let herself down. In these instances the emotional context surrounding each specific debt situation is part of illuminating the self – one’s self esteem depends on the efforts one expends to meet obligations to repay debt and achieve a degree of independence from the financial system. Notions of autonomy and self-determination were important for Kellie, who wished to take control of her debts in order to prove to herself that she was more than just a victim. Taking an independent stance and invoking a rhetoric of choice gave her a chance to identify as someone/thing else:

But then I thought, I don’t want to be a victim of poverty. I am in control of my own circumstances, I chose to leave my partner and live like this, and so, I just really want to be really self-reliant.

An undercurrent of obligation and personal responsibility can be seen to bind these subjects to modes of credit management and conceptions of self. But credit and its technologies can also be involved in shaping our emotional regard for others. For example, Kellie felt frustrated and angry at giving financial advice to her friend only to see that her friend did not take the advice on board and did not attempt to change. And Marc described how a ‘tough luck’ attitude could be directed towards others for whom credit is denied based on prior loan performance: “If that individual actually isn’t creditworthy and the institutions come to that view using whatever tools it’s using ‘that’s

tough luck' for that person." Here, feelings are signatures for the impression we form of others and our estimation of their worth.

Not all emotions about consumer debts reported by participants were negative, however. Alan said that he had reflected enough on his past experiences to see the "pluses" of going through an otherwise horrible experience with debt collectors, and Christopher's bad experiences with credit in the past had not deterred him from taking on future debt; it had just made him more wary and "realistic" about his ability to service repayments. In these cases, negative credit episodes provided sobering but 'useful' understandings for borrowers, increasing the resilience of subjects – becoming fitter, more flexible, and potentially better able to combat the emotional effects of future disappointments. Both Sarah and Alan were able to put a 'positive spin' on spending which is financed by debt. They talked about how debt provides opportunities for buying consumer items that then give you "a buzz." Kellie reported that in the past consumer spending had provided her with an emotional "boost", although a change in financial circumstances meant she had abandoned consumer spending as "therapy" and started questioning what is important in life: "I've had to think about what makes you happy, I don't have maybe a few hundred to go and splash out on retail therapy if I'm feeling like a boost." In these accounts the pleasures of consumption, despite them being short-lived, are appealed to as justification for borrowing.

Emotions towards lenders

If we think of credit transactions and credit scoring as comprising ‘dealings’ within a network of actors we can examine how affective practices (including those related to debt forgiveness) are located or ‘held’ in particular interpersonal spaces, such as at the interface between consumer and lender. A number of participants discussed how they constructed and focused their feelings about lenders, considering them as actors performing distinguishable roles and interacting in modes of human-like operation rather than as impersonal entities. For instance, Rio saw lending institutions as “in charge” and patrolling the lending rules, while Alan talked about how it is possible for some lenders to approach debt collection in a way that “makes you feel okay.” Lenders can be perceived to discriminate between their customers, sometimes positively, as when Rosie’s bank awarded her a ‘prestige’ package, giving her a sense of entitlement or recognition, and at other times negatively, as Geena experienced: “You don’t feel like you’re one of their most profitable and valuable.”

The ‘personalisation’ of lenders by borrowers in this way can involve people imputing motives to lenders’ actions. For example, Leanne saw banks as ‘tricky’ for imposing fees on banking transactions for accounts where no interest is paid, and Litia suspected foul play related to a ‘dodgy’ vehicle repossession on the part of a finance company that she had interacted with. More ‘hardnosed’ approaches were evident in participants’ discussions. Teresa said she was realistic in understanding banks to be motivated by profit only,

and Geena said that lenders that engage in predatory lending practices are not deserving of pity and are rightly exposed to loan defaults: “I’ve got no sympathy for lenders who get people in debt like that, not at all.”

Part of conceiving of lenders as entities with distinct identities and characteristics is that they can be distinguished from one another *qualitatively*, drawing on corresponding differences in affect they produce to support the distinction. Christopher thought, for example, that lenders could be distinguished by “the ways [debt] is put into practice” and that all lenders, and all debt, were not equal: some lenders were fairer, more honest, or more deserving, and he referred to one particular lender as “a company which I had a lot of respect for.” Kezia remarked that the qualities of the technologies and tools deployed by lenders could colour the regard one held for banks. She admired a particular bank because it had a well thought out and well functioning internet banking website. Participants sometimes also reported feeling a personal affinity and attraction to certain lenders. Christopher had a sense that the local credit union he used ‘belonged’ to him – “my credit union” – because it was set up to serve customers in his home province in New Zealand, an affiliation based on geography. Differentiation in product marketing by lenders is designed to appeal to the emotions, and many participants commented on how, to them, the different ‘branding’ that lenders employ lends them their particular characteristics. The nature of Kiwibank as a locally owned institution, or the perceived accessibility of Westpac

bank, for instance, builds customer loyalty to the point where borrowers choose to switch lenders based on their interpretation of identity and associated affect (Leanne; Kezia).

Regarding lenders as actors with human-like qualities means that in dealing with these entities participants were able to draw on the general social ‘etiquette’ that surrounds interpersonal interactions. Some participants reported, for instance, being reluctant to tell lenders of their frustration at being denied credit – because it was not ‘polite’ and they did not want to risk souring the relationship for the future. The flow of affect can also be articulated in the context of larger-scale economic events. Lisa described how she had seen bank tellers at a bank in Ireland following the recession hiding or avoiding angry customers:

You know they were there, they just didn’t want to face the people. And I thought that was really interesting how underneath the surface there were all these tensions and anger - a lot!

We can see, in all of the responses mentioned above, a spectrum of affective ‘engagement’ made possible by credit. To the extent that emotions arise from, or are employed in, relations of finance, they can be seen (like finance itself) as both *social* and *political* – playing a critical part, as Wetherell (2012) has identified, in “people’s allegiances and investments, and the activities of categorising, narrating, othering, differentiating and positioning” (p. 10). In fact the range of feelings discussed by participants, such as those emerging in response to the control and self-control demanded by finance, are

powerful precisely because they involve a response to one's relation to others in society.

Settling scores, moral actions

Another way of seeing how emotional responses take on social currency is by their framing and evaluation by individuals within moral or ethical settings. Questions about the place of morals in society have occupied many writers concerned with the social nature of debt. The idea of the debtor as a moral subject is of central interest to Graeber (2011) in his anthropological account, *Debt: The First 5000 years*, for example. And it inspired Lazzarato's (2012) re-reading of classical philosophers such as Nietzsche in *The Making of the Indebted Man*, showing how the debt promoted in industrialised societies originates in guilt. In these depictions lies the notion that credit and its practices form part of the suite of 'dos and don'ts' which regulate our conduct, swaying, to some extent, our 'inner moral compasses' that are the guide to personal identities, and appealing to the higher 'covenants' to which we are bound in society. Below, I explore how participants experienced credit technologies, such as scoring, as involving moral relationships with lenders and other debtors, and how social pressure is brought to bear on borrowers' conduct through this. I also examine how subject positions were understood, claimed and enacted by participants through invoking moral values based on notions of individual or collective responsibility.

Demonstrably responsible subjects

Participants talked generally about the duties and obligations they perceived to be attached to borrowing or being a borrower – highlighting how meeting debt obligations articulates a responsibility fundamental to the governance and subjectivity of credit. The idea that a borrower is ‘responsible’ or ‘accountable’ in a debt relationship arose in many of the interviews with participants. Ian, for instance, described how he felt disappointed in himself for not upholding his end of a debt, which he saw as a bargain involving a two-way relationship with the lender. He thought of the obligations arising for a borrower as a basic responsibility: “They borrowed [sic] me money and I need to pay it back – it’s my duty.” He saw his obligations as extending to acknowledging he was accountable for his past credit-related lapses – for ‘owning up to them’ and then doing something positive to rectify the situation. Hannah thought that where choices of action were available, being responsible with respect to creditors meant choosing to prioritise debt obligations over competing commitments. She saw ‘successful’ self-management of her financial affairs as involving a ‘juggling’ of circumstances whilst adhering to an overriding understanding that debt must always be paid back. Hannah refused to take on new debt if she lacked the means to service it: “it’s just not worth it. There’s no way I would ever be able to pay it back.” She said she would instead pursue alternative options with consequences for her that might involve sacrificing opportunities for social or economic independence. Geena held the view that one must

be more than a passive participant in finance, and expressed her view in terms of needing to be, “committed in engaging with it.”

Credit users are implicated not only in the business of articulating the values relevant to debt – engaging with the system and choosing to play by the rules – but also in accepting that their actions which evidence those values will be recorded – substantiating ‘desirable’ action through ‘objective’ evidence. For instance, Natalie understood that a way to demonstrate the type of commitment necessary to be considered a responsible credit user was through establishing evidence of past patterns in credit use. In her case it was through credit card transactions recorded on bank statements. A bank could then see that she had been purchasing items over time on credit and that she had avoided getting into financial trouble with repayments:

I like having my credit card because it means that I can show the bank that I’m responsible with it. I actually usually keep my credit card in credit. The last time I bought something with my credit card I was having a wee giggle because it didn’t actually push me into debt!

As documentary instruments, credit histories and credit scores demonstrate that a borrower is engaging with the debt system in the ‘right’ ways. They can also create ‘moral’ expectations on the part of an individual borrower about participating in future loan transactions. Several participants talked about how demonstrating that one is sufficiently engaged and ‘trustworthy’ to access credit is an achievement, and one that is arrived at over time and with the involvement of others. Rosie talked about having to reorient her

thinking about borrowing to make sure she considered others' needs and interests and was not just "pleasing myself." Teresa said that the establishment of an acceptable credit history was something she and her partner had "worked on for six months" and now felt entitled to. And Hannah saw successfully engaging with debt as something that was a joint accomplishment of the lender and borrower; she described a situation where she was not able to borrow all of the money needed for her university costs so had to contribute some of her own savings – effectively working in concert with the funder towards her goal. Being willing to treat one's involvement with a lender as a joint effort and finding ways to demonstrate that one has 'skin in the game' illustrates how borrowing practices can require a borrowing subject to be flexible and open to improvisation. And articulating acceptable credit behaviour in terms of personal responsibility indicates that borrowers are required to turn their gaze inwards – to engage in an examination and understanding of themselves in relation to a moral framework.

Ethical or moral orientations were also apparent in routines and habits, as demonstrated by participants who invoked moralistic expressions as part of the conversational 'patter' used to describe themselves or their actions, or to define a situation. Participants often used such expressions routinely, in an offhand or flippant manner, as though they were so familiar or self-evident they did not need to have their meaning explained. Choosing to take on credit card debt to finance consumer spending was seen as a "reward" by Teresa for her

“good” behaviour, for instance, and engaging in a financial dispute in order to “save face” and protect her “honour” was something that was important for Litia. These expressions invite us to understand actors in these situations in terms of the unwritten rules, shared understandings, or traditions that establish appropriate behaviour and say who is morally ‘right.’

In considering the expressions used by participants, one might ask if they provide clues as to *which* moral frameworks govern financial matters. A key proposition advanced by Graeber (2011) is that various technologies of credit have not been developed in a vacuum: they draw on pre-existing cultural contexts and ethical notions that allow us to understand our place and that of others in society. Expressions of morality appropriated from Christian traditions were employed by many participants. Kezia, for instance, explained that diverting the government allowances she received to meet crèche fees to pay her student loan interest and penalties was a matter of “robbing Peter to pay Paul.” She admitted that her credit behaviours meant she was not “an angel by any means”; another of her ‘financial sins’ was “buying myself a bottle of wine” when the money could have been used to pay off debt. A theme that was evident in a number of participants’ accounts was that ‘paying penance’ was an integral part of the debt experience – that bodies or minds should have to suffer as part of the discipline of credit. Forsaking pleasure in order to obtain advancement in financial terms – whether that was through giving up time or energy, or foregoing opportunities to do other things – was

something that was evident in Sharon's description of her working and saving activities, which involved "a lot of hard work and a lot of summers full of not being able to do anything." This also brought in the notion of temporality – the idea that time plays a role in moral activities. A participant in focus group 7 raised the idea that the hardship of doing without something is a good thing – character-building, for example – implying that struggle and sacrifice over time were part of establishing one's deservedness for financial success.

Some participants voiced the notion that credit scoring involved the weighing up of one's virtues and vices in order to measure one's responsibility with credit. Teresa thought that one's financial standing could be established through having more 'good' credit deeds than 'bad', where good deeds were established by making required credit repayments on time. She thought of the credit scoring system as recording bad deeds to create a history of misbehaviour, similar to a credit defaulter having "their name put in a little black book." Rio noted that scores can be seen as being composed of "brownie points" where the more "good deeds" one does the more points one accrues, and participants in focus group 6 wondered whether the incremental movements in credit scores were produced by the 'balancing' of behaviours – and whether instances of having "proved yourself" carry equal weight in the scoring methodology to offset opposing financial misdeeds. Credit scores were also seen by some participants as vehicles for moral reckoning, which demanded a commitment to self-honesty. Christopher, for example, thought that making sense of the

financial world involved having to confront the hard realities of a situation and being prepared to come to a realisation that wrongs had been committed. Ian thought that debt possessed a moral power because it could bring things to ‘a head’ – acting as a ‘wake-up’, a clarion call. This requirement to face up to one’s actions in light of a set of standards is reminiscent of the Foucaultian (1976/1991) notion of the “confessional”, used to explain how moral accountability is used as a device to examine and normalise subjects. In the case of credit scoring the “confession” could provide participants with the moral fortitude to continue as debtors despite performing poorly as neoliberal subjects – “a ritual through which the confessant unburdens themselves and is healed” (Roscoe, 2014, p. 208).

Some participants’ descriptions of their behaviours included the articulation of values and ideas made familiar from Western interpretations of non-Christian religious frameworks – such as Ian’s idea that repaying debt increased his “financial karma” – as well as concepts that could be interpreted as being secular in nature, using a ‘humanistic’ logic. The idea of ‘deservedness,’ for example, featured in many participants’ accounts, namely that people attract financial outcomes on the basis of their existing economic or social position, or due to their own efforts to improve their quality of character. Kellie enlisted the notions of deservedness and social duty in explaining that people who earn large salaries ‘deserve’ to help others out with their debt. She also thought that money could have different qualities – such that its character or value (and thus how it should be deployed)

depended on how it has been arrived at, for example, whether it was earned or inherited. A concept Hannah talked about was that people should not have a right to complain if they have not made the ‘right’ choice about spending or saving; she described this as putting things “in perspective.” For some participants, a credit score was evidence that a person had abided by a set of morally acceptable behaviours, and established an entitlement to a certain type of treatment. A participant in focus group 3 commented on people’s possible reactions to seeing their scores – how a sense of moral entitlement or ‘getting one’s dues’ might be involved in a reaction to a low credit score:

People think they are entitled to have a high credit score cos they’re actually good people, right, they try hard, they do good things and they’re good fathers, good mothers, good parents and good workers.

Morality and discourses

The examples above suggest that debt, and the rights and duties attendant upon it, can be made personal to borrowers – given *subjective* meaning – by reference to an external context of ‘rights’ and ‘wrongs’ derived from religious, quasi-religious, or other, ‘humanistic’, notions of morality. This moral ‘scaffolding’ that surrounds us colours and defines our understanding of certain phenomena. Foucault conceives of the moral ‘stories’ that we tell ourselves, sometimes consistent and sometimes competing, as disseminated as part of ‘discourses’, such as the discourses of borrower responsibility surrounding credit and financial technologies.

It is these stories, he contends, that shape social norms and determine the conditions of ‘truth’ in which subjects are administered. More fundamentally, he contends, these discourses create the effect of self. As Weedon (1987) puts it, Foucault conceives of discourses as “ways of constituting knowledge, together with the social practices, forms of subjectivity and power relations which inhere in such knowledges and relations between them. Discourses are more than ways of thinking and producing meaning. They constitute the ‘nature’ of the body, unconscious and conscious mind and emotional life of the subjects they seek to govern” (p. 108).

Where do these discourses emanate from? Some participants commented that the societal norms which determine the perceived legitimacy of financial behaviour depend in part on stories in circulation within family settings, including those norms that place pressure on people to police their own behaviour (Kellie; Thomas). Other norms, as Zerubavel (1997) points out, can be socialised outside of direct ‘person-to-person’ interactions, via the mass media, which shape the scope of the political and cultural horizons to which we are conditioned to “attend.” Geena discussed how the media regularly portrays the plight of individuals in ‘problem debt’ situations in moralistic ways, and cited a recent newspaper story about a couple who were in danger of losing their home through accumulated debt: “Now they’ve accessed some debt, now it’s like a drug and it’s out of control.” The implication was that stories like this surround us, and

indicate the rights and wrongs of situations, including whose ‘agency’ is at fault and what is expected of us.

In interview discussions some participants queried whether the moral aspects of debt and scoring were in fact attributable to long-standing human traditions, or whether that appearance is just an effect of the discourses surrounding us. Hannah, for instance, suggested that morality comes down to particular choices made in the context of particular values, and that these values can be created and imposed arbitrarily on people to suit certain interests, such as those of the finance industry. It is here that Alan’s suspicion that, overall, the “human aspect” has gone missing from the credit system can be appreciated. Alan saw credit scoring systems as divorced from basic human moral values because there is no provision for a ‘second chance’ to be given, no matter how earnestly he, or others like him, intend to remedy past defaults or make changes in their life:

If I wanted to get credit I can’t because I feel as though they don’t have the human aspect. I’ve turned my life around. I’m trying my hardest. I’m not gambling any more. But they don’t know that, they don’t know me from whatever. ... Hey, give me a second chance I won’t muck up this time. It’s the benefit of the doubt, the second chance thing.

A related concern is found in the writings of Capon (1982), an early critic of what he saw as the dehumanising nature of statistically-based scoring methodologies. His observation was that scoring algorithms require information that is no more, and no less, than what is necessary to allow particular credit approval applications to function.

Scores should not be regarded as providing an explanation for borrower behaviours, nor interrogate the justness of causation: they seek merely to correlate past attributes of an individual with past statistical observations of certain behaviours of a population – distilling only certain factual characteristics relevant to credit activities into an economic outcome. Scores in this sense are not intrinsically “just” nor “fair” (p. 90): they are simply the product of scientific method – the application of utilitarian techniques to create a certain way of classing, achieving or claiming transactional identities. Yet we treat them as moral devices and mechanisms. Crossley’s (2011) view, based in his ‘relational sociology’, is that characteristics of phenomena such as credit scoring systems bring about new forms of “sedimentation” that progressively define and give meaning to particular types of relationality. Credit scoring can be seen to involve a process of acquiring and layering information upon itself to create characteristics which govern the ways lenders relate to the borrowing subject and *vice versa*. In Crossley’s words, credit scoring systems are relational mechanisms, being:

[The] joint product of our interactions, they are shared conventions, perhaps with a shared vocabulary and rituals that we deploy when together, a distinct way of ‘handling’ you, a distinct identity or role for myself, fitted to your peculiarities, how each of us may engage, even if neither of us behaves in that way in interactions with others (p. 36).

A point evident from Crossley’s analysis, which is also a feature emphasised in Foucaultian scholarship, is that the frameworks, such as

credit scoring, that govern our relations with one another are not a 'natural' product of the human condition, but a construct useful for serving particular interests. The idea that the 'morality' surrounding debt and credit scoring was *conventional* – the outcome of human *conventions* rather than a reflection of inherent properties – was evident in the way that some participants suggested that not everything contained in moralistic discourses about debt should be internalised as part of an individual's own moral repertoire. For instance, the 'universal' precept that our needs are to be met by consumption reliant on access to credit can, and should, be resisted, or at least critically appraised. Kezia was reprovving of the greediness and desire for 'shiny new things' that a consumption-orientated society promotes, and was vocal about taking a moral or ethical stance/critique *against* (rather than *as part of*) our 'consume now!' culture. Other participants discussed what they saw as inconsistencies in some aspects of the 'morality' applied to financial activities. Alan observed that there are aspects to gambling which bear close similarities to consumer spending in terms of psychological cues. He wondered what it is that demarcates the two in a moral sense, such that the harm from gambling is seen as morally reprehensible while excessive consumerism does not seem to involve the same degree of moral reproach. Alana remarked that it would seem that society has chosen to call one thing (gambling) a problem and accept the other thing (excessive consumption) as a fact of life: boundaries have been arbitrarily drawn around what is morally problematic and what is not.

Another example Alan referred to was residential property speculation, where financial risks are routinely taken by homeowners on the basis of rising house values, and such speculation can involve large amounts of underlying debt. This activity is not typically seen as morally or ethically suspect because it is legitimated by a discourse prevalent in investment circles that encourages risk-taking activities as part of entrepreneurship.

Further examples raised by participants exposed what seemed to be ‘common sense’ inconsistencies between aspects of the morality governing personal finance. Alan, again, felt it was wrong that blame was directed towards him as a defaulting borrower when he could see that a mixture of his personal failings *and* society’s shortcomings were the cause of his particular debt problems. He thought it entirely possible that society could be at fault, either through implementing ‘faulty’ rules governing finance, or because the agential capacity of an individual cannot reasonably be expected to overcome all financial difficulties – much of the time individuals simply react to what is presented to them, and especially to what is targeted at them by the marketing campaigns of producers of consumer goods.

Other participants brought up instances where they perceived a mismatch to exist between outcomes under credit scoring and the basic ethical or moral qualities of the individuals being scored. Participants in focus group 2 thought that it could be said scoring was “unfair” because, for instance, some people might experience a catastrophe in their life so great that, unlike other people, they could

never improve their credit score, no matter how hard they tried. The feeling amongst the group was that an unexpected adverse financial event, or an event outside a person's control or comprehension, should not diminish a person's credit standing (which the group thought represented a person's moral standing within the finance system). Alan offered the example of people with addictions who fall into debt arrears and who struggle to understand the cause of their own behaviours. Geena criticised lenders who committed borrowers to future debt payments when borrowers lacked "impulse control" – involving the inability to balance or appreciate long-term consequences against short-term drivers: "I don't think it's fair they should be handed that." Participants in focus group 7 were aware that it might not be one's own 'bad' behaviour that impacts on one's score:

I think a few years ago there might have been a couple of things on [the television programme] 'Fair Go' about that ... it could have been identity theft, and they'd run up bills and things and it wasn't the person, but they now couldn't get any credit.

In this way the morality of debt systems can conflict with other societal imperatives, and because protest is usually futile it places borrowers in a position where they need to choose how to make their own sense of it. Some participants identified that there are sometimes competing tensions between the different 'systems' that establish a person's worth in society. Thomas noted that desperate financial circumstances sometimes necessitate criminal behaviour in order to honour one's financial commitments: "there is a certain level of

criminality with the [government welfare] system, people are so impoverished by it that they resort to crime sometimes to actually deal with it.” A discussion in focus group 5 on whether criminal convictions (or convictions for certain types of criminal activity such as tax fraud or money laundering) should affect one’s credit score did not yield a consensus. Rio drew attention to what he thought was an obvious flaw in scoring systems that contrasted with other basic values in society – the selective use of data to establish a score. He speculated that one could be acting unethically in everyday life – “ripping people off, making lots of money” – whilst conducting financial transactions that produce a good credit rating. Participants in focus group 7 thought it perverse that a ‘morally suspect’ financial transaction could nevertheless increase one’s credit score: to them a fraudster is obviously not trustworthy. In these examples, participants were attempting to consult their own moral ‘compasses’ to evaluate and challenge the system presented to them.

The ethics and morality of credit systems

The term ‘ethics’ is often used interchangeably with ‘morals’; however, the two can be distinguished: ethical behaviour involves a practical assessment of whether one has abided by rules, rather than the more abstract consideration of the substance of the rules, which involves moral judgement. We can think of ethics as ‘quality of practice’ rather than an underlying consideration of the rights and wrongs of action.

Participants suggested two ways in which credit scoring could fulfil ethical roles in society by protecting societal members. The first is by credit scores being used to check for identity fraud, and in this respect scoring safeguards individuals from both ethically and morally inappropriate actions of others. Rosie noted that putting a lower credit limit on a credit card or overdraft facility might similarly achieve some degree of protection from the misdeeds of others in terms of limiting the possible loss that could be suffered. The second relates to the idea that lending limits put in place by lenders in respect of a person due to a poor credit score would serve to protect that person from taking on debt that they could not reasonably be expected to service. In this way, scoring can be seen as a feature of so-called ‘responsible lending’, based on an affordability check designed to protect an individual *from themselves*. Geena was sceptical about this, however, and thought that placing affordability limits on lending to individuals was an outcome that served lenders’ interests first and foremost, with only secondary benefits to borrowers: “That is definitely a protection on the lender’s side.”

As automated digital technologies replace the ‘personal touch’ of lenders it might be assumed that the identity of, and qualities exhibited by, lenders becomes less important to borrowers. As described in Chapter 2, credit scoring is designed to facilitate high volume lending transactions where there is neither the time nor operating budget to permit interaction with borrowers at an individual level. However, many participants were of the view that ‘ethical’ behaviour exhibited

on the part of lenders was not enough – that the entities that control lending should be seen to stand possessed of *moral* identities and obligations. Geena, for instance, regarded lenders as groups of people who should be seen as having moral duties, rather than neutral agencies or corporations as suggested by their legal form. Kellie similarly thought that lenders should abide by the same moral/human code that governs borrowers, and, in this sense, the concept of ‘deservedness’ should be applied reciprocally to lenders: in Kellie’s mind, a lender needed to be ‘truly open to giving and receiving’ to deserve to attract lending business – that is, a lender needs to make a moral investment in lending situations. Jill saw banks as having a moral duty to help customers – by not causing stress by ‘hassling’ borrowers, nor by withholding advice or assistance where they saw their customers struggling. Cameron had seen attempts by some finance companies to alleviate the burdensome effects of loans by offering to allow repayment over a longer time period, and reasoned that “they must be conscious of some of the social or political pressure out there about finance companies. So they do make an attempt to say they've been fair or kind and try to be polite.” Participants in focus group 3 concluded that part of the reason lenders should take care and act more responsibly in this area is because of the moral failings in scoring systems, which blindly “draw assumptions about a person’s qualities based on their score.” Rio thought that so-called ‘ethical’ lenders who seek to advance community goals (he mentioned the now defunct Wellington-based ‘eco-lender’ Prometheus that promoted

‘socially responsible’ lending) might still need to use credit scores, but would accord them a different value in lending decisions, or would make allowances for other criteria:

If you’re in the business you’d be completely foolish to ignore [credit scores], but you overlay that ... you give it the weighting that you choose. So for them, there’s a huge weighting towards people climbing out of the debt hole.

Applying moral criteria to lenders and/or querying the moral ‘fitness’ of persons perceived as controlling the credit system adds another dimension to the idea of trust in lending. Participants, in a sense, are questioning the extent to which *lenders* can be trusted, as opposed to lenders assessing the trustworthiness of *borrowers*. Having individuals attempt to ‘score the scorers’ in this way suggests that moral standards are available that can be used by credit subjects as a critical tool for evaluating industry practices, in addition to their own actions or inactions. Citron & Pasquale (2014) observe that ‘rating the raters’ is a phenomenon that reflects a wider trend for the ‘reciprocal’ use of technologies in markets. Just as landlords can report bad tenants to data brokers, tenants can check abusive landlords on websites, and on sites like “rate my professor,” students can score professors who can respond to critiques via video (p. 3). In many online communities, commenters can, in turn, rank the interplay between the ‘rated’ and ‘raters’, to add a level of complexity and sophistication that broadens the interaction and understandings of a community.

Not all participants, however, saw it as appropriate to assume that individual lenders, seen either as single entities or groups of employees or shareholders, possess moral accountability. Marc, for instance, thought this notion to be misguided as the rise of professionalised management has meant that lenders are filled with people ‘just doing their job’ and not pondering the ethical or moral consequences of their behaviour:

I don’t think there is any greater proportion who think about the bigger picture of their job in the finance industry than any other industry. I would say that there’s as much discussion about this amongst pockets of high-level management as there is amongst low-level people and it wouldn’t be ubiquitous at any of those levels.

And what about lending or scoring systems overall? Can they have ethical features such that they can be judged against standards of morality? Some participants thought so, and held strong opinions on the matter. Hannah considered the lending system to be “just evil basically,” and Geena saw bankers, globally, as untrustworthy:

We assume that they have integrity, but history shows that they don’t ...
No matter what country you’re in, they don’t have integrity ... This is a group of people who critically lack integrity.

A participant in focus group 6 raised an interesting take on the moral nature of the credit scoring system in New Zealand. She asked, “Is it a forgiving system?” In other words, does the system meet standards expected of individuals in a moral society – exhibiting compassion,

empathy and promoting socially just outcomes? Cameron thought that it was possible to delineate moral and immoral components *within* a system, for example where loans include either “a fair or unfair rate of interest”; and a participant in focus group 5 described systems of payday loans, which typically include very high rates of interest, as “wicked.” Leanne expressed the view that the lending system overall may be accepted as ethical, but it is certain systemised practices or lenders that should be criticised:

I think ethically banks are in the business of making money, that’s fine. But credit companies that turn up in a van in low socio-economic regions and give a two grand loan to a very poor family and don’t explain even what accumulating interest is – I think morally that is reprehensible and quite common in New Zealand. I know three places down on Courtenay Place [in Wellington] that if I wanted to get a grand in a hurry they would lend it, probably without even proof of employment, and the interest on it would be so high that you’re paying it many times over.

Lastly, Geena thought that the power of individuals to ‘punish’ unethical behaviour by industry participants existed in certain legal mechanisms. For instance, she saw the “No Assets Procedure,” which is a streamlined alternative to formal bankruptcy proceedings available in some circumstances to borrowers under New Zealand’s insolvency law, as constituting moral retribution – in effect, a punishment for lenders for unacceptable lending practices: “When I heard about that no-asset procedure, I just thought, Ha – ‘pay back’! Serves you right for lending to them in the first place.” In this way,

the superstructure of the law can be seen to intervene to provide a ‘release valve’ – a remedy for immoral practices. Kellie had a different, ‘metaphysical’, take on how the agency of individuals could be used to overcome the immoral aspects of lending, that one’s inner moral state could transcend the judgemental framework embodied within credit scoring. Her idea was that the ‘negative energy’ contained in technical systems such as credit scoring can be overcome by the positive energy possessed by a person who possesses peace and security through shunning matters of material wealth. Conceived in this way, one’s own moral disposition could be relied on as a source of resistance – a power for generating new states and for making oneself otherwise than one currently is.

Conclusion

In this chapter I sought to extend the critical analysis of finance and the self laid out in Chapters 4 and 5 by stepping into the analytical space *between* social structure and individual endeavour – interpreting participant understandings of credit and credit technologies primarily in terms of the relations between societal actors. This approach is advocated by sociologists who emphasise that much of what we experience in life we experience with others, and who believe that *networks* of individuals who interact and form relations are the primary drivers of society. Such an approach permits me to argue that the so-called ‘civilised’ aspects of credit emanate, at least in part, from the *intersubjective* realm – a dimension of subjectivity in which a

sense of self is acquired by individuals in the knowledge that they act associatively with others. This construction of the subject draws attention to the *shared* understandings that underpin our social worlds, and to the social nature of all human phenomena – including the very idea of finance. But it also challenges the notion of technologies like credit scoring as neutral or ‘value-free’ given their resolve to organise social behaviours around certain literal, symbolic, emotional and moral meanings that advance the interests of some parties, and harm the interests of others.

The relationality of credit

Credit, like money, presupposes interaction between economic actors and, fundamentally, stresses the notion of a human community in which obligations can be created and exchanged. Finance, after all, would have no relevance in a single-person, ‘Robinson Crusoe’ world, because there would be nobody else to borrow from (or, for that matter, to repay). In gaining access to credit, participants reported the establishment of a variety of “transactional” relationships with individuals, corporate entities, and their agents. Similarly, a credit score – a reminder of past financial interactions, a communication of our current economic connections with others, and a predictor of the future quality of our debt relationships – can be seen as *acutely* relational. Talking through some of the financial consequences of being involved with others, participants identified the ‘doing’ of credit as a cause, as well as an effect, of human interdependencies. Finance

provides a conduit for, and leverage in, social relationships, and is infused through familial as well as public and professional settings. Credit scores, in this sense, can be seen to operate bi-directionally – as indicators of, and gateways to, a certain quality of relations with others, and, perhaps, to a certain state or quality of life generally. (Dokko et al. (2015) find that the credit scores of individuals in committed relationships in the United States are highly correlated with their partners' scores, and that partners with a large gap between their respective scores are more likely to subsequently separate). Scores, importantly, are determined by one's own actions but are also dependent on the actions (co-operative or otherwise) of those around oneself, and by cultural formations and collective or macro-level economic outcomes. Because these points of reference are constantly in flux, the self that emerges from credit relations can also be seen as dynamic – shifting and adapting as others and the economy do. Whilst participants sometimes viewed and responded to others primarily in financial terms, finance was not always straightforwardly incorporated into their social lives, nor completely subsumed into all knowledges of themselves or others. The examples raised in participant interviews of giving financial advice illustrate how borrowing subjects can switch between modes of relational 'logic', sometimes utilising economic principles to define and regulate relationships in self-interested ways, yet in other interpersonal settings using finance as a vehicle or 'front' to enact, advance, and share in more humanistic practices of 'pastoral' responsibility. A finding such

as this, as Trnka and Trundle (2014) note, offers an important corrective to a one-dimensional view of a neoliberalised subject, insofar as social settings necessitate a switch between a rigid view of responsibility and care of the self, and other forms of relational responsibility and obligation.

Furthermore, as observed in earlier chapters, a score is characteristic of a collective of people who interact and share their lives with each other. It represents a mechanism for defining our selves within the social order, both vis-à-vis each other and the whole, and for communicating our relative position and worth within collectives. From a critical standpoint, credit scoring's task of constructing categories of "similarity" and "difference" – to each other, to one's past or future self, or to a norm – is of central concern. Participant responses indicated that a score not only becomes an estimation of the worth of an individual as a borrower and member of a society or nation, but also that this effect is reliant on the activation of particular concepts of the 'self' and the 'other', which is problematic in that these 'typecast' characterisations bear little resemblance to those encountered in everyday life. The determination of our economic and social 'cardinality' through differentiating, and then re-combining, credit consumers into defined categories of trustworthiness, can be seen not as a product or process of 'natural selection,' but as an artifice or fabrication – a strictly *conventional* application of the "lumping and splitting" of subjects (Hacking, 1990) evident in a variety of social processes. Activities that generate

certain differences that ‘count’ within a population, and exclude or marginalise others in the construction of self, are occurrences familiar to Marxist, Foucaultian and feminist scholars, because processes like these are prone to exploitation and abuse, influencing the design and control of our social world, including those that revolve around class-ridden or gendered distinctions. A number of participants expressed unease at the ‘unfair’ prospect of their predicted future actions being inferred from their past debt performance on the basis that it would leave little opportunity for some to break out of a cycle into which they have been flung. Scoring in that sense has the potential to be socially divisive. The recognition that the leverage provided by finance can exacerbate economic distinctions producing social harm has prompted a stream of recent research in New Zealand exploring the connection between the financialised ordering within our society and social justice outcomes, specifically focusing on how ‘neoliberalised’ constructions of society and the self exacerbate inequalities within populations, often side-lining and disempowering our most vulnerable citizens (see, for example, Kelsey, 1995; 2002; Rashbrook, 2013).

Affected subjects

An aspect of experience that is rarely discussed in finance literature, but nonetheless loomed large in participant descriptions of credit practices, is that feelings and emotions are involved in finance. Studying emotion as a sociological topic casts “affect” as the product

of social interactions and relations, and, by linking feelings with social or cultural explanations of the self, sociology can offer a sophisticated analysis of how sentiment subsists in society – including such mixed or ambivalent emotions as “reluctant optimism, intense indifference, or enjoyable melancholy” (Wetherell, 2012, p. 2). In interviews, participants talked about emotions operating alongside, or overpowering, more ‘rational’ modes of thought when it came to credit, and accounts were given of how affirmative feelings (such as those derived from the economic or social ‘promise’ of a score) could be pitted against negative ones (such as those evoked by the tangible memories of past failings), creating a zone of ‘tension’ in one’s emotional response to debt. Other participants described how their emotional experience (or that observed in others) culminated in a state of apparently emotionless apathy – getting comfortable with credit by taking cues from others (family, peers, institutional authorities), but in some circumstances seeking to deliberately cultivate a lack of emotion in order to secure a working relationship with debt. That emotional responses can be suppressed, bracketed, diverted or manufactured according to the circumstances we find ourselves in suggests there are opportunities for exogenous forces to control the regulation of our selves through the mobilisation of affect. Indeed, a ‘business-like’ attitude is encouraged in financial dealings where people learn that the ‘right’ thing to do is keep emotional reactions “under wraps,” and a lack of strong emotions, which dampens political will and distances subjects from social mechanisms of protest, becomes a defining

feature of the neoliberal society. Evidence that some participants understood scoring (and borrowing generally) as a competitive activity reflecting social merit, led me to speculate that in this milieu ‘pride’ and ‘contempt’ could prove to be organising inter-relational concepts – requiring us to harbour a particular regard for others, whilst also imagining how others might view and judge us.

Conceiving of corporate actors, the government, or the economy as entities that can be the objects of emotional response shows how emotions can pervade both ‘private’ and ‘public’ sectors. It affirms Wetherell’s (2012) view that studying affect helps us better explain the broader terrain of civil and social sentiment, including “the panicky rhythms of current politics and recurring waves of appeal to terror and security” (p. 9) that characterised the global financial crisis in 2008 and the current ‘War on Terror’, but that also lie behind the current preoccupations with technology as a threat to (as well as a means for) self-knowledge. Seeing emotional reaction as a basis for gauging the ‘rightness’ of social phenomena implies a process of normative framing and evaluation by individuals with respect to ‘moral’ or ‘ethical’ standards. In assessing the moral or ethical properties of borrowing, the social positions of participants were understood, claimed, enacted or resisted through habits and appeals to values keyed off notions of deservedness, honour, pride, shame or individual or collective duty. Credit scoring, understood primarily as a moral relational mechanism reflecting the quality of individual borrowers’ relationship with lenders, other debtors and one’s

compatriots, can by extension be incorporated into the shared moral or ethical experience. Again, it would appear that the lending industry has opportunities to manipulate would-be borrowers along partisan lines by bringing moral pressure to bear on consumers to engage with the credit system and ‘live up’ to a single ‘shared’ social expectation of creditworthiness. However, a credit score – approached by some participants as a personal ‘confessional’ and technological yardstick for moral behaviour – could also prompt questions about the alignment of credit networks themselves with our moral sensibilities. A new dimension of ‘trust’ in respect of lending activities (and new capacities for individuals’ strategic interaction and reflexivity) can be seen to emerge where lending institutions themselves are assessed against standards of ethical practice determined by borrowers – a practice of ‘rating the raters’ which has arisen as a prominent feature of other socially-networked technologies.

Implications

Investigating the interpersonal dimensions of finance through the various relations, interactions, and connections with others and the collectives associated with credit and credit scoring provides a range of new critical perspectives on what is, in essence, an age-old concern – what it is to be a borrower and a member of society. In addition, studying how emotions and morality attach to debt in contemporary contexts raises novel possibilities for understanding how credit technologies provide a bridge between individuals and their society.

Importantly for my purposes, these perspectives on the malleability of credit and our selves challenge both the ‘neutrality’ of finance practices and the notion that somehow the economic rationality that underpins finance is contained within a separate realm to that of social relations. There are many directions in which the analysis in this chapter could be developed further – for instance, by revisiting Durkheim’s foundational work on moral order which has been reinterpreted and extended by scholars such as Giddens and Bauman as a means of diagnosing the conditions of (post)modernity. The circulation of financial information within networks (and our reluctance to disclose ‘secret’ financial details to others) is also an intriguing area that could be studied in terms of how flows of information between people are involved in determining subject positions. This could conceivably build on the early analysis of Georg Simmel (1906; 1955) referred to earlier in this chapter, who maintained that all social life is founded on exchanging information about what people are, and what we may expect from one another. There are also technical and conceptual developments in credit scoring practices to keep track of, such as the reliance on social networking technologies such as Facebook to provide data sources for financial assessment. Here, experimental systems for credit scoring have drawn on network-based data and measures, including the number of followers, background of peers, education and employers, and repayment history of Facebook “friends.” At least one researcher has questioned whether, as individuals’ awareness of the relationship

between social networks and finance increases, people will be more selective in forming relationships – preferring to interact socially only with creditworthy individuals in order to protect their own credit score (Wei et al., 2015). The realisation that social ties have significant implications for financial risk sharing and economic returns means that we might expect some dramatic changes in scoring and social practice, prompted by the reciprocal nature of technology and selves.

Conclusion

Contrary to expectations, the global financial crisis of 2008 did not mark a retreat by lenders from the mountains of consumer debt amassed by households and traded globally by financial speculators on secondary markets. Rather, the lending industry sought to reclaim profitability by investing more in networked systems of knowledge that would “objectively” ascertain the trustworthiness of borrowers, and thereby produce better decisions about whom to lend to. This can be seen as ironic, given that the near-collapse of the global debt markets is usually attributed to deficiencies in lender behaviour, not to the deleterious actions of credit consumers. Reform of credit practices was nevertheless proceeded with, and credit scoring technology was introduced into New Zealand in 2009 by Veda Advantage – a privately owned credit monitoring and debt collection agency with a name that means ‘knowledge’ in ancient Sanskrit. Veda uses sophisticated statistical algorithms to process large amounts of credit-related information gathered about individual consumers from banks, merchants, utility companies and the State, to glean predictive insights into the future behaviours of credit consumers. Its data-sorting techniques rank the likelihood of credit default of a given individual

within a borrowing population, and codify this into a numerical ‘Vedascor’ available for practically all credit-active citizens in New Zealand. Individual scores are available to be purchased by lenders to supplement their own in-house analytics that determine and co-ordinate decisions about the risk-based pricing of credit across loan portfolios. Veda’s service was popular and other ‘business intelligence’ providers were quick to follow its lead, introducing variations of credit scoring systems based on technologies established overseas decades earlier. Despite a post-crisis slowdown, international trade as a share of the global economy remains at unprecedented levels and, today, the use of credit scores to inform automated systems of decision-making in New Zealand is ubiquitous: scoring is regarded as an essential administrative and management tool of business lenders, and its mastery represents a new ‘core competency’ of retail lending.

These new arrangements draw attention to the shifting relations of institutional actors in local finance markets, most notably the rise of the credit bureau as a seller of commoditised financial facts and a near-indispensable third-party producer of trust (Engelen, 2009). But this large-scale “industrialisation of trust” (Anderson, 2007) carried out at national and global levels also serves to remind us that systemic crisis may reinvigorate rather than undermine the structures of finance, reaffirming the place of the domestic debtor as a calculable risk and vital source of profit for the worldwide finance industry. Moreover, the benefits from exploiting this special type of technical

expertise have extended beyond the consumer credit sector: employers, landlords, insurers, and virtually any other business that has an interest in the financial propriety of an individual are able to access the relevant credit score for a fee. Rather than loosening its grip on individuals during the policy failures evident at the turn of the century, the finance market has seized upon individuals anew, applying technologies which “capture disparities in our credit histories ... transmitting them into future periods” (Spader, 2010), to push finance farther into the temporal and spatial dimensions of society.

The motivation for my study, as described in my Introduction, was to fill the existing gap in sociological research about the implications of these systems of expert knowledge on social formation and subject-construction. I had the strong feeling that something was being left unsaid in the benign descriptions of credit scoring in business journals and practitioner literature about the implications of “disciplining” borrowers. The economic efficiencies possible through the introduction of automated surveillance of would-be borrowers were much lauded: digital technologies largely overcome the perennial problem of the ‘information asymmetry’ existing between debtors and creditors, and scoring systems systematically outperform ‘subjective’ decision-making in loan processing, increasing the speed and consistency of judgements about credit risk, defraying losses, and boosting the profitability of lenders. Moreover, scoring systems are designed to achieve this through the unpaid ‘self-ordering’ of credit consumers: having knowledge that one is being scored increases the

‘accountability’ of individual borrowers, promoting those behaviours that are economically optimal. Particularly noticeable to me, however, were the unanswered questions over the ‘lived experiences’ of scored individuals. How is it, exactly, that individuals are moved to act in ‘responsible’ ways, making “informed financial decisions” and “building financial capability” (CFC, 2016)? What are the rules that they obey, and what ideas or concepts provide the impetus for behaviours? What desires or aspirations do they hold, together or apart? Who, or what, do they care about, and what choices and options do they have? In what ways do they conceive of and interact with their environment, and with individuals or groups of other people? These (and allied) questions directed at understanding how individuals navigate and make sense of our world shed light on the mechanics and realities of everyday human survival. But they hold a loftier promise too – an exercise of the “sociological imagination” to connect the “private troubles” of individuals to “public issues” (Mills, 1959/2000, p. 66), understanding what it means to be both a borrower *and* a member of society.

Fortunately, the beginnings of a critique of credit scoring practices exists in a disparate body of literature generated by a loose community of heterodox practitioners, social scholars and critical theorists, which, in broad terms, seeks to theorise how contemporary lives are shaped by financial techniques and institutions. A thread running through much of these scholars’ work is the idea that new technologies (used, for example, to predict whether a person should be trusted as a

financial risk) have implications for the construction of reality. Latzer et al. (2014), for instance, note how the types of algorithms at work in systems of digital expertise have been integrated into the everyday thoughts and actions of consumers, altering the processes of production and consumption and co-ordinating social action: “they change the perception of the world” and “affect our behaviour by influencing our choices” (p. 1). The ways that individuals’ lives are examined, catalogued and made productive can thus be seen to constitute or contribute to a particular “social imaginary” (Levitas, 2013), in which knowledge arrived at by individuals about their society and their self is assimilated into understandings of ‘real world’ experiences. As theorists such as Leyshon and Thrift (2009) demonstrate, this world can be mapped in terms of a geography or ‘ecology’ of finance and markets, or interpreted more widely as a socio-cultural assemblage in which global forces achieve particular ‘regularised’ patterns of behaviour, by promoting consumption and personal indebtedness for instance (see Howard & King, 2008). Overtly political approaches are found in the work of critical theorists (often influenced by Foucault’s writings) who understand knowledge-production to lie at the heart of apparatuses of power, displaying a strategic intent to control social life through the production of ‘truth effects’. Whereas the old ways of ‘doing debt’ acted upon “an understanding of the individual as a concrete subject with an autonomous capacity for action” (Marron, 2009, p. 118), the new ‘financialised’ ways of dealing with the self is involved with a making

abstract of the subject – represented in electronic systems of knowledge such as databases enabling consumers to be visualised according to their ‘information traces’. This suggests, as Thorsteinsson (2014) has postulated, that the development towards contemporary finance has been one of “an ever-closer synthesis between this most intimate concern with the individual subject, and an impulse towards the making-abstract of the credit subject through data collection and mathematical risk-calculation” (p. 22). These features are characteristic of an economic regime that seeks to dominate individual and collective human development, that of neoliberalism: a “moral project” constituted within a rubric of competitive self-provision in which the superiority of the market is “articulated in the language of economics” (Forrest & Hirayama, 2015, p. 242). Overall, the perspectives in the social literature on this topic offer tantalising glimpses into how algorithmic technologies produce a version of the world where ‘scored’ persons conduct and conceive of their lives in particular ways – contributing to an analysis of the “varieties of men and women” (Mills, 1959/2000) existing in the sociological intersection between personal biography and world history.

Arguing for the subject

Despite possessing both the motivation and theoretical tools to examine prevailing ‘shapes of life’ in contemporary settings we do not often fully appreciate the types of human beings emerging in society until the relevant historical moment is passing, or has passed. This

phenomenon was recognised by Hegel in his preface to his *Philosophy of Right* (1820/2001) through his poetical reference to the “owl of Minerva,” which “takes its flight only when the shades of night are gathering” (p. 20). Be that as it may, my study attempts to expand the extant scholarship on finance and society by exploring the types of subjects emerging in New Zealand with respect to credit and credit scoring practices at this *current historical juncture*. I have argued that the subjective accounts of credit practices gathered as part of my research project points to a moment or element in the formation and personal construction of subjects in our neoliberal capitalist society, and one that can be related to the particular technical, economic, political, social and cultural logics of finance. That credit bureaus and lenders have introduced new techniques into societies that are increasingly mediated by networked relationships suggests that the social implications are potentially far reaching.

A typical, economistic finance study would seek out quantitative or qualitative data that, when coupled with theory, explain the ways that consumers behave in relation to sets of rules, such as those that govern decisions by lenders to approve consumer credit applications, or to the outcomes predicted by computer algorithms. However, such a ‘textbook’ inquiry into how subjects react to having their actions monitored, measured and manipulated, implicitly hypothesises humans’ relationship with credit phenomena in terms of behavioural reductionism. In other words, it involves a mechanistic understanding of social subjects, as actors with ‘transactional’ or ‘functional’

identities who can be expected to perform with predictable regularity based on natural or inherent rational properties. Because the particular problem I wished to focus on was how credit and credit scoring practices are involved with subjecthood – how networked financial technologies contribute to the interrelation of societal structures and an individual's sense of self – I was interested in the subjective dimensions of the problem. And since I subscribe to the notion that humans construct their own realities I felt that gaining an 'inner' perspective was necessary, bringing me closer to what is happening consciously (or subconsciously) for the self. I therefore chose to rely on an interpretation of individuals' own accounts of their everyday experiences and perspectives as a model for thinking about credit technologies as social practices and as practices of the self.

In analysing data from participant interviews in this way it was apparent that participants' experiences of credit and credit scoring were more nuanced than mainstream studies of finance suggest. Rather than being explicable only in terms of the rule-following patterns or 'fixed' principles relied upon by economic theoreticians to explain behaviour, I discovered that participants were influenced in various ways by a wide range of social, cultural and political phenomena connected to credit and credit use that played a significant part in their understanding and shaping of self. This suggests that a number of crucial dimensions of credit technologies as they relate to human behaviour are being ignored by finance researchers, and that an

adequate understanding of credit scoring needs to encompass the complex effects produced for people in contemporary society.

Three major findings emerged from my analysis of participants' accounts, all concerning the socialisation of finance and its implications for the contemporary self. First, credit scoring – part of the technological “scaffolding” that determines borrowers' access to credit – has decidedly *social* dimensions, in which the “objective” financial facts documented by credit bureaus were apprehended by participants as societal ‘truths’. Used to secure material privilege, gauge relative standing, indicate life worth and guide expectations about future prospects in the world, credit scores at once constrain action and movement through the scrutiny of credit-related behaviours, while also encouraging the development of new capabilities and competencies. In practice then, credit scoring imparts structure to economic and social life in a variety of material, symbolic and ideational ways. From the standpoint of ideology, for instance, credit scoring can be seen to reinforce the ‘scientisation’ of the ethical order, revalorising productive and exchange relations to reflect positivistic ‘cause-effect’ relationships, and promoting a logic, and a sense of personal responsibility and civic duty, premised on the abstract pursuit of wealth. In this sense, credit scoring is a product, but also a promoter, of a finance rationality placed into circulation within the body of claims established by the lending industry, supported by the State and the media. Seen in these circumstances, the borrowing subject, I contend, is not a ‘natural’ being with set

forms of conduct and ways of behaving, but is instead a form of subjectivity that must be brought into being and maintained through mechanisms of subjectification. This finding constitutes an argument for the *techno-social* production of credit consumers – societal actors who are simultaneously “massified” and “individuated” within populations by new methods of commoditising knowledge and new ideas about the desirability of the predictable and financially viable self.

Secondly, I argue that the way in which participants are permitted to ‘carry’ themselves as specific examples of individuals within the borrowing population, marks them and the nature of their agency. Credit scoring ‘bites’ for credit consumers because it inscribes individuals with choices to spend and borrow, and has resultant financial consequences arising from the array of bodies, rules, customs, incentives, technologies, institutions, networks, and formal and popular narratives that characterise the credit landscape. Participants described different ways in which they chose to modify behaviours and forge new habits of action and thought – constituting themselves as discerning and responsible individuals based on the understanding that actions come with positive or negative consequences (including gaining access to credit – the terms of which depend on their ranking within a population). Marxist and feminist social theorists are all too familiar with how the body and mind can be exploited as components of production processes. The unpaid ‘work’ of participants who sought to articulate responsibility through

organising their own financial affairs and economic actions can be seen to benefit the industrialists and financiers whose profits depend on the predictable use and repayment of credit over time. But the animation of the self-regulating credit consumer – one who draws on its inner capacities to control its own “prudent” decisions about ways in which it consumes – can also be seen as having fundamental implications for the self. In Foucault’s conception of the constitution of the subject, the agency of an individual permits them to engage in a performance of themselves – a “show” that they both act and direct. In doing so they derive a sense of their own purposes, capabilities and limits from their surroundings and their own responses. Crucially, credit scoring is a technology of finance where self-contemplation by a “scored” individual generates the desired effects; it is the ability to reflect on, and adjust, one’s own situation that allows finance to delineate the self most powerfully. Evidence for the proposition that finance works upon, and through, the capacities of citizens to act on their own behalf is found in participant data, which records a variety of instances of self-administered procedures and strategies being adopted. These techniques involve, among other things, the mobilisation of memories, morals, corporeality, obligation, anxiety and affect in ways that allow participants to relate interpersonally and intersubjectively with real or imaginary others in order to arrive at particular normative *conceptions of themselves*. I found that, for participants, a credit score is a rehearsal and representation of the self in social subjecthood: both an activity and a fount of self-validation

that draws on the external *and* internal resources available to individuals to align and integrate them with the financial landscape.

Thirdly, such an understanding of the processes of subject-construction allows us to pay attention to the political aspects of credit and its technologies; in particular, how credit scores and credit bureaus are powerful loci or conduits of governmental intent, in which algorithmic technologies conceive of and regulate subjects as certain types of knowable and profitable objects. It speaks to the form of control that credit (as a general technology of knowledge-power, and credit scoring as a specific technology of that knowledge-power) exerts over individuals under systems of credit scoring, and in neoliberal societies more generally. As mentioned above, I argue that the hold is a complex one, transcending simple explanations of a domination by the structural disciplines of finance capital, in favour of a nuanced account that sees individuals participating, both voluntarily and coercively, in their own subjecthood. Participant experiences show how credit scoring is designed to operate upon people's actions rather than simply procuring their docility: individuals can ascendantly harness their own capabilities of self-direction to 'freely' and 'autonomously' attain their 'private' goals within a regime of truth while simultaneously promoting industry interests. That it is 'desirous' and 'willing' individuals who are drafted in to achieve the aims of the regime means that the power circulating within contemporary credit systems, and in neoliberal societies, is both a negative and positive force, foreclosing on some possibilities while

opening up new ways of thinking about and creating one's self, including as an extension to market databases that provide the basis for regulating credit provision. In the unspoken politics of consumer finance, subjectivity is of great importance, and the targeting of the willing self as the raw material of credit, not just as labour-power but as a necessary ingredient of finance systems, suggests that the social self is an effect of finance. Perhaps equally, it could be said that finance is an effect of the social self.

In all, my study allows a wider conversation to open up about what is happening when algorithmic machines make judgments about individuals: not just about the dimensions and “footprint” of finance as an empirical force, or about how scientific and technical models become adopted as social constructs, but also the consequences for human values of fairness and justice when a dialectic of risk spreads across social formations to discriminate based on specifics of the credit subject (Thorsteinsson, 2014). At its very broadest it opens up discussion on the modes by which human beings are made objects and subjects, and seeks to problematise the role of knowledge, truth and power in the governance of the social and the self.

Working with the subject

Craib (1984) notes that it is incumbent upon researchers to assess how a study has met its research objectives, including how theoretical concepts and empirical evidence has been worked with to advance specific claims. The core aspects of my arguments and findings are

outlined above; however, it is worth reflecting on how I arrived at my conclusions – showing how the analytical ‘planks’ emerging from the data are combined to form the bridge to my overall thesis.

As outlined in Chapter 1, my study of credit scoring offers a critical perspective on the effect of information technologies on the ways in which New Zealanders experience and conceive of their everyday lives. Given the disquiet expressed by critical scholars about the ways in which we are being fashioned as subjects in contemporary settings, my study can be seen, more broadly, as an investigation into the ordering and sorting of selves in complex social systems, exploring the particularities of “Financially Sorted Kiwis” under conditions of neoliberal capitalism. As described in my Introduction, it can be argued that the theorisation of subjectivity is central to the practice of sociology because it is essential in understanding modes by which the self exists *in society*. The sociological approach to the subject was crucial to my investigation: I focused primarily on the theorisation of the process(es) by which the self is constituted. Broadly speaking, the subject acts in (and upon) the world via their own interpretation, meaning-making, perception and feeling, but is also acted upon by people, processes and institutions beyond their control, framed by a general structure of understandings constituted and conveyed by language, signs and discourse. Such actions and forces determine what subjects will do and who subjects become. As circumstances change so can subjects’ positions and relations with the world, and subjectivity can therefore be explained as the active processes of

becoming the self – produced and constructed rather than simply oppressed; animated and invigorated rather than constrained.

The wider context is important to an explorative study such as mine, and in Chapter 2 I described the setting for my research, providing a “snapshot” of the incidence of consumer credit and debt worldwide and in New Zealand, as well as surveying the transformations that have taken place in the financial landscape, especially during the last 50 years or so. The links between credit scoring systems and the patterning of consumer finance in markets evident from national and international data are due in part to the changing perspectives of the lending industry on credit risk management. Credit risk is just one part of a larger superset of risks faced by lending businesses, but has been dealt with effectively by automated systems of scoring and credit bureaus in ways that have changed the ‘culture’ of lending over time whilst exposing opportunities for new and enhanced sources of profit. Credit bureaus gather and store a wealth of information about consumers, and customer profiles have become informational commodities, bought and sold in order to assess and secure credit, allowing creditors to tailor interest rates much more precisely to the perceived ‘riskiness’ of individuals. This chapter illustrates how automated systems of scoring have been responsible for the growth of the ‘personal information economy’ and assisted in gaining widespread consumer acceptance of debt. It contributes to my argument by establishing the dominant or ‘objective’ view of credit scoring as presented in business

and trade literature: primarily one that champions the integration of scoring into standardised lending processes to socialise and manage risk through almost all parts of the ‘customer life cycle’ more efficiently for lenders. It also positions credit scoring as a relationship of power within the transformations of an industry driven by corporate actors to seek profit, and emphasises the material and rationalised aspects of the extraction of profits from finance capital, primarily those pertaining to standardisation, the temporal precommensuration intrinsic to finance instruments, and the reliance on global norms and networks.

In Chapter 3 I discussed the particular theories of the subject and the methodology that I employed to examine credit and credit scoring. In the first part of the chapter I demonstrate ways that a discussion of credit scoring can go beyond that contained in the technical literature, by describing three ‘high level’ sociological counter-discourses (Marxist, Foucaultian and feminist) that provide critical perspectives on finance capital and the nature of the consumer-subject. They help identify particular themes of interest in the interplay of the objective and the subjective under conditions of neoliberal capitalism (production and consumption; self-surveillance; commoditisation of information; finance in daily life, et cetera) and suggest that it is necessary to engage with wider political considerations when analysing phenomena in the social realm, including “ideology, domination and power; ontology, epistemology; science/knowledge; governmentality, the state and the public; post-structural and

postmodern themes of narrative; discourse and language” (Nickel, 2012, p. 13). For critical researchers the ‘how’ of phenomena such as consumer credit is often as important as the ‘what’, and the three theories also come with views on the modes of power and subject-formation available in society (examined and applied in more detail below.) Lastly, each of the theories underscore how the “truth effects” applying to subjects (including researchers) and created by particular regimes can nevertheless be deconstructed and dismantled if one steps outside of dominant discourse (as far as it is possible) to examine both the machinery and intellectual assumptions upon which it is founded. In the second part of Chapter 3 I describe my research design and methods, relying on two main propositions. First, that credit and credit scoring practices can, and should be, approached as a social phenomenon, amenable to sociological analysis which considers how human action and consciousness both shape and are shaped by surrounding cultural and social structures. Secondly, that interpreting accounts of subjective experience is a valid way of investigating how credit and credit scoring is implicated in the constitution of the social self. Finding out ‘what is going on’ for people in these terms involves interpreting participant accounts, as Weber urges us to do, in terms of the motives that have given rise to actions, but also the personal expectations (rational or otherwise), and emotive or affective states that individuals subjectively attach or impute to situations. My methodology was aimed at achieving understanding of individuals and society through accessing qualitative data obtained from semi-

structured interviews which point to objective and subjective features that participants perceive to be relevant to their everyday life. Seen in these terms, my study is an attempt to understand society both at the level of structure, including its institutional framework, and also at the level of the “lifeworld”, that is, discursive practice or subject formation.

My detailed analysis of participants’ interview responses in Chapters 4 to 6 can then be seen as relating to the different modes by which subjecthood is accomplished – considering key aspects of the conditions and processes by which subjects are formed, namely: *subjectification* (how a subject may be constrained, limited, controlled, disciplined, or manipulated by the will, desire, or influence of others); *subjectivation* (the active participation of subjects in their own subjection through responses, reactions, tactics or strategies of action, goal-setting, negotiation, self-resolve, or transformation through ‘technologies of self’); and *intersubjectivity* (participation in the shared ideas or meanings existing between people).

Turning first to Chapter 4, I looked to participant experience to find out more about the day-to-day administration of credit consumers. My aim was to investigate how credit scoring systems relate to the underlying structures that knit the financial to the personal and public, producing interoperabilities with other systems and processes of lending that discipline and manage the self. Participants’ reports allowed me to observe the interplay between the objective and subjective – seeing ways in which financial incentive regimes have the

opportunity to fix themselves as institutional practices upon individuals to achieve particular outcomes. Administered through corporeal, incentive-driven, bureaucratic, globalised, and State-sponsored means, participant accounts pointed to the highly performative nature of a contemporary credit user who “establishes their relation to the rule and recognises themselves as obliged to put it into practice” (Rabinow, 1997, p. xvii). The form and consistency imposed upon human action, participated in by individuals as economic and social actors, and institutional subjects, through the ‘crafting’ of thoughts, expectations, and actions, constrains the field of human conduct, yet, simultaneously, makes possible new ways of acting and being. Importantly, this disciplining of the self operates within intimate realms of the individual as well as within the social and public remit. It is a concern of individual borrowers or lenders as much as a mechanism of business or the populace. This provides a snapshot of a habitual and stabilised subject primarily motivated by economic incentives to enter and comply with certain practices, dependant upon centuries-old debt customs, a system of law which upholds private property rights and the sanctity of contract, a “debt-fare” state (Soederberg, 2013) whose own bureaucratic policies and procedures adopt debt-based models as powerful devices in assertion of authoritative claims over citizens, and an extensive new regime of electronic surveillance and classification based on the ‘hard’ science of probability and risk. Institutions feature prominently in Marxist, Foucaultian and feminist scholarship, as part of the superstructure,

knowledge/power, and patriarchy respectively, and my analysis furthers the conception of credit as a practice-based social institution involving structural, agential and intersubjective bases for its existence; a notion that cannot be achieved as long as personal biographies are viewed only as responses to structural conditions and not as constitutive of them.

Chapter 5 involved a shift in focus, from examining structural circumstances to looking at the nature of the ‘mental labour’ performed by individuals as part of financial self-management. I was interested primarily in the ‘interior’ processes of the self, that is, ways that people participate in their own “making up,” to borrow from Hacking’s (1990) well-known phrase. In investigating how credit scores might constitute resources for self-construction, I asked, “What ‘internal’ activities allow individuals to establish their relationship with finance and debt?”, taking particular note of those techniques, practices, and attitudes to self-shaping which might be said to correspond to the tendencies of neoliberalism. I found that credit and its technologies were involved in the self-ordering of the subject through inner practices such as planning, budgeting, monitoring, and appreciating risk and its trade-offs, but also achieved via symbolic meaning-making which allowed for an internal representation of the world and permitted individuals to make sense of it using their own endeavours. Meanings were derived from a variety of sources – from direct experience, from observations about others, from guesses and speculation, from prevailing social or cultural contexts, or from

information obtained from external parties. More widely, it seemed open to participants to select which particular subjectivating processes to use to establish an understanding of self and the other: participants talked about using memories and lessons learned from past experience; applying forethought, cause/effect logic and consistency of strategy; considering the time frames for which decisions would apply; cultivating a willingness to compromise or be pragmatic; understanding boundaries through recognising and testing limits; improvising; and, at times, practising concealment and secrecy. There was evidence, specifically, that the notion of a ‘responsible’ credit user was activated using culturally transmitted resources (such as the stereotype of ‘good’ and ‘bad’ credit users) and drawing on authoritative ‘official’ discourses (such as those presenting notions of ‘life progression’ and ‘precommensurated’ value). From these observations it could be said that credit scoring is a technology that draws on the resources of the self, and that the role of algorithmic software and technology in the financial mediation of reality extends to the instructive procedures of the mind. The analysis in this chapter concluded by noting the overly-simplistic focus in some finance research (and in some critical depictions of the neoliberal subject) on the creation of rational, logical individuals possessed of ‘freedoms’ to choose. Irrespective of whether ‘free choice’ is regarded as an innate characteristic or an acquired capability shaped by circumstance, I suggested that such an approach can only ever be a partial explanation of the contemporary subject because of the diverse nature of the

resources available to the self and the variations in possible scope and intensity of the self-work to be performed by a borrower to function in credit markets.

Finally, Chapter 6 provided several further insights into how finance is integrated with the social aspects of the self, recognising that credit is a profoundly relational phenomenon, that subjectivity is achieved through one's awareness of situations involving others, and that structural features of an economy such as markets for credit are themselves social constructs. This chapter could be seen to explore the socialisation of finance outside the formal structures of lending, asking the question: "What are the ways that the self is established in relation to the making real of 'the other'?" Participants described a multitude of ways in which debt is integrated into economic interdependencies of social lives, holding significance in enabling and shaping social relationships and identities, and adding to social complexity/variety and interdependency. This bears witness to the involvement of finance with the interpersonal aspects of the self, driving interactions with other social actors within networks and rendering finance amenable to analysis by relational sociology. Subject positions, in addition, are seen to be produced through associations with and within collectives, emphasising similarities and differences that speak to matters of identity, and utilising shared forms of belief or knowledge or practice across a few or many participants. These aspects can be viewed as 'intersubjective', occurring in the shared realm, which, among other things, communicates economic or

class position from which social status is derived, and is involved with large-scale social changes. Lastly, the integration of credit and credit scoring into the interpersonal and intersubjective social domains is achieved not just on the basis of economically self-interested actions or overt/covert coercion by the lending industry, but also through relational social frameworks apparent in public or intimate settings. These frameworks encompass the relations of care, and also the secrecy and taboos that attach to the 'outing' of personal information. The significance of emotions in borrower responses to finance is a factor largely neglected by contemporary writers on finance and credit technologies, and a consideration of the affective elements of credit extends my analysis of social 'embodiment' with an emphasis on repetitions, pains and pleasures, as well as group feelings and memories. Lastly, the identification by participants of moral frameworks and internalised ethical codes determining the 'fairness' and 'rightness' of action (and the ideal relationship with others and oneself) shows how formal processes of institutional regulation or education only partially account for the intersubjective experience of finance. Overall, experiences, effects and meanings for subjects are more complex than economic theories based on assumptions of value-maximising self-interested agents suggest. Social phenomena outside the economic sphere are at play, and participant accounts demonstrated how individuals experience contradictory/competing economic and social demands, occupy partial, fragmented and multiple subject positions, and deny/resist authority in various ways.

Finance and the self: Towards a ‘mid-level’ theory

The analysis covered in the last three chapters summarised above is wide-ranging, partly because the lack of scholarship in the general area has not yet resulted in an agreed compartmentalisation of areas of analysis or investigation, but partly also because of the far reaching nature of finance within society and its variation in application to participants. One way of moving from an analysis of the ‘how’ of subjectivity to the ‘what’ of objects and subjects implied by participant experience is to combine my specific findings with Marxist, Foucaultian, and feminist theoretical perspectives on the nature of the subject and subjectivity in order to isolate or extract various ‘types’ or ‘modes’ of contemporary subjects relevant to credit and credit scoring practices. This is an attempt to synthesise what can be termed a ‘mid-level’ or ‘middle-range’ theory, an approach popularised by the sociologist Robert Merton from the 1950s, aimed at allowing the limited hypothesising that attaches to specific empirical studies to be integrated with more abstract social theory that explains the large-scale patterning of society. Such an approach points to the ways in which credit scoring is integrated with, and supplements, theories of the social self as subject.

As described in earlier chapters, Government agencies, such as the CFC, have styled the responsible credit user in New Zealand the “Financially Sorted Kiwi” – a colloquialism intended to convey the impression of a person who “has a game plan,” has developed

“investor capability,” and strives to “get ahead financially” (CFC, 2016). This type of New Zealander is further delineated by the different age-related phases occurring in life (for instance, those who are “50 plus” or “retired”), reflecting dominant research-based views of the “life-cycle” of the individual in society. In contrast to those depictions, however, which also permeate the promotional material of banks and lenders, I have interpreted participants’ accounts of lived experiences and self-understandings in terms of sets of different characteristics explicable under various critical paradigms relevant to finance that attend to the nature of the social subject. I see at least three possible readings of the participants involved with my study – namely, *credit* subjects, *credit-scoring* subjects, and *creditworthy* subjects. I suggest that these three figures, arising out of the techno-social formation of subjects, indicate three contemporary ‘styles’, abstracted from the personal characteristics of individual participants relating to credit and its technologies in New Zealand. They also represent three possible ways of understanding the effects of the financialisation of society and self in contemporary conditions of neoliberal capitalism. Each figure is challenged by the others in terms of its view of the nature of its ‘being and becoming’, the priorities and logic that govern its existence, and its relation to knowledge and power. The three figures are summarised in Figure 14, and are elaborated on in the following discussion.

Figure 14: The three subjects of credit scoring

The three subjects of credit scoring
<p><i>Credit subjects</i> – Alienated and exploited consumer-citizens, bound in service to the debt economy, stabilised and disciplined via the permanent scrutiny of the credit bureau which regulates the problem of debt default within national populations and establishes the promissory nature of debtor-creditor relations as the moral basis for everyday life.</p>
<p><i>Credit-scoring subjects</i> – hyper-rationalised human complements and extensions to the digital infrastructure of markets; self-surveilling and self-adjusting carnate blends of technical invention and human desire, embodying the impulse towards the making-abstract of the credit user through data gathering and mathematical risk-calculation.</p>
<p><i>Creditworthy subjects</i> – cultural obligors, part of an unruly and unstable social unity involving emotive and intimate moral relations with families, neighbours, businesses and institutions; pragmatically negotiating a relationship not only with credit, but with the other and the self within a mix of traditional and contemporary social frameworks.</p>

The credit subject

The *credit subject*, first, is recognisable as the classically oppressed figure of capitalism, a member of a population of subjugated borrower-citizens within our actually existing ‘debt society,’ which,

following Marx, furthers the production of alienated social relations through the medium of modern finance and the predicament of indebtedness. The primary purpose of this individual, located squarely within culturally-specific narratives of consumerism and the marketised practices of the “debt-fare” state (Soederberg, 2013), is to borrow and consume in order to support ever more expansive production in the capitalist world-system (Wallerstein, 2005; el-Ojeili, 2012). Colonised, homogenised, and panicked into submission by the all-too-real prospect of ‘non-personhood’ stemming from delinquent behaviours, the subject leads a lamentable existence, a poor apology for the inequalities administered and managed by global forces. In many ways, what is witnessed is the production of the *non-subject*, an actor whose behaviour is completely determined by orientations that are forced upon it by the power it obeys, primarily explicable by the “administration of fear” (Virilio, 2012) which structures the economy, society and the subject’s relations with others in ways that further the acquisition of wealth (measured in monetary terms) in the abstract.

In terms of the theory of self, the credit subject relies on subjectification as its dominant mode of ‘being and becoming’ – characteristic of the Althusserian (2001) paradigm of “interpellation”, where individuals acknowledge and respond to the pressure applied by ideological apparatuses. The credit subject is addressed by a finance culture that ceaselessly seeks to stimulate and channel subjective demand for commodities, and experiences the implied sanction by the state via regulatory codes and rhetorical claims guaranteeing

consumers' equality of opportunity to debt markets. The making and controlling of this "indebted man" (Lazzarato, 2012) accords with the Nietzschean account of the "violence" of the debtor-creditor relationship, involving simultaneous submission of borrowers to objective measurability and subjective, moral responsibility. This heavily 'scripted' consumer-subject, a stable, prudent and socially conservative being of "reliable, regular, automatic" and "truly predictable" disposition (Nietzsche, 1887/1994, p. 39-40), features prominently also in Foucaultian (1995) accounts of the obedient and docile body of institutional production. These are individuals problematised by governing authorities as scientific objects and targets of pastoral care through personalised diagnosis, documentation and treatment as cases, and by the exercise of normalising judgement based on the norms of mass credit prescribed and reinforced under an extensive disciplinary regime administered by credit bureaus and lending agents. The particular innovation and 'reassurance' that credit scoring offers the finance community is the prospect of systematic self-monitoring by the credit subject, which, coupled with a set of economic incentives, results in lowered costs of finance-provision through borrowers policing their own credit-related behaviours.

The credit subject is motivated by, and acquires its "second nature" from, dominant discourses of personal growth and economic achievement, which, when it comes to credit scoring, is cloaked by lending and Government agencies in the superficial language of 'choice', emphasising the benefits and 'freedoms' attainable from

borrowing, and then adhering to repayment schedules. Economic incentives (as critical scholars of neoliberalism are aware) are usually compelling enough to effectively direct all or most individuals to comply with desired behaviours, however, and the negative consequences of pursuing ‘imprudent’ courses of conduct (resulting in subjects being branded as shirkers, delinquents, or anti-patriots) are as effective in motivating credit subjects as the utopian glimpses of personal success and transformation offered by credit scoring. Taken on board as a manifesto for everyday living, this new form of ‘voluntary servitude’, which links credit and consumption choices to positive or negative future outcomes for members of society, elevates debt to the status of a monarchic compulsion, that is, a sovereign force commanding economies and nation states, but also able to secure the adoration and willing compliance of the modern subject so long as they remain able to spend and consume. Overall, the resulting subjects are led to believe that their destiny is the product of their own history and endeavours, although in reality they are ‘strong-armed’ by servants of the debt economy into acceptance of narrowly conceived notions of the individual’s place in economy and society.

Applying a critical sociological perspective to the interplay between truth, rationality, and subjectivity allows the credit subject to be analysed as an entity constituted and governed by the coupling of financial technologies with the structures of knowledge-power. A number of objectionable consequences arise. First, in today’s credit system, where virtually all societal agents are involved with debt, and

in which credit bureaus, as information-wielding authorities, document (and therefore validate) the existence of borrowers, the knowledge gathered about subjects and their predicted profitability is appropriated as a private good to be used by lenders as an economic weapon against competitors and consumers. Here, credit scoring – a ‘gateway’ device that regulates financial information – can be seen to exert influence over social as well as economic outcomes: rendering visible the increasingly finely-graded distinctions between individuals relevant to lending; privileging those distinctions within the looping structures of sociality that determine credit subjects’ life chances; and requiring scored individuals to perform ‘responsibly’ if they are to stay included and enabled in the stratified configuration of market circumstance. One’s credit score, in short, becomes a *social* fact (Durkheim, 1895/1982) – a cultural and political resource to be exploited by the finance industry in practical ways to advance the everyday welfare of a certain range of people, while leaving others stranded, at risk of financial harm, abuse (such as predatory lending and social discrimination) and perverse outcomes. In this way the knowledge generated by credit scoring becomes instrumental in the government of conduct that controls the actions of borrowers, and generates, maintains, and multiplies inequalities across society.

Secondly, ideology, in the Marxist sense, whereby consumers’ beliefs are determined to a significant extent by a dominant class in which power and wealth is concentrated, consolidates the lending industry’s influence over both material circumstance and the

superstructural artefacts (philosophy, law, politics, the arts, et cetera), and determines the nature and scope of the world as credit subjects understand it. Debt ideology contributes to a wider ethic of consumerism, which has both cultural and economic ramifications: credit subjects turn to lending markets to provision themselves, but also to realise identities and to fashion distinctions from others. The idea of ‘knowing oneself’ through the acquisition of differentiated consumer products, of the need to construct and tailor one’s distinctive ‘lifestyle’, is accepted by the credit subject as a ‘normal’ feature of everyday life. Because consumption needs are satisfied by finance, the discerning consumer finds solace in the ability to order their own financial affairs in ways that continue to serve up the predictable delights of new purchases. Social activities, such as work, are seen by this increasingly “One Dimensional Man” (Marcuse, 1964) as merely a means to the end of buying more goods and services, an activity that fills up workers’ free time and allows them to express and fulfil desires manufactured from the advertisement of an existence made whole by consumer products. Women not only provide female analogues for masculine customers in this consumerist paradigm, but invite the development of differentiated products offered in newly-created economic niches (see, for instance, Howard, 2010), enlarging the reach of credit by encouraging an expansion in the repertoire of consumers’ ‘needs’ and the means for satisfying them.

The tragedy of the credit subject is that it comes to be complicit in its own domination – advocating, even, for the ‘right’, as a matter of

‘empowerment’, to participate in the markets that stratify and regulate credit entitlement (Fraser, 2009). Aronowitz (2003) is one of many commentators to point out that in recent decades there has been a pronounced increase in the involvement of working-class citizens in asset markets, encouraged to accumulate financial assets first in housing and then in the form of pension rights. The belief of borrowers that they stand to benefit from a continuation of the current financial regime means that credit consumers are loathe to complain too loudly or revolt against the system, especially where current conditions present an improvement in the range of consumer “options” compared with the past. This structural interdependency – the “reciprocity” of credit markets – as well as the ideologies that come bundled with consumer credit use, provide an explanation for the apparent willingness of consumers to remain committed to calculating their “next move” (CFC, 2016), despite sustained frustration in (and tangible evidence of) not ‘getting ahead’.

A further point salient to the understanding of credit users’ subjective relationship with technology in terms of knowledge and power concerns the co-optation of a scientific rationality and numerical ‘ethic’ by finance. Scoring is an example of a quantitative technical accomplishment performed within a positivistic scientific paradigm. Authority and influence in this sphere, as Stone (1997) points out, is derived in part from an ‘ontology of numbers’, which is premised on a number of presumptions about the nature of the world and the objects in it. In fact, the positivistic method typically

deployed in finance applications has infused nearly the whole of the social discipline of economics with an attitude and approach that allows economics to be “modelled on the natural sciences, promising cause-and-effect understandings of social life” (Nickel, 2012, p. 4). Used as justification for market behaviour, the ‘objectiveness’ of scientific technologies such as credit scoring systems not only produces superior results for lenders but also presents the idea of progressive “society that can achieve its optimal position via the hidden hand of capitalist competition and the partly visible hand of individuals in maximization mode” (O’Boyle & McDonough, 2010). In a self-reinforcing structural manoeuvre, science and technology (which arguably once offered “utopian” views of society and could be conceived of as the guardians of equality) have become subservient to market transactions, which are now seen in the credit subject’s world as a panacea for a range of social activities. Getting to know credit subjects through scientific observation means framing their behaviours in a way that implicitly involves understanding them as welfare-maximising agents in markets, limiting the types of possible subjects that can be articulated and leaving little room for world-views other than those established in dominant narratives. This has long been understood in feminist and other circles of critical scholarship: Butler and Desai (2008), for instance, argue that the female credit subject promoted under “masculinist” systems of knowledge and science in the modern-day economy is a “(trans)national, racialized, feminine subject embedded within neoliberalism, heteronormativity, and

racism” (p. 2). Credit scoring, similarly, can be seen to augment market-making processes and form part of a powerful matrix of scientific apparatuses that control credit subjects through tacit assumptions made about what can be known about individuals as well as what they are capable of.

Lastly, the list of critical objections to the creation of the credit subject is completed by noticing the credit subject’s objectification: credit scoring systems, it can be argued, transform credit status into an observable phenomenon rather than lived experience, and credit subjects into passive objects of study rather than enlivened subjects. Nowhere is this dehumanizing extraction of subjectivity (explicable under the critical paradigm of alienation of Hegelian and Marxian origin) more evident than in the credit subject’s relations and social ties with others: social connectedness comes to be dominated by debt obligations, and the isolating abstraction needed to mediate the borrower-lender relationship and supplant ‘relationship lending’ with automated systems of processing infiltrates other areas of social reproduction, family-work relationships, and group identity. Scoring and other technologies of finance are designed to ensure that individuals relate to each other as “transactional strangers” (Simmel, 1900/1978) who can interact, trust, and borrow in the detached style necessary for large-scale markets. It is in the credit subject that we see the appearance of the ‘autonomous self’, derived from methodological individualism, which assumes that there are no properties of social relationships that cannot be derived from the

atomised characteristics of individuals. It is this view of societal relations and the status of the individuals within them that is emphasised in critiques of neoliberalism, where, as producers and consumers in a globalised architecture, “people have come to resemble the pieces of a lego kit, homogeneous in overall form, but differentiated by many different specific features, and fully capable of being assembled together through market processes in different combinations very quickly and very cheaply” (Howard & King, 2008, p. 72). The depersonalising power of automated credit processes dissolves the social ties of the credit subject, founding society instead on a basis of an adversarial market rationality, killing those personal relationships responsible for the ‘foreignness’ between agents, and providing incentives for putting each other’s existence at risk. Relationships with others appear simply as a means and a constraint in satisfying purely private goals, and although complex, involve nothing more than the activities of competitive individuals motivated by rivalry. Socially isolated, credit subjects are positioned as “little capitalists” (Roscoe, 2015), financial controllers of family units, homeowners, small-scale property developers and rentiers, wary of what others might do to them and with allegiances only to their own economic position. It is true that localised credit practices, like national currencies or payment systems, foster a “common economic language with which to communicate” (Swartz, 2014). They also define patriotic territories that gather economically viable members of a group under the umbrella of universal aspirations. However, that

language and those aspirations are limited to what is of use (and therefore of value) to finance capitalism. For the credit subject, collective identities are heavily skewed towards finance's objectives; patriotism is equated with upholding the right (and duty) to borrow in order to consume (Greenfield & Williams, 2007); and democracy is a concept that is identified with the marketisation of the state. Debt society is inclusive or fraternal, then, only in the sense that others are subjected to the same system of exploitation on more, or less, unequal terms, and the resulting relations of credit subjects with others (not to mention the regard for the self) involves a pathological form of recognition in which the rationality underpinning debt obligations and competitive interaction creates inverted solidarities. Under these conditions the credit subject's default setting is competitiveness (as opposed to, say, co-operative exchange): self-centred subjects do not help one another but acknowledge each other's existence by 'loading up' on debt in an effort to 'out-do' each other in demonstrating their capacity for borrowing and expertise in credit management.

Through various dimensions described above we see the critical relation of the credit subject to the power inherent in knowledge, rationality and truth-production, as well as the governmental intent of the finance industry. How lenders come to know the indebted as credit subjects, as well as the (deficiencies in) knowledge that these same subjects acquire about themselves and their world, speaks to the ways that credit and its technologies limit individuals' horizons of thought and experience whilst securing their consent.

The credit-scoring subject

An alternative figure, one that challenges classical Marxist and liberal feminist understandings of the human subject, can be seen to emerge from the economic shift in dominance of industrial production to that of information administration. As Cluley and Brown (2014) note, in Western nations there are today “very few services that we now engage with that are not also simultaneously evaluative, calculative spaces in which we are invited to participate and leave our data traces” (p. 119). Participant accounts suggest this is true of credit, as much as other domains of life: credit scoring, as a “technology of self” (Foucault, 1988), is both a mode and mechanism for demonstrating economic viability, radically minimising the distance between technology and the human citizen by interpreting the material body as a coded text operating as data processing and signalling equipment. This reconfigured subject, who transcends the physical boundaries of calculating devices, enlists modes of subjectivation so closely bound up with the algorithmic intelligence of technologies that its mimicking of techniques ensures that the self’s own ‘software’ achieves compatibility with particular environments, tasks or regimes. Here, the internalisation and assimilation of technical logic by the credit consumer brings about the constitution of the *credit-scoring* subject – a new way of being and becoming – suggestive of Haraway’s (1991) cybernetic organism (cyborg), reinvented from nature as a blending of animal and machine, nature and civilisation, organism and technology.

Bound up in a sequence of cyclical production of borrowing, spending, and consuming, and emboldened and enabled by lending possibilities, the credit-scoring subject arises as a pliable “agencement” created from “the interplay between performative knowledge and power, embedded in performative discourses and socio-material devices” (Roscoe, 2015, p. 194). It is drawn from Foucault’s work on the micro-assemblages involved with subjectivation and self organisation, but is also contained in his accounts of the biopolitical subject – for which stimulating creativity and vitality is of primary concern to those governing. Existing in, and orientated towards, a present-future state, this hyper-subject creates screeds of new data about itself and its interaction with the world, ensuring its own relevance and on-going survival within finance-led trends. Motivated by incentives that emphasise technical and calculative prowess as the pinnacle of achievement, and reinforced by the discourses of individualism, choice and responsibility, the credit-scoring subject, above all, is conceived of as an economically optimising enterprise. The purpose of the subject is to strategise for her or himself among the various social, political, and economic avenues and options available, looking within for ways to adapt and ‘play the game’, and constructing its interests from the standpoint of self-invention. Whereas positivistic algorithmic models dominate the debt subject, the credit-scoring subject incorporates algorithmic control to its core – to the point where domination seems to disappear and it becomes self-interested in dynamism and change – invested in

the immediate feedback derived from its own micro-actions and being continuously willing to appreciate the possibilities for being something 'other'. In the pursuit of a self-actualised future, its identity is not static. It improves through (re)invention from its performances in a constantly shifting environment. Rather than having contradictions and perversities imposed upon them like the credit subject, this self-policing and self-adjusting subject gains reward for facing illogical outcomes as 'game constraints' to be worked around and exploited

Wary of its own performance, this desirous techno-subject is configured to respond to the hyper-real simulations of life presented to it by scoring technologies. It does not simply fall prey to the 'debt trap', but desires and pursues credit as a means of satisfying its need for self-expression. It has an obligation to work on, and produce versions of, itself, stimulated and excited by the productive urge that powers the "libidinal economy" (Žižek, 1989) and promises unfettered potential for satisfaction. The heart of this subject, arguably, is closest to that of the post-modern self – a simulacra, knowable and capable of being administered through its direct constitution as data traces. The life of the credit-scoring subject is the ultimate in game-play – where simulation is real life and the possibility of 'crashing' means just another opportunity to reinvent oneself from the unlimited lives granted by the system. The pleasure at 'playing the game' eclipses material achievements, which are short-lived anyway. It challenges depictions of credit consumers as surveilled prisoners in Foucault's

notion of the panopticon: that is to say, subject to techniques of disciplinary power exercised on the individual consumer by categorising and putting in place 'regimes of truth' by which individuals recognise who and what they are. Rather, the 'dataveillance' (the collection, organisation and storage of information about persons) the credit-scoring subject experiences points to its rule under a form of contemporary consumer governmentality that eschews the captive analogy in favour of one based around autonomy and liberty: the door is left open for individuals to extend themselves in all directions, to make themselves creatively productive and successful within the fractured virtual spaces of finance and self-knowledge.

Cognitive and rational function stands as a central and defining characteristic of the credit-scoring subject: it understands and recognises itself in relation to a particular form of rationality congruent with finance that informs its environment. However, it is not enough to say that credit scoring forms a key 'habit of thought' or that it evidences the further rationalisation of society in a post-traditionalised form: Weber, after all, viewed the whole development of modern societies in terms of a move towards rational social action. Rather, it points beyond the modernist reliance on science as the guarantor of truth and the basis of 'rightness', to a world in which the values of independence, individualism, competitiveness, and power over others have become fused with personal emotions connected to consumptive desire, abstract financial gains, and a ruthless evaluation of performance. Databases have become the repository of complex

consumer lives through turning behaviour into abstract aggregates of individualised and individualising data points. Neoclassical economics stops being a background description of individuals and society, and is now an agent for analysing, evolving and developing our world – a mechanism through which definite ideas about what it means to be a universal consumer are established and propagated.

Harnessing credit-related data as facts that constitute the self emphasises the nexus of finance, consumer culture and political economy, and is constructive (rather than destructive) because the production and consumption of information does not diminish the information's utility – it serves only to make it more valuable. It is unnecessary to posit some external wellspring of subjectivity to manage this space of entanglement and attachment – the credit-scoring subject is entirely self-grounded in their attachment to its consumption and data-generation activities. The harnessing of electronic experience as constitutive of the self also says something about the state of current and future knowledge – a matter broached by Lyotard (1984) in *The Postmodern Condition: A Report on Knowledge*.

However, for all its novelty and its abstraction, the credit-scoring subject retains an undeniable connection with materiality, societal structures and prior human regimes. Consumption, for instance, is a vehicle for identity-forming and physical participation, emphasising that performative acts are set to work in the carnate nexus between transnational political economy and the super-inclusive and hedonistic 'now' culture of the consumer that focuses on immediate gratification

or denial. Also, although virtual interaction with lender technologies has superseded relationship lending, meaning “there are no more limits to the construction of difference, to classification, and to social sorting” (Zwick & Knott, 2009, p. 222), the credit-scoring subject still requires institutional reinforcement of a commodified logic, and modes of responsabilisation effected through policies that render subjects legible. Policies such as financial literacy, or the student loans scheme, involve individuals in concrete regimes that integrate them with the economic philosophies of markets. In these situations, we see support for the Foucaultian argument that it is not only ideology or fear from the ideas in people’s heads that captures the subject, but embodied dispositions or *habitus*, through which power gets its deepest hold (Fraser, 2012, p. 170).

Also, it should not be overlooked that this techno-social subject requires, fundamentally, connections with others, being “located within the *social* relations of science and technology” (Haraway, 1991, p. 165; emphasis added). Its identity is forged through interactions with other entities and its biography is keyed off other human lives. It differs from other socio-economic regimes by its elevated focus on individuated personhood involving the ‘stripped’ social relation typical of capitalism, the mere ‘cash nexus’ between buyers and sellers of commodities. McCarthy and Dimitriadis (2000) have suggested that this type of transactional relation, typical of neoliberalism, involves a reduction in empathy and compassion towards those who are leading difficult or disadvantaged lives. The

demonising of dependence, an illusory sense of autonomy, a personal responsibility for avoiding vulnerability, and extensive self-surveillance, produce, they argue, a “politics of resentment”, which flourishes amidst the anxiety of relative achievement and mobilises contempt against a virtual population that the subject will never encounter in person. Where discontent is directed at the imaginary ‘other’ there is no room left to question why it is that the trust that applies to ‘real’ people is something that has to be generated through a technical system, nor the fact that debt has come to constitute a permanent feature of life.

Lastly, the very existence and nature of the credit-scoring subject challenges traditional ideas of power relations and requires new reactions to the political. Van Wolputte (2004), for instance, views the cybernetic individual as an embodied parody of the themes and archetypes of modernist discourse, embracing both “contradiction and ambivalence” (p. 259) and culminating in political disenfranchisement. To elaborate: calculative technologies, such as those of finance, assign objectivity, value-neutrality, and legitimacy to decisions that would otherwise appear normative, rendering the distribution of resources as a question of technical expertise, rather than the protection of economic interests. In these circumstances individuals are constituted as amoral transactors subsisting under rational economic conditions, equating ethics with the ‘rules’ of competition. Legal judgements are displaced in favour of economic ones, and rights and laws no longer stand for anything but protecting

interests, investment and competition. Differences from others, in a similar vein, are depicted as benign variations – translating to a diversity in consumer preferences rather than signalling conflict, struggle, or a threat of disruption. In short, the credit-scoring subject bypasses traditional notions of power, as well as history, to suggest “a harmonious, empty pluralism” (Mohanty, 2003, p. 193) in which political apathy reigns. Yet there are serious implications for the political nature of individuals. A movement from the credit subject who engages in all work, to the credit-scoring subject, who engages in all play, means the self is no longer given and does not have a basis from which to compare its treatment against the norms of “humanism”. Whereas the debt subject is dominated by administrative regimes of the public sphere, the credit-scoring subject does not register any difference between the public and private sphere, and becomes “a canvas on which major cultural, social, and political changes are projected” (Van Wolputte, 2004, p. 264). It is oblivious to the fact that information platforms such as credit bureaus involve the marshalling of “anticipatory knowledge” by those who currently profit from institutional power, pre-drawing the lines of inclusion and exclusion in anticipation of the knowledge claims of rivals.

The creditworthy subject

A somewhat different picture is encountered when construing participants as *creditworthy subjects*, the most complex (and, perhaps, most interesting) depiction of the contemporary credit consumer

because it brings into play a deeply affective and multifactorial being who confronts its own value through images forged primarily in interaction and association with others. This is not the unidimensional, oppressed “automaton” of debt, nor the abstract, ahistorical, self-contained financial precept that comprises the credit-scoring subject, but a creature who starts from the position of relationality, experiences social interdependencies vividly, and is heavily steeped in the moral and social order. Widely reflexive, with an imagination broader than credit and profit, the creditworthy subject experiences human relationships through the payment possibilities of debt, but is informed by both ancient and modern cultural programmes in the apprehension of the other and self. A potent integration of accord and disturbance, the creditworthy subject feels its way through the layered discourses that inform everyday understandings about consequences and interests, while latching on to the lessons learned from its experience of human realities extending past purely technical directives. The creditworthy subject, in this sense, is a snapshot of a much older figure that has piloted its way through history, a *survivor-subject* (Wieviorka, 2009) that now confronts the challenges posed by new performative technologies, while simultaneously grappling with an array of social imperatives in an effort to negotiate and synthesise an economically and socially viable version of itself.

The nature of this subject stands as explanation for finance’s penetration of cultural and social being, for the creditworthy subject is an assembly and amalgam of whatever is at hand – a *bricoleur* that

works with existing signs and signals (social or technical) to create an aggregated complex of subjective meaning. Situated within the entanglement of families, neighbours, schools, friends, business partners, colleagues, corporates and institutions, the creditworthy subject has an immense capacity for sharing and empathising, is highly attuned to community codes (including those that articulate competing notions of ‘justice’ and ‘fairness’), and is skilled in recognising how obligation and duty are brought to bear on vectors of identity produced in classes, localities, nations, generations, ethnicities and genders. For this subject, making sense of credit scores is just another exercise in reconciling both complementary and conflicting demands to assemble a plausible world in which to operate. The reality, of course, is that the creditworthy subject is occasionally overpowered by debt and becomes the oppressed and beleaguered credit subject. Equally it succumbs, at times, to the technocracy and game-playing of credit scoring systems and becomes absorbed by its choice-theoretic calculus. But on the whole, its versatile disposition means it is successful in attributing human meaning to finance through multiple modes and strategies – automatic (habitual, reactive); technical (cognitive, logical); symbolic (figurative, assimilatory); and obligational/cultural (worth or value) – fusing credit into its everyday social existence to produce a functional body and a viable soul. Overall, it stands as a reminder to look beyond finance and surveillance technologies as ends in themselves, and to appreciate how the melding of social will and individual desire with the peculiar

utility of finance carries transformational possibilities for societal members.

Some noteworthy credit-related consequences arise from the way that the creditworthy subject navigates the unruly and unstable social unity in which it is situated. First, these persons exhibit occasional ‘failings’ as judged by the standard of credit scoring systems: debts are not paid on time, credit is drawn on speciously or on a whim, and strict techniques of money management fall by the wayside if a social need or other event judged important arises. Behavioural economists have known for some time that ‘real world’ subjects are prone to cognitive biases: consumers often do not carefully calculate the precise costs and benefits of their decisions even if such costs and benefits are detectable (see, for example, Kahneman, 2011; Sunstein & Thaler, 2008). Marron (2007) makes the point that objective probabilities which underpin assessment of risk “rests uneasily with how individuals experience the world as subjects” (p. 112; see further Dawes, 1999). Consumers also make use of ‘social categories’ such as privacy, autonomy, dignity and compassion as a guide through decision-making – a strategy that does not always increase their long-term economic benefit (Lutzer et al., 2014). However, unlike the policy-makers who design and implement credit scoring systems, the creditworthy subject does not blindly attribute these ‘shortcomings’ to failures of individual choice and responsibility and diminished credit capacity. Rather, the creditworthy subject has the potential to see the choices people make (which, as evidenced by participant accounts,

may not be “choices” at all if occasioned by physical or mental impediments, or via entrenched social divisions and pre-existing economic disparity) within a wider social setting. The credit-impaired are thus appreciated in more ‘authentic’ and ‘honest’ ways – recognising that humans are intrinsically fallible, healthier even, “in their straightforward view and propensity to live in the present” rather than abstract themselves in the future (Kitwood & Bredin, 1992, p. 273). Credit default would not turn out to be such a “tragedy” or a “burden”, but would point to personhood seen “in social rather than individual terms” – an “exemplary model of interpersonal life, an epitome of how to be human” (p. 286).

Such imagining give rise to critical possibilities. The acknowledgement of a social being that operates under a spectrum of influences and with a remit beyond that prescribed by the logic of finance alone challenges the simple view of a credit subject as an entity that can be known through movements, actions and behaviours, as it doesn’t explain the interdependence, how “layers of capacities, dispositions and inclinations are integrated, often in conflict and in contradiction” (Dolan, 2010, p. 18) through a series of multiplying and differentiated social relationships. In this reading, the social and cultural influences that coalesce as ‘real world’ subjects produce ways of seeing, behaving, responding and feeling that cannot be detected, or explained, by techniques of credit surveillance. Viewed from a standpoint outside of the formal systems that regulate finance provision, it is the systems themselves that appear flawed in the

constitution of knowledge about the ‘actually existing’ self. Such systems exclude the prospect of identifying and rewarding ‘helpful citizens’, for example, or ‘morally commendable individuals’, in the face of patchy credit histories and poor credit scores. The notion that a credit default signals a more accurate and genuine estimation of the self would almost certainly be dismissed by the lending industry as a fanciful or romantic irrelevance. However, creditworthy subjects who are attuned to the politics of debt would be loathe simply to accept the industry’s ‘objective’ assertion of credit scoring’s ‘superior truth’ based on its demonstrable success in lending applications. Exposing the limitations of credit surveillance in this way serves to contest the certainties established by technologies of debt and by finance generally, and, given the significant force that lenders’ decisions exert on society and subjects, acts as a critique of the power wielded by credit bureaus as agents of the finance establishment.

Secondly, there are other disparities between what the industry asserts in its credo and practises through its technologies, and the “truths” experienced by the creditworthy subject in its social setting. Scoring is justified by the credit industry on the basis that it augments trust, but the commoditised transactions recorded in credit files, which can themselves be bought and sold on secondary markets, look nothing like the ‘trust’ that the socially-connected subject involves itself with. If anything, scoring appears as a movement away from trust, and, compared at other levels of social reality, the mechanical depiction of credit consumers offered up by the credit industry as

value-maximising agents occupied with allocating resources efficiently for the social good appear implausible, farcical or pathological.

This view is supported by the philosophising of feminist-socialists (such as Nancy Fraser) who hold an interest in critiquing the shortcomings of neoliberalised worldviews, and who point to the impossibility of capturing the realities of the self using only those analytical tools, which, in the case of credit scoring for example, are spawned from neoclassical economics. Here, it can be argued that credit scores, and the algorithmic techniques that inform them, do not provide an adequate view of the subject as a social composite because they neglect to apprehend the co-ordination of subjects' relationships:

... not only with the economy and with others as economic actors that produce commodities for consumption, but with human capacities available to create and maintain social bonds, which includes the work of socialising the young and reproducing shared meanings, affective dispositions, and horizons of value that underpin social cooperation, as well as the environment that furnishes the raw materials, habitats and means of life on which social reproduction and commodity reproduction depend (Fraser, 2012, p. 169).

Because neoliberalised economic theory fails to appreciate the extent and nature of societal interactions in depicting the subject, it is antithetical to the conception of individuals (for example, women) in disadvantaged social collectives. Instead, because today's consumers operate under credit conditions that involve significant 'blind spots'

about their social nature, they can be seen as fractured by finance, divided between the self which is permitted to inhabit the artificially bounded world of credit approvals, and the self which encompasses a remnant sociality upon which the gender analysis initiative is premised but which is marginalised and discarded by credit technologies. This bifurcated organisation of the self into parts that compete for relevance in daily life, mimicking the structure of the multi-divisional company which competes internally for ‘resources’, advances the aims and interests of finance because the aspects of the self (like different branches of the corporation) that achieve “profitability” win out, while weaker parts of the whole wither and fade away. Fraser (2009) also notes that this effect can be achieved even whilst appearing to specifically target the emancipation of disadvantaged groups – bringing feminism within capitalism in what she refers to as the “Cunning of History”.

A contrasting view, but one that also acknowledges the fractious nature of the self, arises out of Foucault’s genealogical scholarship. Foucault’s work, as described in Chapter 3, demonstrates the futility of theorising some form of essential or pre-existing subject because the human world from which the subject is established is not fundamentally coherent or comprehensively patterned. There are, it is true, transformations in history and human practice, which contribute to the adaptation or development of particular subjective modes: new techniques and technologies evolve from old; new ideas of similarity or difference emerge, circulate and are validated; and (apparently

immutable) rules are posited, to be superseded by new intellectual paradigms. But such a world, at the macro level at least, emerges in an ad hoc way, and the self (situated in, and constituted by, the higgledy-piggledy collection of apparatuses that operate sometimes together and sometimes against each other) is as much happenstance as evidence of overall development. It is for this reason that Foucault insisted on studying specifics, not to prove the existence of a unity or core (of materiality, of world history, of power and politics, of the self) but to grasp the idiographic nature of the real. His particular contribution was to theorise coherently how modes of power, knowledge and governmentality co-exist in the modern era, but he neither claimed that they were predictable nor promised that they would endure in other times or settings. Using Foucault, credit scoring can be identified and studied as just another relation or device that works to produce subjects: not of itself an essential outcome or state of attainment or self-evident truth, but one that is a product of knowledge-power, an artifice attributable to the current confluence of circumstance and intent to govern. The subject to which it contributes is a contingency, a precarious stack of different relations, strategies and devices, and one that operates at once to concentrate but also to diffuse power. The creditworthy subject is likewise only a unity to the extent that it is in tension, a particular embodiment of today's concerns and demands.

A view of 'scored individuals' built either around Fraser's conception of credit consumers as complex cultural and relational

subjects – reflexive ‘social composites’ deliberately fractured by finance – or Foucault’s post-structural conception of the subject as an ‘accidental’ artefact of scientific, cultural or historical origin, seems problematic given the analytical distance between them. However, both outlooks offer agreement at a broad level of criticality. They both invoke a concept of the self that is a response to circumstance: a contemporary world (globalised, financialised, neoliberalised) that enlists types of people to make that world function. They also highlight, in different ways, possibilities for hope. For Fraser, the creditworthy subject has potential for remaining an active agent in citizenry, addressing problems through sharing them with others, and public-minded in the service of equity and social justice goals. This subject is involved in considering whether the credit system is itself worthy: hence the subject remains resistant to infusing market values into every aspect of social life to shift all responsibility onto individuals, because markets are not seen as having relevance to resolving contradictions in real life. These are people not only inspired by the power of critical demystification but also through “more embodied or affective discourses that intersect and synergise” (Fraser, 2012, p. 172) with economics and finance. For Foucault, subjects are politically-activated precisely because they are products of power itself. And it is his theorisation of the nature of this power – as a restless, distributed, positive force – that means that subjects inevitably become involved in ingenious ways of resisting, avoiding,

countering or opposing the formats that would otherwise encourage them to be little more than self-interested subjects of rational choice.

Finance and the self: ideal types

A summary of the three figures is set out in Figure 15 in terms of a rubric that contrasts their respective characteristics.

Figure 15: Key characteristics of the three subjects

	Credit subject	Credit-scoring subject	Creditworthy subject
Mechanism of self:	Subjectification	Subjectivation	Intersubjective
Inhabits:	Economic spaces	Virtual spaces	Interpersonal spaces
Primary structure:	Global institutional	Information networks	Social flux
Motivated by:	Fear of exclusion	Incentives	Care of others
Agential strategy:	To submit	To game	To negotiate
Visible as:	Naturalised risk (surveillance)	Data trace (dataveillance)	A confluence (dependence)
Body is a:	Productive vehicle	Calculative device	Nexus of conflict
Knowledge is:	Instrumental	Constitutive	Reflexive
Effect of power:	Stablises	Stimulates	Complicates
Politically:	Impotent	Apathetic	Omnivalent
Finds solace in:	Consumption	Competition	Compassion

A credit score is:	A limit	Freedom	Just another fact of life
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The three subject formations above have been exaggerated in many respects so as to avoid dangers in confusing them: they are hopefully sufficiently distinguished that each figure can be recognised as a different type of individually and collectively responsible subjects, and members of particular “thought communities” (Crossley, 2011). Weber, of course, is famous for his use of “ideal types” for apprehending similarities or distinctions between particular concrete cases and more generalised ideas and expectations of social action. As a sociological device, ideal types allow for the patterning of behaviour to be abstracted from particular circumstances, and explained in terms of larger societal phenomena. The value of the typography adopted above for this study (and perhaps for future research) is that it indicates not only how participants experience everyday life and approach the task of being a subject, but also how, within their everyday realities, individually or collectively, subjects might respond, resist or seek to evade ruling intent. The three figures therefore represent an attempt to be specific, theoretically, about governmental rationalities applying to the subject. Following Wieviorka (2009), the three figures articulate “differences inscribed in the logics revealed by empirical analysis, and not upon an arbitrary division of the real” (p. 149). Lastly, it should be noted that the types are not “exclusive” in their application: there are crossovers and blurring, and one, some or all of the three types may be recognisable

with respect to a single individual at different times or in different environments or situations. Nor is there anything particularly significant about the labels attached to each of the figures: depending on the analytical task at hand, it is possible that another typology based on higher levels of abstraction (Wieviorka's own exposition of the "five subjects of violence" stands as an example) could be applied to give alternative understandings of the modalities of relationship between credit and contemporary subjects, and, perhaps, about the nature of our neoliberalised society.

Correspondence with neoliberalism

As it happens, there *are* a number of insights that might be gained from the three figures above about the nature of the subject in neoliberal society. First, the distinctions drawn between the three subjects makes it easy to overlook that they have more in common than not. For example, each of the type of persons described is:

- Intensely reliant on an individuated selfhood which is paired with an understanding of human interaction, in some circumstances at least, as autonomous individual behaviour influenced by the pursuit of self-interest;
- An historically-specific form of a calculating, risk-accepting, entrepreneurial actor, who in some domains lives out a 'speculative' life, seeking financial opportunities and advancement for the self; and

- A choosing subject – capable but also responsible for caring for her or himself, and obliged to construct a self-reflexive biography in the pursuit of self-actualisation.

In this sense, all of the subject types signal the enactment, at some level, of a financially viable ‘neoliberal’ subject – the rational, self-interested, opportunistic, competitive and self-governing *homo economicus*, who marks a shift from the classical economic being based on production and exchange, to a competitive creature based on consumption (or, rather, a creature whose tendency to compete and consume must be fostered). And each of the subjects reflect, to some degree, what Brown (2003) has argued is the extension of neoliberalism’s political reach beyond the policies and practices of economics – “disseminating its market values so that human life comes increasingly to be conceived in primarily entrepreneurial terms where individuals are responsible for their own adaptation and progress; regardless of the circumstances they have been dealt” (p. 12). Far from confirming participants’ *a priori* existence as ‘free’ market participants, the three subjects show how ‘freedoms’ are *constructed*: how the making and remaking of selves occurs such that identities, functional capacities, interests and the bases for self-conception are altered and ‘improved’ in line with a certain governmental intent.

What is demonstrated, in particular, is how the inward-looking focus on the power of individuals contained in the narratives of consumption that dominate the economy closes down public

discussion and stifles political debate, masking the power relations exercised through techniques and policies of finance as natural or individualised. In the finance-led world, as in neoliberal society, “the project of navigating the social becomes entirely one of discerning, affording, and procuring a *personal* solution to every socially produced problem” (Brown, 2006, p. 704, emphasis added). Credit scoring, and the iteration of financialised capitalism that it supports, are complements to neoliberalism insofar as the science of the markets is pressed into service against consumers to assess and manage behaviours, enact control over populations, and render individuals amenable, as sources of profit and manageable risk, to global ‘colonisation’. The three subjects of credit scoring are useful then, in revealing how the apparent liberty of market participants to make ‘good’ or ‘bad’ choices is a superficiality that in reality requires strong intervention by governing bodies, such as lending institutions and agencies, state institutions, and the media, to prop it up. The world experienced by participants in my study involves the restructuring and downsizing of individual agency precisely at a time when individual autonomy is being ‘talked up’ by those who control the discourses of credit.

Just how these depoliticised, or politically neutralised, subjects of credit are produced is arguably as instructive for a study of neoliberalism. Rose (1993) reminds us that simple critiques that focus on straightforward accounts of subjectifying or subjectivating forces do not provide adequate explanations for today’s conditions. Rather,

neoliberalism, like finance and credit scoring, achieves the reproduction of conditions of social stability by assembling “complex dependencies between the forces and institutions deemed ‘political’ and instances, sites, and apparatuses which shape and manage individual and collective conduct in relation to norms and objectives, but yet are constituted as ‘non-political’” (Rose 1993, p. 286). It is partly this complexity that allows power to work as an affirmative force – as an inspiration for action, and in ways that secures the willing consent, if not the active desire, of individuals. An elementary focus on how everyday survival and satisfaction has become an individual responsibility similarly ignores the intricacies of social subjecthood. As participants in my study showed, consumer-borrowers are ‘seized’ by the obligative discourses of creditworthiness in different ways, rendered responsible in a fashion that attests to individuals’ achieved identities not just as debtors, but as family members, suburban commuters, part-time workers, beneficiaries, co-workers, customers, romantic partners, social acquaintances and technology users. There is not just one way for credit users to experience their social environments, institutions, communities, homes or work places; nor is there a single trope of engagement with credit or creditworthiness in economic, social, or cultural spheres. Newly-responsibilised individuals are neither wholly self-creating nor wholly self-determining, but an effect and a means of complex social processes. The complicated, multifaceted and sometimes contradictory ways in which participants negotiate new knowledges of

themselves involve rationalised calculations and planning, but also emotions, morality and ethics of behaviour, all situated in gendered and class-ridden contexts. That these diverse frameworks are harnessed in the production of contemporary subjects, and that the self-interested logic of neoliberalism is often transcended in favour of other forms of interpersonal responsibility and obligation, suggests that ‘responsibility’ as an organising concept of both contemporary finance and neoliberalism needs to be understood in relation to a wider range of personal social obligations. Rather than removing a dependence on the ‘social fabric’ in the ‘care’ of the self (as simple depictions of neoliberal responsibilisation might suggest), these phenomena show just how closely the social fabric is drawn around the contemporary subject – as the very thing that constitutes the individual and the self.

There are also lessons to be learned about the nature of the power at play in contemporary society. In both neoliberalised and financial settings, the restlessness and creative potential that Marx saw as driving the productive forces, and that Foucault saw, equally, as the impulse that drives power circulation and dissemination, is (a good deal of it anyway) diverted or absorbed into self-fabrication. Participants’ experiences and self-understandings illustrate how the contemporary credit consumer is not simply dominated from above by the structural disciplines of finance capital, but is constituted ascendantly by harnessing individuals’ own capabilities of self-direction and expressions of resourcefulness, inventiveness and desire.

Importantly, resistance or opposition often exists alongside compliance or submission, not as competing strategies, but as complements, and in clever or complex ways. Following Vinthagen (2013), this illuminates the forms of power at play – as clever or subjectively complex, working in both finance settings and wider society in ways that, paradoxically, depend on agents' capacities not only to accept, but to resist, governmental demands. What is at stake in the unspoken politics of consumer finance (and can similarly be said of neoliberalism) is the targeting of the willing self as the raw material of production, of the deeper affinities of governmental intent with the discerning and reflexive subject.

The political rationality underpinning both finance and neoliberalism calls for an analytical response as sophisticated and as flexible as the rationality itself. The unmasking of normative and evaluative processes of individuals as the product of governmental aspiration, in spite of the rhetoric appeals made to personal freedoms, shows, as Irwin (2008) points out, that those who critique certain formations of the self should “redouble their efforts in considering questions of social structure, rather than assume that social structure is ‘in retreat’ and less important than the past” (p. 281). The achievement of social subjecthood in my study can be seen to occur with respect to diverse frameworks at a variety of levels – global, national, regional and local – and it relied heavily on institutional structures applied to both the body and the mind. Anna Marie Smith (2001) writes about the implications for social critique from a feminist

angle: “We also need to provide structured empirical research about specific historical configurations and to build sophisticated theories that address the problems of bureaucratic routinization, institutional normalization, and the incitement of assimilation and co-optation” (p. 121). Thinking that there is a single type of neoliberalised subject who operates in a uniform way runs the political risk of thinking that there is a single way of critiquing neoliberalism. A research agenda that is attentive to the constitutive nature of power relationships must recognise the diverse subject positions generated from individuals exercising “choices” while being guided towards possible and preferable courses of action by governmental intent. In this sense my study not only stands for a more complex and nuanced view of financialised and neoliberalised subjects, but the recognition that sophisticated forms of political engagement are required to understand as well as to respond to neoliberalism.

An eye to the future

One of the most intriguing aspects of contemporary societies is how so many people in advanced nations are affected by manifest inequality, whilst believing, at least to some extent, that they are free from exploitation (Eagleton, 2007). Agger (2012) views the task of critical research as the detection and evaluation of the effects of social, cultural or political phenomena, especially where an occurrence is the product of “ideologies dispersed into the lifeworld as secret writings, secret ontologies that advocate the more forcefully, the less they

appear to advocate” (p. 142). In large part I feel that my study has achieved this aim, attempting to look unflinchingly at a potentially powerful digital technology that seeks to sort and influence behaviours, and whose repercussions for the subjective constitution of self and society have not yet been explored in detail. I experienced plenty of “ah ha!” moments during the course of the study, which are hopefully emphasised sufficiently as discussion points in this and preceding chapters. There were also many lessons learned during the course of the project; some were personal, some related to research methodology, and some provided insights into how seemingly dissimilar topics could come to be linked. All these highlighted the value (as well as the limitations) of sociological study. In all, I feel I will have been successful if my study contributes, even in a small way, to attention, comment and/or further investigation by finance practitioners, academic researchers, state educators, behavioural scientists or other persons concerned generally in the critical appraisal of knowledge-power. As Timothy Luke (2012) reinforced in a recent interview, it is as important as ever to apply a critical orientation to social analysis and “think about injustice, write about inequality, or talk about exploitation, because so few theorists do this work” (p. 26).

There are also a number of theoretical areas that I have not been able to attend to due to time and space restrictions, but which would benefit from further exploration. For example:

- How the coding used in credit applications renders objects, events and relations into communicable signs;

- The contemporary obsession with “documentality”, bringing about the possibility of the “end of forgetting” (Rosen, 2010); and
- A deeper exploration of the assumptions and rationality underpinning neoclassical economic theory.

These areas, and recent developments in finance practices, draw attention to some of the biggest questions that we face as individuals and a society, about how an expansive and de-territorialising logic of financial commodification is affecting the space and geography of capitalism – imbricating “longstanding financial and economic crisis tendencies in a way that is truly alarming” (Fraser, 2012, p. 165). As Antonio (2012) declared in a wider conversation about the crisis tendencies we face: “Capitalism as we have known it must be remade or replaced to avert catastrophe and save the planet. ... We need a new regime. The current one emphasizing infinite unplanned growth and employing GDP as the standard of human welfare, without addressing inequality, is bankrupt” (p. 190).

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Appendix A

Sample interview hand-outs

Appendix B

Interview recruitment flyer

Got a story about credit or debts? Want to participate in a study?

I am a researcher at Victoria University looking for women or men to be interviewed about their **positive or negative experiences** with loans, credit cards, debts etc.

I am interested in hearing your views, opinions and beliefs,
(including your feelings about personal credit ratings).

All discussions are confidential and interviews are approximately 60 minutes.

Participants will receive a **\$50 supermarket voucher** at the conclusion of the interview.

If you would like to participate please e-mail me for details:

Simon Copland, PhD Candidate, School of Social and Cultural Studies
simon.copland@vuw.ac.nz

Credit Interview:
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Victoria University

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Appendix C

Information memorandum and consent

<p>SCHOOL OF SOCIAL & CULTURAL STUDIES TE KURA MAHINGA TANGATA VICTORIA UNIVERSITY OF WELLINGTON PO Box 600, Wellington 6140, New Zealand Phone +64-4-463 5317 Fax +64-4-463 5064 Email sacs@vuw.ac.nz Website www.victoria.ac.nz/sacs</p>
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To:	[Participant]
From:	Simon Copland, School of Social and Cultural Studies
Date:	[Date]
Subject:	PARTICIPATION IN CONSUMER CREDIT SCORING RESEARCH PROJECT

Thank you for your enquiry regarding participating in my research project. This memorandum explains the project and how you can be involved in the research.

I am a PhD student in Sociology at Victoria University of Wellington. As part of my degree I am undertaking a research project leading to a written thesis. The project I am undertaking is to explore the social implications of consumer credit scoring systems for women and men in New Zealand. The University's School of Social and Cultural Studies Ethics Sub-Committee has given ethics approval for this research as it involves human participants: Approval Number 19585, 10 December 2012. (A copy of the Human Ethics Policy can be obtained from me should you wish to review it).

The purpose of my research is to investigate how credit scoring systems are contributing to the types of people we are in New Zealand society. Participation in this project will involve one or more of the following:

1. A focus group session with up to 5 other participants, facilitated by me, of approximately 1 hour (no longer);
2. An interview of approximately 1.5 hours (no longer). (If you wish to continue after this time we can agree to reconvene at a future time/location that is convenient for you);
3. E-mail correspondence (informing of administrative matters, and some intermittent individual correspondence).

The topics that may be discussed include:

1. What you have seen, heard and understand about credit scoring in New Zealand;
2. What reactions and behaviours you, or other people, have with respect to credit scoring;
3. How you feel as you see, hear or react to credit scoring;
4. How understandings, reactions, behaviours or feelings towards credit scoring differ (if at all) between women and men.

No discussion of personal financial information relating to your own credit score will occur in focus groups. You may wish to discuss your credit score (if it is known to you) in individual interviews, but that decision is entirely over to you and an interview can proceed without this happening.

The focus groups will be held [at a location and time to be confirmed]. The interview will be held at a location that you select or, if more convenient for you, somewhere that I will arrange. Focus groups and interviews will be recorded on audio with your permission, and written transcripts will be available for your comment should you want them.

I will not be able to pay you for your participation in a focus group or interview. However, I can offer you a small koha in recognition of your participation in the study, and, if you are interested, I can assist you with completing and posting a free application to see your credit file from credit agencies in New Zealand following the focus group or interview. Your credit file will be sent to you directly by the credit agency. There are no adverse consequences from applying to see your credit file and it is confidential to you. Once received, you do not have to disclose it to any person, including me.

The identity of persons from which information is gathered during my research is confidential. Details of participants will be available only to me, and my PhD supervisors (Dr Chamsy el-Ojeili, Senior Lecturer, and Prof Kevin Dew, Programme Director, at Victoria University). For focus groups, the other participants will know your identity but will be asked to respect your privacy and confidentiality, in line with the overall confidentiality of the project. To the extent that my write up or publication of my research findings includes quotes from your focus group or interview it will be done in a way that prevents you from being identified. Data will be securely stored (as prescribed by University Regulations) until my thesis is deposited in the University Library and then destroyed.

I have included a consent form overleaf for you to complete and return to me. Your consent allows me to include the results of this project in my final PhD thesis (expected to be completed in 2014), conferences, academic journals and possible other publications or books. Before you sign the consent form, I am happy to answer any questions you might have about the research project. Return the consent form only after you have received satisfactory answers to questions you have.

Participation in this project is voluntary. You can withdraw from this project at any time up to 2 months after your focus group or interview by advising me or my primary supervisor (see contact details below). To the extent that you are participating in group interactions (focus groups) I cannot withdraw your contribution from these sections of the project. However, where possible your participation will not be referred to directly in my thesis and your anonymity will be preserved.

I have a research grant from the Commission for Financial Literacy and Retirement Income (CFLRI) to fund expenses relating to this research such as my travel costs and costs of interview transcription. The CFLRI do not influence the nature or direction of the research, they will not have access to the data collected or knowledge of your identity, and they have not specified that any particular research outputs other than my PhD thesis be produced.

Please let me know if you wish to be informed when the results of the research become available.

If you have any questions or would like to receive further information about the project, please contact me at simon.copland@vuw.ac.nz or my primary supervisor, Dr Chamsy el-Ojeili, at the School of Social and Cultural Studies at Victoria University, PO Box 600, Wellington, phone (04) 472 1000.

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CONSENT PURSUANT TO HUMAN ETHICS APPROVAL

PROJECT: The social implications of consumer credit scoring for women and men in New Zealand

RESEARCHER: Simon Copland, PhD Candidate, School of Social and Cultural Studies

HUMAN ETHICS APPROVAL NUMBER: 19585, 10 December 2012

I have been given and have understood an explanation of this research project. I have had an opportunity to ask questions and have them answered to my satisfaction. I understand that my identity will be kept confidential to the researcher and the supervisors, the published results may include quotes from me in the focus group or interviews but will not use my name, and that no opinions or data will be otherwise attributed to me in any way that will identify me. I understand that the data collected from this project, including any tape recordings of interviews will be destroyed at the end of the project unless I indicate I would like them to be returned to me.

Please read the following carefully. Your signature signals your consent to the items below:

- I understand that I may withdraw from this research project up to 2 months after my focus group or interview without providing a reason.
- I understand that if I withdraw from this research project any individual interview data I have provided will be returned to me or destroyed.
- I understand that if I withdraw from this research project any data I have provided in a focus group will not be destroyed or removed. However, where possible my participation will not be referred to in the publication of the research findings and my anonymity will be preserved.
- I understand that I will have an opportunity to check the transcripts of my focus group session or my interview before any reports are completed, and receive a copy of the research findings in the PhD thesis when the project is complete (expected in 2014).
- I understand that the information and data collected from me will be included in the results of this project for the researcher's PhD thesis, conference presentations, academic journals and other publications or books, but will not be used for any other purpose.
- I understand that I will not be paid for my participation in a focus group or interview, but I will be offered assistance to complete (and have my postage costs paid for) a free application for my credit file from the credit agencies in New Zealand.
- I agree to take part in this research.

Name: _____

Signature: _____ Date: _____