

# **Borrowed Identities: Credit, Debt and Classificatory Struggles in Neoliberal Britain**

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## **Abstract**

This thesis unpacks the complex and interconnected relationships between credit and debt, specific techniques of government, and social class processes over time. The thesis is underpinned by a social ecological model: it operates horizontally across the credit and debt realms and vertically on three levels – the meta, the macro and the micro. Methodologically, the data are generated from archival databases, experiences drawn from working within a debt charity, and in-depth interviews with 21 individuals using the services of StepChange Debt Charity to help with their financial difficulties.

The thesis starts by exploring how a cadre of free-marketers proposed a series of economic and social policies from the 1950s which aimed to configure a new form of governmentality. Drawing upon documents drawn from various archives, the thesis reveals how their ideas – the market, the consumer, and the pursuit of private property – all rely on unhindered credit to operate. The thesis subsequently examines identity formation within a social domain dominated by these ideas and awash with credit. Building a theoretical framework based on Pierre Bourdieu's relational understandings of class and Anthony Giddens' notion of ontological security, the thesis then draws on interview data to outline how the participants use credit to build identities in response to amplifying inequality.

A consequence of this process for the participants is the accumulation of a large credit balance, and their fall-into-debt. Here the thesis changes track, beginning to explore the dominant forms of governmentality that structure the debt realm. Initially tracing how debt collection practices threaten the participants' capital stocks, the thesis moves onto expose how the shame and fear these practices induce are not unintended but instead serve to transform identities. The thesis shows how neoliberals classify and stigmatise those who fall-into-debt as irresponsible and immoral debtors, and disseminate a discourse of individual financial responsibility, with the intention of normalising total debt repayment. The thesis draws upon the interview data to reveal how the participants come to internalise these discourses and reconstruct their lives to make sure they submit to it.

This thesis argues the realms of credit and debt, the forms of governmentality engendered to support them, and the 'classificatory struggles' they induce, are arranged to provide enduring, maximised and protected profit streams to those who produce and distribute credit.

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## **Author's Declaration**

This is to certify that I am responsible for the work submitted in this thesis, and that the original work herein is my own; neither the thesis nor the original work contained within has been submitted to this or any other institution for a higher degree, or to external sources for publication.

## Introduction

*The class struggle is today unfolding and intensifying... around the issue of debt.*  
Maurizio Lazzarato (2011, p. 7)

### Credit, debt and contemporary Britain

Credit is not new; it has formed the basis of interaction and exchange dating back over five thousand years (Graeber, 2011). However, ‘the nature of consumer credit has changed over time and space’ (Burton, 2008, p. 5). In the latter half of the 20th century credit use in Britain has experienced extraordinary growth, to the point where 78 percent of households now have a secured credit agreement – such as house purchase mortgages and equity release loans – and 64 percent have at least one unsecured credit agreement – such as credit cards, bank loans, overdrafts, store cards, hire purchase loans, and payday loans (Alakeson and Whittaker, 2011, p. 15). Graph 1.1 below represents the expansion of secured and unsecured credit between 1980 and 2014. In 1980, the total yearly amount of credit lending in Britain totalled £25 billion; by 2006, at the height of the credit boom, it had reached £562 billion a year – representing a twenty-fold increase in the availability and use of credit each year in just a 26-year-period<sup>1</sup>.

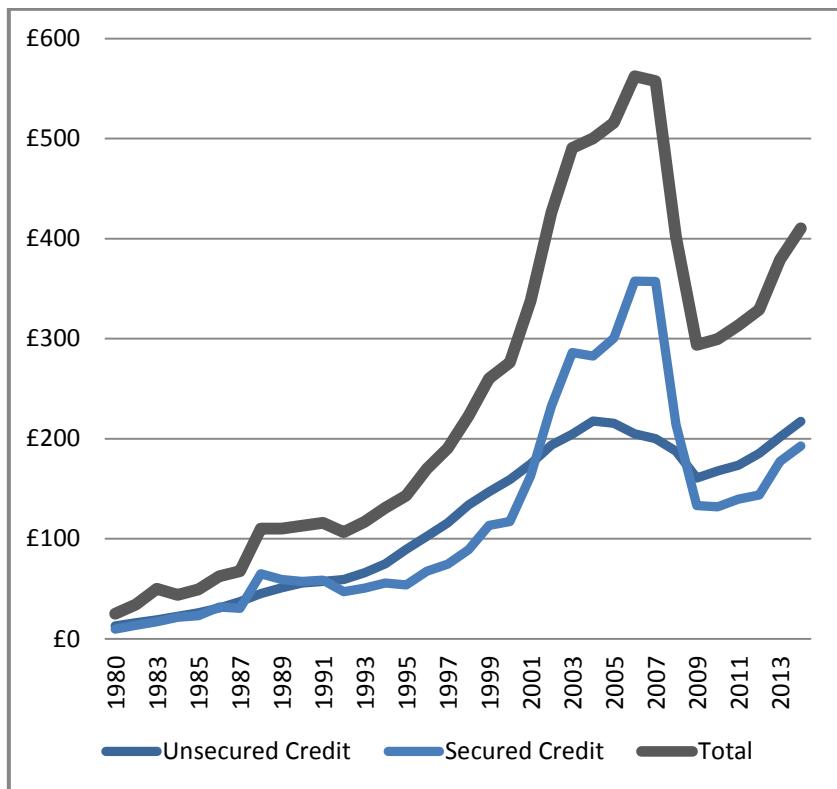
In 2008 with the onset of the global financial crisis the catchword phrase to emerge was the ‘credit crunch’, a term designed to capture constraints being placed on the flow of credit lending as though it was an abnormality that required explanation. This is because the financial crisis occurred after nearly three decades of continuously expanding levels of credit lending. Even though total lending declined from 2007 onwards, and remains below pre-crisis levels, credit still forms a major part of how the British economy functions. Indeed, by 2015 the amount of money owed on credit agreements in Britain stood at £1.441 trillion (which includes £1.281 trillion secured and £156.3 billion unsecured). This means the average amount of credit owed per *household* in Britain was £53,961 (£6,454 excluding secured loans) in 2015 (The Money Charity, 2015). Across an adult population of 46 million, this means the average amount owed per *adult* was £28,532 in 2015, or around 111.2 percent average earnings (The Money Charity, 2015). It shows no signs of abating; by

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<sup>1</sup> These figures are seasonally adjusted so these are real term increases in the amount of credit lending each year.

2019 the amount owed is predicted to reach £2.251 trillion (Office for Budget Responsibility, cited in The Money Charity, 2015).

**Graph 1.1: Yearly amount of credit lending in sterling billions (1980-2014)**



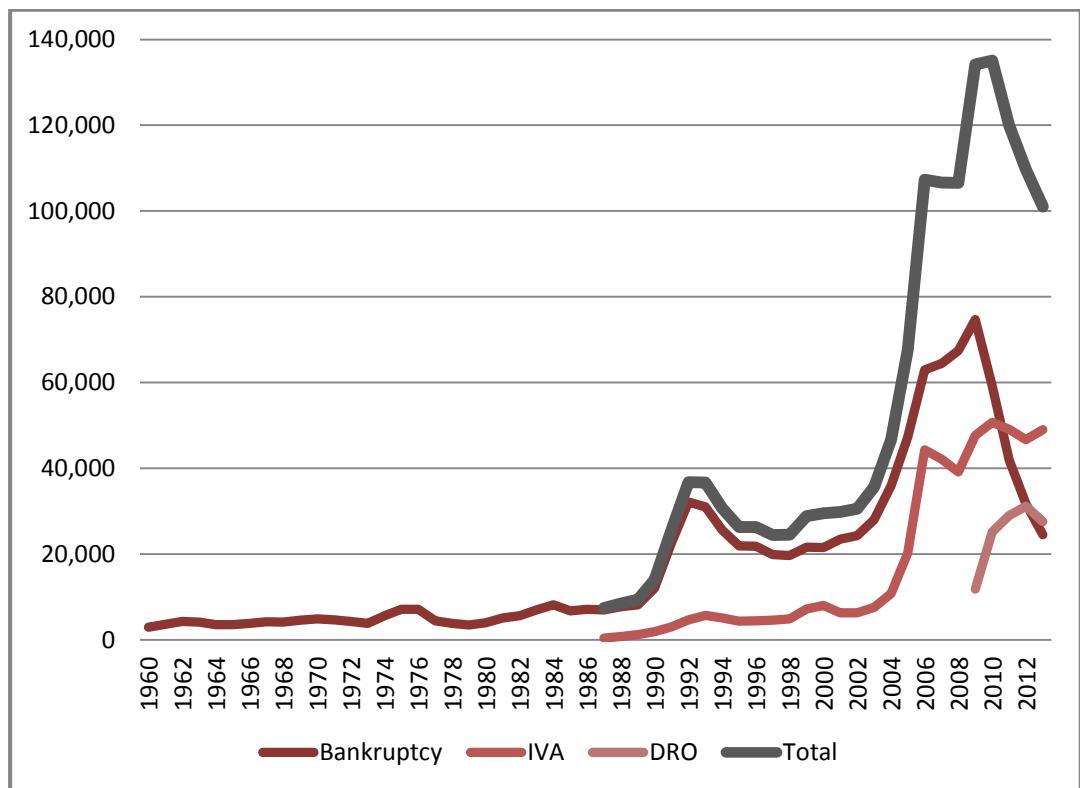
Source: Period 1980-1988 cited in Ford (1991, p. 15). Period 1989-2014 is from the Bank of England website (2014).

Note: All figures are seasonally adjusted. This graph excludes informal credit – loans between family and friends – loans from employers, and student loans.

One corollary of credit use is personal indebtedness and, for some, insolvency. This was poignantly revealed to me between 2009 and 2013 when I worked as a debt advisor for StepChange Debt Charity (formerly the Consumer Credit Counselling Service). Founded in 1993, StepChange is the leading national provider of free, independent, and specialist debt advice and the only major charitable provider of free-to-client debt management plans (Bell, 2011, p. 38). My position at the charity opened a window into the lives of thousands of people and their personal experiences with credit and debt. The experience was both enlightening and stark. First, it revealed to me the extent to which credit and debt is now interwoven into the fabric of our society and into the very substance of the lives of its inhabitants. Reports have estimated how many individuals are currently in debt, and they generally arrive at a similar figure. For instance, StepChange Debt Charity (from now on StepChange) found that 3.2 million households are in persistent arrears and a further 3 million are at risk if a negative change in circumstance occurs (Bell, 2011, p. 35).

Gathergood (2011) reaches a similar conclusion declaring that at any one moment 5 million people report arrears on a credit agreement and/or state that meeting credit commitments is a ‘heavy burden’ (as cited in McAteer, 2011, p. 46). This means, at present, around one-in-eight of the UK adult population is in financial difficulties. Of these, an estimated two million people access debt advice every year – one in every twenty-three adults (Bell, 2011, p. 37) but representing just one in three of those who are currently in financial difficulties. There is thus a clear discrepancy between the demand for advice and the need for advice (Elson, 2011). An increase in the number seeking debt advice has invariably increased the number of people pursuing forms of insolvency (see Graph 1.2 below).

**Graph 1.2: Individual insolvencies in England and Wales (1960-2012)**



Source: The Insolvency Service Archive (2015).

Second, it dawned upon me that my very position at the charity can be traced to the proliferation of credit from the 1980s and the resultant ‘credit crunch’ of 2008. Undeniably, Graph 1.1 and Graph 1.2 offer a visual representation of the rising levels of credit lending and ensuing insolvencies witnessed in Britain up until 2008, and the changes thereafter that the term ‘credit crunch’ was designed to capture. Demand for debt advice is heavily correlated with developments in the macro economy, including the unemployment rate, average earnings and the cost of credit (Gathergood, 2011, as cited in

McAteer, 2011, p. 45-46). Thus, my start date of October 2009 is no coincidence; it was the result of a substantial recruitment campaign by the charity after the extraordinary demand placed upon them.

Nonetheless, the ‘causes’ of the ‘credit crunch’ have been hotly debated. On one side was a revitalised left, who used the financial crisis as an opportunity to critique the structures that had prevailed over the previous three decades. This involved an attack on unregulated financial markets for creating products nobody understood (i.e. securitisation), myopic risk-taking within financial institutions, and the unrestrained misbehaviour of bonus-driven bankers who put short-term profits ahead of long-term stability (e.g. Harvey, 2010; Collard, Finney and Davies, 2012; Elliott, 2012; McCormack, 2014). On the left there was a widespread belief that the financial crisis was the terminus of free market economics. On the other side were those on the right, the free-marketers, who after being initially rocked by the crisis of an ideology that had served them so well regained their footing and began fighting back. According to this group, the crisis occurred because government intervention in financial markets, combined with loose, expansionary government-controlled monetary policy (e.g. Ebeling, 2008; Booth, 2009; Butler, 2009; Greenwood, 2009; Pepper, 2009; Rosenbleeth, 2009; Shackleton, 2009), unfocused and inept government regulators (e.g. Ricketts, 2008; Booth, 2009; Butler, 2009; Schwartz, 2009; Shackleton, 2009), and misguided attempts to bolster the housing market by proselytising and stimulating home ownership (e.g. Mitchell, 2008; Schwartz, 2009; Eboch, 2009; Hassett, 2009; Wallison, 2009; Horwitz, 2012), encouraged and led the private sector to make decisions they would have avoided had there been no intervention (e.g. Booth, 2009). This is because government policy ‘forced bankers to make bad loans... to people they knew were not creditworthy’ (Butler, 2009, p. 52) creating risk that ‘truly free’ and ‘genuine’ markets would not have (Horwitz, 2012, p. 7), which in turn led to an unsustainable asset-price bubble and credit boom (e.g. Booth, 2009; Hassett, 2009; Rosenbleeth, 2009). Clearly, the free-marketers on the right place enormous blame on government for creating the *macro* conditions that caused the financial crisis. But there is also considerable attention directed on the *micro*, and thus individual-level, factors that led to the accumulation of personal debt in the first place; the most prominent amongst them being the moral failure of people who took out loans and mortgages they could not afford (e.g. Booth, 2009; Gregg, 2009).

This research takes place against the backdrop of the financial crisis and the dispute outlined above. In the first instance it seeks to understand why credit is so ‘easy’ to obtain

in Britain, and why so many people are in debt. It cannot be argued that this is just the norm; that all nations experience similar levels of credit use and personal indebtedness. Kus (2013) agrees: ‘While some [nations] attempt to limit access to credit, others facilitate credit use... [While] some nations emphasise “consumer choice” in credit, others emphasise “consumer protection”’ (p. 183). Ramsey (2012) informs us that in Britain, ‘maximizing access to credit and consumer choice in a free market has been seen essential to promoting growth and living standards’, whereas, in comparison, ‘France has relied on a model of paternalistic protection by the state of consumers from the credit market’ (as cited in Kus, 2012, p. 183-184). Thus, it is clear credit use and debt play ‘a much greater role in the lives of UK households compared with most of their European counterparts, not just financially but socially and culturally too’ (McAteer, 2011, p. 4). This research is an attempt to take stock of the changes the proliferation of credit has engendered in British society, not only changes in how individuals draw upon credit to shape the contours of their lives and changes in the number of people who fall-into-debt, but also changes in how these phenomenon are explained. As noted above, arguments that attempt to explain the ‘causes’ of the crisis place blame on individual behaviour, despite seismic alterations to the structures of British society. This is a common argument to emerge over the last three decades and it is used to explain a whole raft of social problems.

At the same time as credit use and personal indebtedness began to expand in Britain, arguments emerged within political and academic arenas that Britain is becoming a classless society (e.g. Pahl, 1993; Lash and Urry, 1994; Clark and Lipset, 1996; Pakulski and Waters, 1996). In other words, social structures were weaker and individual factors were becoming a much more prominent feature in driving people’s behaviour. This argument stemmed from the defeat of organised labour and the decline of industrial and manufacturing sectors in the 1980s that began altering the link between an individual’s identity and political affiliations, and their occupational position. However, the suggestion that Britain is a classless society emerged at the same time a growing body of evidence noted inequality – in income, in wealth, in opportunities – is amplifying (e.g. Hill, 1998; Dorling, 2012). Indeed, Mike Savage (2000, p. 46) argues the 1980s and 1990s was a period in which ‘the very rich’ saw their wealth rise at ‘a scale which is probably unparalleled in history’. It must be recognised that one individual’s debts is another’s assets (McAteer, 2011), meaning certain groups accumulate wealth off those who are using and accumulating credit. Fundamentally then credit and debt also play a significant role in shaping and deepening economic and social inequalities.

In response to these debates, Imogen Tyler asks a rhetorical question: ‘What is it that “class” describes?’ She provides a simple answer: ‘The problem that class describes is inequality’ (2015, p. 496). So how is it that sociologists and politicians, in general, found it less useful to use the concept of class at the very same time economic inequality has reached unparalleled depths (Savage, 2000, p. 70)? According to Carl Walker (2011, p. 525), part of the reason for this disconnect is due to the assault on ‘subjectivity, modes of employment, and practices of welfare governance’, along with ‘the production and circulation of certain discourses and social practices’ that have come to symbolise types of governmental practices since the early 1980s, and which attempt to explain behaviour and social problems in specific ways. Steph Lawler has explored this shift and suggests, ‘when class is linguistically expunged, it cannot be invoked as an explanation for inequality’ (2005, p. 798). Consequently, ‘explanation for inequality come to inhere within the subjectivities of persons’ and those on the losing end of society are increasingly blamed for their circumstances (Lawler, 2005, p. 798). In this sense economic inequality has been thoroughly ‘individualized’ (Savage, 2000, p. 45).

In considering that credit and debt are now interwoven into the fabric of British society and into the very substance of the lives of its inhabitants, it follows that any investigation of credit and debt should also carefully consider the political, economic, and historical factors that enabled their embedding and growth. At a broader level, C. Wright-Mills, writing in 1959, states, ‘no social study that does not come back to the problem of biography, of history and of their intersections within a society has completed its intellectual journey’ (p. 6). However, to date, research on credit use and debt fails to adequately acknowledge these factors. Attempts have been made to link de-unionisation, the assault on welfare, the growth of a low-wage service economy, and flexible fixed-term employment with the rise of indebtedness. Indeed, a group of writers argue credit use and over-indebtedness exist in the vacuum between low income and a minimum income standard (e.g. Parker, 1990; Ford, 1991; Bridges and Disney, 2004; Montgomerie, 2007, 2010; Froud, Sukhdev, Montgomerie and Williams, 2010; Langley, 2008; Orton, 2009; Preda, 2009; Dearden, Goode, Whitfield, and Cox, 2010; Walker, 2011). The birth of this position can be traced back to Gillian Parker (1990) who argued of all of the structural relationships that exist none are more striking than that between low incomes and indebtedness. If the object of analysis is those most likely to fall-into-debt, then it is correct

to conclude that low income groups are those most at risk<sup>2</sup>. However, this group of writers fail to recognise that in the ‘era of “easy credit”... using credit has become the norm’ (Dearden, et al. 2014, p. 11). Although indebtedness is concentrated more heavily in low income groups, credit use is prevalent *throughout* society. If we are exploring the essence of credit use within society it is misguided to focus attention solely on those with low incomes.

This study aims to rectify the imbalance within contemporary research and place biographies of credit use and personal indebtedness in their historical context (Wright-Mills, 1959). I take the position that credit use and personal indebtedness must be considered in the context of the proliferation of credit since the 1980s and in light of political and academic arguments that suggest Britain is a classless society. My central argument in this thesis is that credit and debt offer a unique vantage point into class analysis, because they provide an avenue to think through class in different ways. In developing my account, I draw on the recent arguments of Imogen Tyler who highlights the limitations in contemporary debates within class analysis and offers a different theoretical axis to explore class. For instance, Tyler (2015) argues, ‘social class hasn’t dissipated or dissolved’, however, ‘if we are to grasp the problems of inequality today’ then sociological attention should be directed at ‘class struggle’ (p. 498) – that is an individual’s ‘struggle against their given position in a social hierarchy’ (p. 499). This is because as inequalities amplify, ‘competition for economic and cultural capital, and accompanying forms of classificatory struggle, intensify’ (Tyler, 2015, p. 506). As Tyler (2015) explains:

[T]he interval between class understood as an identity, and as a descriptor for struggles against the inequalities which these identities name and prescribe, is precisely the axis from which class-analysis should proceed. The most effective forms of class-analysis are concerned not with undertaking classification *per se*, but rather with exposing and critiquing the consequences of classificatory systems and the forms of value, judgements and norms they establish in human societies. (p. 507)

Investigations of class struggle should attempt to illuminate how certain classifications are mobilised to contain explanations of social and individual phenomena

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<sup>2</sup> It is clear that ‘one’s position in the social structure’ helps ‘predict whether one has the ability to repay credit’ (Marron, 2007, p. 112). This is because individuals with high incomes ‘can mediate failings in budgeting skills or lax attitudes toward bill paying by the financial resources they have available... but those on low incomes have no such option’ (Orton, 2009, p. 496).

caused by inequality – particularly, as noted above, through an assault on class and structural explanations – and what values and norms they establish. Furthermore, investigations of class struggle must also explore the everyday strategies which individuals employ to ameliorate their effects and navigate the unequal social conditions they face (Tyler, 2015). It is at this juncture where credit and debt provide a fruitful avenue to explore these issues.

### **Research aims and questions**

The research aims to unpack the complex and interconnected relationships between credit and debt, specific techniques of government, and social class processes over time. To achieve this aim, the research explores the ‘classificatory systems’ that circulate in the credit and debt realms and the ‘forms of value, judgements and norms they establish’ (Tyler, 2015, p. 507). It will then explore the stories of individuals who were caught in a changing economic, cultural, political, and social environment where credit use and indebtedness have become commonplace, and trace their attempts to ameliorate the unequal social conditions they face. In achieving these aims, the research will provide a unique vantage point into class processes within contemporary Britain. The research aims lead to four study questions:

1. How and why did credit proliferate in Britain from the 1980s onwards?
2. How is credit utilised in the construction of identity in the context of classificatory struggles over social positioning?
3. What impacts does debt – including debt collection practices and debt repayment – have on identity and social position?
4. What role do forms of governmentality and the discourses they produce play in this process?

These are puzzling questions which need to be resolved theoretically and substantively. I make a start on these questions by first defining the conceptualisation of ‘credit’ and ‘debt’ to be used in this research:

‘Credit’ refers to any form of loan [whereby] if payments are made when they fall due this... is not problematic... The term ‘debt’ is used... to refer to any situation in which due payments have not been made. In other words, debt equals default or arrears. (Ford, 1991, p. 1)

The definition is helpful because it implies credit use is regarded as unproblematic, even as something positive, whereas debt is deemed to indicate a negative occurrence in the individual's financial situation and is thus regarded as problematic. Defining credit and debt in this way points to 'the production and circulation of certain discourses and social practices' that surround them, and which imbue one as positive and the other as negative. Furthermore, holding this definition enables us to explore how discourses surrounding credit and debt effectively 'enable and constrain' certain types of 'action' (Walker, 2011, p. 525).

The research questions are developed from, and explored through, a social ecological framework. Social ecology is a branch of sociology concerned with studying the relationships between individuals and their physical and social environments. It is an approach that is explicitly systemic, and recognises the complexity of social systems. It is concerned with how different objects of study relate to, bump into, and change each other, and recognises that in order to respect and grasp the complexity of integrated social systems a multiplicity of perspectives are required (Bookchin, 2001). The social ecological model incorporates three contexts – meta, macro, and micro. The meta-system involves ideological and theoretical strands influencing social structures, for instance the ideas shaping governmental practices (Fuentes, 2006). The macro-system is the cultural system, in which the theories and ideologies of the meta-system are circulated and utilised to develop institutional and social policies which shape sociality (Fuentes, 2006). The micro-system is concerned with the 'pattern of activities, roles, and interpersonal relations experienced' by a 'person in a given setting with particular physical and material characteristics' (Anning and Edwards, 1999, p. 22).

The thesis will be presented in a horizontal way moving from the credit realm to the debt realm, and also vertically by focusing on the meta-, macro-, and micro-systems across these two realms. Regarding the *credit* realm, at the meta-level the thesis explores the economic theories and political rationality promoting the proliferation of credit. At the macro-level it is concerned with the policies altering institutions and legal structures which in turn shape sociality. At the micro-level the objective is to document individual credit use and its impact on identity formation and social position, whilst contending with the influence theoretical ideas at the meta-level and certain policies at the macro-level have on these practices. Regarding the *debt* realm, at the meta-level the intention is to outline the discourse promoting the correct ways to live indebted lives and the stigma surrounding certain debt solutions. At the macro-level it investigates the individuals and groups who

disseminate this discourse and the impact its circulation has on indebted individuals. At the micro-level it involves focusing on the perceptions and responses that shape the individuals' identity reconstruction as a result of managing debt.

To obtain a multiplicity of perspectives, this research draws on empirical and theoretical research carried out on diverse areas of social, economic, political, and cultural life. It draws upon cross-disciplinary bodies of literature on governmentality, credit, debt, social class and identity formation, and income inequality. Often these bodies of literature are separate and treated as homogenous research fields. I argue in this research they are all intertwined, and focussing on one element by excluding the others limits the analytical framework produced. Indeed, much of this thesis is built upon limitations in the theoretical and empirical accounts within these bodies of literature. The thesis is built on limitations in literature on governmentality that does not consider the historical factors that have influenced the direction of British society since the 1980s. The thesis is built on limitations in the credit literature that posits credit use as the result of low income or as a reflection of 'rational' economic decision making. The thesis is built on limitations in the debt literature that state debt problems are solely the result of choices people have made or that outline the health and psychological 'effects' of debt problems<sup>3</sup>, while paying little attention on how these 'effects' are produced through certain modes of governmentality and debt collections practices. The thesis is built on limitations in literature on social class that focusses attention on cultural factors – such as the home, education, possessions, *et cetera* – as key sites in battles over social positioning but that neglect the role of credit in the acquisition and subversion of these markers. The objective of this approach is to encourage a fuller critical dialogue between strands of research that are often treated as homogenous but which actually share critical similarities. It is no easy matter to bring these often diverse research positions into sync. However, an attempt will be made in this thesis to infuse these theoretical accounts because by doing so it will offer a fuller and more nuanced account of credit use and personal indebtedness than is currently on offer.

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<sup>3</sup> A number of different scholars have revealed a clear association between debt and psychological and/or physiological health problems, including: **higher levels of stress and depression** (Ford, 1991; May, Tudela and Young, 2004; Balmer, Pleasence, Buck, and Walker, 2005; Brown, Taylor, and Wheatley-Price, 2005; Jenkins, Bhugra, Bebbington, Brugha, Farrell, and Coid, 2008; Bridges and Disney, 2010; Duggan, 2011; Fitch, Hamilton, Bassett, and Davey, 2011; Drentea and Reynolds, 2012; Sweet, Nandi, Adam, and McDade, 2013); **suicidal ideation and behaviour** (Hintikka, Kontula, Saarinen, Tanskanen, Koskela, and Viinamäki, 1998; Yip, Yang, Ip, Law, and Watson, 2007; Meltzer, Bebbington, Brugha, Jenkins, McManus, and Dennis, 2011); and **impaired health and physical functioning** (Parker, 1990; Drentea and Lavrakas, 2000; McKwen, 2004; Dossey, 2007; Lenton and Mosley, 2008; Matthews and Gallo, 2011; Richardson, Elliott, and Roberts, 2013; Sweet, Nandi, and Adam, and McDade, 2013).

It is only once the confluence and dynamic interplay between structural, individual, relational, and life course factors are examined, that we can arrive at an understanding of what it means to use credit and fall-into-debt; of what it means to be a subject that is produced and regulated for specific purposes (Walker, 2012).

While this thesis engages with various bodies of literature, my argument is also based on empirical data. The research questions are investigated, and the social ecological model brought to life, through data drawn from archival databases, personal experiences working within a debt charity, and in-depth interviews with 21 individuals using the services of StepChange Debt Charity to help with their financial difficulties. The 21 interviewees were approached and selected to explore credit use and indebtedness because they are not only a group who are currently managing debt but also represent a cross-section of individuals drawn from the income spectrum. The in-depth interviews were carried out in locations across England, Scotland, and Wales and were conducted between January 2013 and May 2013, a period of 6 months.

Overall, this thesis will examine the participants' experiences of credit use and indebtedness in a framework of struggles over their identity and social position. I propose three major arguments. First, I argue that credit is fundamental to contemporary governmental practices and largely underpins many of the political and economic ideas that have influenced the direction of British society since the 1980s. Second, I argue that class analysis can do much by considering the role of credit and debt. Changing economic processes lie at the heart of changing social relationships, and credit and debt emerge as crucial windows into the operations of social inequality. My starting point here is Tracy Sullivan's (2008) emphasis that the ready availability of credit has made it possible for many people to simulate the consumption of different classes. I draw upon this theoretical framework to show how credit use blurs social class boundaries. I do this by tracing how the participants in this study use credit to build their identities and advance their social position in their attempts to ameliorate the effects of the unequal social conditions they face. Third, I argue that class processes occur as individuals in debt struggle against dominant 'norms and judgements' surrounding debt whilst contending with the negative impacts debt has on their lives. By drawing upon Tyler's (2013, 2015) arguments, I will trace how those who fall-into-debt are classified and stigmatised as irresponsible and immoral debtors to contain explanations of debt. I will then detail how a 'discourse of individual financial responsibility' is circulated with the intention of normalising total debt repayment (Walker, Johnson, and Cunningham, 2012, p. 54). Finally, I will draw upon the

interview data to reveal how the participants' attempt to ameliorate the effects of debt stigma by reconstructing the context of their lives to honour their debts. In developing my arguments, I seek to offer a way of understanding contemporary economic, social, and cultural change that recognises the crucial role of credit and debt. I hold to the position that it is through credit and debt that the extremes of contemporary society are exposed. As such, it is through an analysis of credit and debt where the operations of social class are most illuminated.

### **Organisation of chapters**

The research questions are explored across nine chapters, each one offering further insight on the arguments presented in the last.

In Chapter 1, I deal with the first research question. Drawing upon a range of primary sources, I explore how a cadre of economists, free market think-tanks, and key players in the Conservative party, created and proposed a series of economic and social policies from the 1950s which aimed to configure a new form of governmentality. Dubbed neoliberalism, I argue how their ideas – based on the responsibilised consumer replacing the producer, the market economy replacing demand-management, the pursuit of private property replacing state ownership, and amplifying inequality replacing equality – all rely on unhindered credit to operate.

In Chapter 2 I explore how their ideas became solidified within the social domain and popular consciousness. I argue this was achieved because a process of insecurity was set in motion through a combined attack on the welfare state and the labour market which has the effect of manufacturing a continued process of amplifying inequality – deemed by free-marketers as a constructive foundation for a new social formation. Furthermore, I outline a 'democratisation of finance' discourse that supports the proliferation of credit, and document how those who fall-into-debt are blamed for their circumstances.

Chapter 3 explores the end of class debates, the 'turn to individualisation', and the emergence of a consumer society. It provides a literature review of a range of theoretical and political developments regarding contemporary identity formation, including theories of reflexive individualisation and cultural class analysis. Chapter 3 criticises these accounts for failing to recognise the role of credit in the acquisition of possessions and cultural goods. An attempt is made to synthesise elements of Pierre Bourdieu's and Anthony Giddens' theories in order to underpin the essence of credit use in contemporary Britain.

Here I champion a relational mode of analysis that draws inspiration from the framework provided by Pierre Bourdieu's (1984, 1986) capital theory and infuse this with the ontological security concept developed by Anthony Giddens (1984, 1991), to examine how amplifying inequality affects individuals' sense-of-self and social position. The chapter ends by arguing individuals use credit in their attempts to navigate a social space signified by amplifying inequality and the individualising discourse that surrounds it. This formulation can explain many of the puzzling features of the literature presented in Chapter 1, 2, and 3.

Chapter 4 details the methodological approach to the research including how access to the 19 research participants was facilitated, along with the data collection and data analysis techniques. It must be noted, the interviews are not intended to be representative of all individuals in financial difficulties; instead their value lies in the depth of understanding they offer about people's views and experiences of credit and debt, and the structures they reveal.

Chapter 5 deals with the second research question and empirically tests the validity of the argument presented at the end of Chapter 3. The chapter explores the participants' credit use, and presents findings indicating credit is used to appropriate and accumulate specific forms of capital – economic, cultural, social and symbolic – as a response to amplifying inequality. In this context, I show how credit is fundamental to 'classificatory struggles' and thus demonstrate how the analysis of its use is crucial to contemporary academic and political debates surrounding class.

Chapter 6 and Chapter 7 deal with the third and fourth research questions. It is at this point the thesis changes track and begins to explore the dominant governmental practices that structure the debt realm and the types of behaviour they produce. Chapter 6 deals with the consequences that emerge as a result of over-commitment and default on credit agreements. In this chapter I draw on the concept of ontological insecurity to explore these effects. Furthermore, I detail how stigmatising classifications contain explanations of debt while debt collections practices threaten the participants' possessions and relationships, before exposing how the shame and fear these practices induce are not unintended but instead serve to transform identities.

Chapter 7 explores the widespread, and often devastating impact, managing debt has on the participants' economic, cultural and social capital. The data I present in this chapter indicate participants are sometimes *empowered*, *detached*, and/or *disillusioned* with the impact debt has on their lives. The chapter concludes by arguing how a discourse of individual financial responsibility creates a normative social influence regarding problem

debt – that it should be repaid. The chapter presents findings that show how the participants come to internalise this discourse and as such the reconstruction of their identity was conducted to make sure they submit to it.

Finally, Chapter 8 reflects on the findings and presents the conclusions to the research. It details three models covering credit use, the fall-into debt, and managing debt that consolidate the findings of the research. These models show how the realms of credit and debt, the forms of governmentality engendered to support them, and the classificatory struggles they induce, are arranged to provide enduring, maximised and protected profit streams to those who produce and distribute credit. If sociological research is to engage more broadly in the social issues under investigation, it is important to present effective ways in which the research can be put to use. As such, the findings of this research are used to construct policy suggestions that have implications for policy-makers and the authorities, those who distribute credit, and other stakeholders such as debt advice charities. The policy suggestions are offered at the end of this chapter to help tackle the number of people who fall-into-debt, to assist and support those who already have, and to challenge current economic, political, and social arrangements.

## CHAPTER 1

### **Neoliberalism and the Proliferation of Credit: An Indissoluble Fusion**

*Financial capital is the life blood of any market economy.*  
Richard Ebeling (2008)

#### **1.1 Introduction**

The expansion of credit in Britain is a complex process and is the result of many interlocking factors which have had a significant impact on both the supply and demand side of the credit market (Ford, 1991). This thesis will explore many of these factors. But in discussing the political and economic environment in which the proliferation of credit took place, we are inevitably drawn to ‘neoliberalism’. Neoliberalism is a concept that has often been used to capture a broad and diverse range of profound shifts in the economic, social and political environment. The strength of the concept is found in its ability to place a spotlight on ‘government as a practice’, and in particular the rationality that underpins ‘the nature of the practice of government’ that signify contemporary forms of governmentality within Britain (Gordon, 1991, p. 3). However, despite the numerous accounts exploring neoliberalism, Imogen Tyler has warned:

There has been less emphasis on thick sociological accounts of neoliberalism as it unfolds as forms of governance – and in particular there has been insufficient analysis of the mechanisms through which public consent is procured for the policies and practices that are effecting... deepening inequalities within the state. (2013, 2.1)

In response, this chapter situates the contemporary debates surrounding the role of credit in Britain within a more expansive historical frame and in view of neoliberal forms of governmentality as they have unfolded over time. It is concerned with the first research question: how and why did credit proliferate from the 1980s onward? In order to answer this question, I explore the policy changes that led to the proliferation of credit from the 1980s onwards, and the political and economic rationale driving the implementation of those policies.

According to Christopher Payne (2013, p. 6), the key to explaining and understanding neoliberal governmentality is through detailing how the discursive body of

revolutionary knowledge it encompasses is ‘expressed in political thought, behaviour and strategies’ and once the transition into practice occurs alters the structures of society and in the process shapes the mentality of its habitants. In this chapter I adopt this investigative framework and present an analysis of primary sources of information in order to reflect the ‘political thought, behaviour and strategies’ of the initial key players – both individuals and organisations – in the neoliberal movement. These primary sources include: speeches from Prime Ministers and Chancellors of the Exchequer between 1964 and 1990; speeches from Governors of the Bank of England along with this organisations quarterly publications over the same period; and finally the speeches and publications from key players at two influential neoliberal think-tanks, the Institute of Economic Affairs (IEA) and the Centre for Policy Studies (CPS). These data provide a unique viewpoint into the rationality that emerged from the 1950s onwards and one which remains embedded in contemporary modes of governmentality and the fabric of contemporary society. In this chapter I will argue the financial crisis and resultant ‘credit crunch’ was not an isolated incidence but represented fractures in a system that began to be formulated 60 years earlier, and which gradually became implemented from the 1970s onwards. Furthermore, I will argue the neoliberal project is founded on the proliferation of credit; basically, unrationed and unhindered credit is the fuel that ignites neoliberalism. In other words, if widespread access to credit were eradicated then the neoliberal project unfolds.

## 1.2 Neoliberalism’s emergence onto the scene

The neoliberal movement emerged in 1947 with the formation of an international group of free market intellectuals dubbed the Mont Pèlerin Society. At an annual conference in 1949, the Mont Pèlerin Society outlined a three-point-plan they believed would lead to the widespread acceptance of the free market economy. First, a large programme of public education is required with considerable thought on how it would be financed. Second, the interests of those disrupted from the transition to a market economy must be met through compensation. Third, policies must be rigorous and indisputable to those resisting change (Cockett, 1995). Neoliberals were attempting to construct a ratiocinative argument underpinning the free market.

In 1959, twelve years after the formation of the Mont Pèlerin Society, a foundational document for the neoliberal movement in Britain was written entitled *Hire Purchase in a Free Society*. Two of the document’s authors, Arthur Seldon and Ralph Harris,

were members of the Mont Pèlerin Society and founding members of a think-tank the Institute of Economic Affairs (IEA). The IEA was established in 1955, and their mission statement is ‘to improve understanding of the fundamental institutions of a free society by analysing and expounding the role of markets in solving economic and social problems’ (Institute of Economic Affairs, 2014). The ethos of the free market had been pushed to the fringe of political debates for decades and Seldon and Harris aimed to rejuvenate it by asking one question:

If markets were not feasible, was that because choice for buyers or competition among suppliers was impracticable, or because government itself was putting legal or other obstacles in the way of individuals with goods or services to exchange? (Seldon, 1981, p. xviii)

This was the key question that drove their attempts to construct a philosophical and theoretical basis for free market ideas which formed the bedrock of their notion of a free society. This question was later applied to virtually every area of the economy and society. For the Institutes first publication they decided to focus that question on hire purchase and credit. It is by no means a coincidence that hire purchase and credit was chosen as the first topic to be published on by the IEA; the choice was intended to be particularly provocative, and to create as much interest in the ideas being disseminated by the Institute (Payne, 2012). Furthermore, the choice of topic also highlights the importance Seldon and Harris place on the free flow of credit for facilitating the implementation of the market economy.

At the time the state controlled hire purchase financing by setting a compulsory minimum deposit required to buy goods via hire purchase and the maximum repayment period allowed. The rationale driving this method of control was twofold. The first relates to credit risk, as it was argued a deposit provides an incentive for the borrower to repay the loan, and also provides security for the lender in case of default. The second relates to inflation, as the government argued control of hire purchase for consumptive purpose maintains a steady money supply and restricts inflationary potential. Seldon, Harris and Naylor were scathing towards this position:

One day... the notion that hire purchase restrictions could be even a partial substitute for control over the money supply... will be recognised as the short-sighted delusion it always was. Then hire purchase and other forms of consumer credit will be able to progress freely towards new horizons. There is enormous scope for extending the use of instalment credit for all kinds of goods and services, including labour – saving or pleasure – giving devices not yet invented. Popular prosperity... increases demand for credit facilities by

awakening the individual's ambition and ability to extend his possessions. (1959, p. 146)

There is little doubt the importance that Harris, Seldon and Naylor place on the proliferation of hire purchase credit for the implementation of the market economy. But important to highlight from this passage are phrases such as 'other forms of consumer credit', 'progress freely', 'popular prosperity', and 'ability to extend his possessions', because, as will become apparent, these are the locutions of the neoliberal movement.

It was not until 1982 that the vision outlined by Seldon and Harris came to fruition. The 23 years that separated the publication of this document and its implementation represents a significant period of British history in terms of a shift in the form of economic governance and the theoretical rationality underlining it. The period also represents a period where the British populace experienced a concerted effort by politicians and economists to change the way they view society. Throughout the course of this chapter we will return to the arguments presented by Harris, Seldon, and Naylor in *Hire Purchase in a Free Society* in order to reveal how it forms the basis of, and wellspring to, the rationale guiding the proliferation of credit. However, at the time of its publication the document was counter-intuitive to the dominant view held by politicians and economists involved in economic management, and especially in the directives for credit lending.

### **1.3 The era of demand-management and credit controls**

On the 18<sup>th</sup> November 1967 the Labour Government of Harold Wilson announced new measures for economic policy, which included new quantitative ceiling limits and qualitative instructions on bank lending. A memorandum by the Bank of England was issued the following day which stated lending:

Priority should be given to finance for production and investment necessary to sustain or increase exports. It is essential that credit [for these purposes] should be free of all restriction [...] Lending for other non-priority purposes... must be severely restricted, in particular credit that is associated with imports of manufactured goods for home consumption. (1967, p. 348)

To recollect these types of policies is to envision a different political and economic climate compared to contemporary perspectives; direct controls from the authorities on any form of credit might today seem absurd, even more so on credit for home consumption. But these policies reflect the post-war environment Britain operated in, when the system of

ceiling controls on bank credit was implemented and the presence of the state in economic activity was widely accepted and encouraged (Backhouse, 2009). This was an era of demand-management. In this environment markets were subordinate to the interests of the state and its citizens and operated in a planned and managed financial system where the flow of capital was restricted (Pryke. 2008). The main architect of this system was John Maynard Keynes. Keynes' thoughts underpinned a collection of governmental techniques, clearly outlined in the statement by the Bank of England, which required state intervention in production. According to Payne (2013, p. 7-8), 'governing the economy meant governing for production... and the monetary and banking system was geared towards meeting the credit needs of entrepreneurs so that they could produce'. Thus, 'the producer' was at the centre of the governing mentality under demand-management which meant the authorities were explicit in discouraging the use of credit for personal consumption; viewed as a 'non-priority'. Furthermore, maintaining maximum productive capacity through credit dissemination was the undergirding to the welfare state which relied on the redistributive possibilities of the productive domain (Hall, Massey, and Rifkin, 2013).

The Keynesian political and economic rationality was shaped by 'common-sense' assumptions that underpinned policies and were widely accepted by the populace (Hall, 2011, p. 6). As a result, up until the early 1970s wealth was modestly redistributed; egalitarianism was a central norm with social rights (such as pensions, healthcare and public services) being widely offered; and through generous funding an expanding educational system meant children from working class or poorer families had a good chance of experiencing social mobility without the burden of debt (Graeber, 2011; Hall et al., 2013). Trade unions played a key role in helping shape this social settlement, based on a foundation of rapidly rising incomes linked to rising productivity (Graeber, 2011). This discourse was supported by an embrace of 'progressive taxation', which 'curbed the excessive concentration of personal wealth and power' (Harvey, 2010, p. 44). However, Stuart Hall and his colleagues acknowledge that, in this settlement, 'capital's share of the surplus was being significantly eroded' and this was a 'shift that could not be tolerated' (2013, p. 5).

Hall et al. (2013) suggest conflicts between social settlements are the product of contending social and economic forces. In the period of demand-management Britain conformed to the Keynesian economic depiction, and the social world was a product of that depiction (Davies, 2009). But, as Browning (1986, p. 345) reveals, 'domestic economic policy does not take place in a vacuum but in the economic environment', and this

'environment itself comprises two elements: the objective world and the theoretical world'. Within the theoretical world of economic policy counter-currents began to appear with the simple aim of transforming the Keynesian depiction of social and political reality. According to Hall (2011, p. 6), this new settlement entailed the attempt to re-work the "common-sense" assumptions of the earlier, social democratic settlement'. Doreen Massey (2013, online) says we should think of 'common-sense' as referring to 'that bundle of ideas that are so ingrained as to be beyond question: they are ideas that mould both our identities and our relationships, and frame our understanding of society'. At the foundation of neoliberalism are certain 'common-sense' ideas which shape people's thinking and logic on social and economic experience. These 'common-sense' ideas are *the market, the consumer, and private property and ownership*. This chapter will deal with each in turn and show how they all rely on the proliferation of credit to function.

In contemporary Britain these 'common-sense' ideas define the range of economic policies that are thinkable and deemed acceptable and they are seldom questioned because they are wrapped in theories which are used to explain the world as it appears. As a result they appear natural to us now but they actually required a huge amount of political work to function (Payne, 2013; Massey, 2013). The political work had started by 1962, when Milton Friedman, another Mont Pèlerin Society member and personal friend of Ralph Harris of the IEA, wrote these words:

[W]e shall be able to preserve and extend freedom... only if we awake to the threat that we face, only if we persuade our fellow men that free institutions offer a surer, if perhaps at times a slower, route to the ends they seek than the coercive power of the state. The glimmerings of change that are already apparent in the intellectual climate are a hopeful omen. (1962, p. 202).

The 'glimmerings of change apparent in the intellectual climate' that Freidman refers to were emanating from the IEA who, throughout the 1960s and early 1970s, began to publish a range of documents which advocated the principles of the free market to all areas of social and economic activity. In considering the aim of think-tanks publications Harris (1981, p. xix) states, 'we have ceaselessly to explore ways of freeing politicians from their essential duties', by revealing the 'tasks that could be better performed by voluntary co-operation through markets'. The term 'markets' forms one of the central tenets of the neoliberal economic rationality, and provided the main theoretical tool to challenge the dirigisme of Keynesian demand-management. Therefore, *the market* becomes the first key

term in the bundle of ‘common-sense’ ideas in which neoliberalism refers to, and embeds within popular consciousness.

Markets are the forebear to competition which according to Seldon (1981, p. xxi) is the ‘only environment’ that permits the judgement of commodities and services by comparison with alternatives. The basis of this position is developed from the work of – another member of the Mont Pèlerin Society and an *éminence grise* of the neoliberal movement – Friedrich Hayek. In his 1948 work *Individualism and the Economic Order* Hayek challenges the Keynesian orthodoxy by arguing state central planning cannot efficiently direct ‘the whole economic system according to one unified plan’ (p. 79). Hayek instead advocates ‘competition’, which he regards as ‘decentralised planning by many separate people’ (1948, p. 79), as the most efficient economic model directing the use of existing knowledge and resources in the system. In fact, competition forms the bedrock of markets, in which individuals – both buyers and sellers – exchange commodities with little or no government interference. Hayek (1948, p. 80) argues, ‘every individual has advantage over all others because he possesses unique information... knowledge of the particular circumstances of time and space... which beneficial use might be made, but... only if the decisions depending on it are left to him’. Thus, Hayek’s theory represents the emergence of an individual-centric economic rationality with a suspicion of all claims to objective knowledge (Davies, 2009), and it was to prove deeply influential to neoliberal thought and especially to Harris and Seldon of the IEA. In this economic vision, markets are actually treated as more democratic than democracy itself (Davies, 2009); a position encapsulated by Seldon:

When all is said, the market, where it works by opening doors to new supplies and new demands, humbles the mighty, destroys privilege, equalises rewards... [and] emancipates the proletarian. Because money is the irresistible leveller, the market is more democratic, more disrespectful of persons, more moral and more just than the state, which bows to and thus incites influence, faction and conspiracy to control it. (p. xxxv)

The reason neoliberals hold this position is they regarded the state as dominated by organised groups of producers, who, through their unions, are intent on controlling the state for their own protection against competition. This is their challenge to the Keynesian controlled economy, and the task, alluded to by Friedman (1962, p. 202) above, was for the emerging politico-economic rationality of neoliberalism to begin to expose, what they believed was, the ‘coercive power of the state’.

Neoliberals did this by contesting the accepted position of state intervention in economic management. Their most scathing critique, and one that still persists today, was disengaged at the use of state-led-welfare as a tool in dealing with inequality. Neoliberals had a pervasive scepticism regarding whether direct state action, either by directing industry or redistributing income and wealth, could ever raise social welfare (Backhouse, 2009). The welfare state was held to be the antithesis of freedom, because state-led-social-engineering was deemed to hinder private interests and distort the natural mechanism of the free market (Hall, et al., 2013). In order to challenge the orthodoxy, neoliberals constructed the welfare state as intervening in the ‘natural’ link between needs and the individuals’ capacity to pay (Hall, 2011). They argue a consequence of this approach is the evaporation of personal responsibility, and the dilution of the moral fibre of the nation (Hall, 2013). It is often suggested neoliberals are hostile to the state and desire smaller government. However, it is important to emphasise neoliberals are not hostile to the state *per se* just a particular type of state formation (Davies, 2013). Neoliberals understand that the state is a necessary source of coercion, particularly for the purposes of preventing political upheaval, so what neoliberals were hostile to was the idea of some autonomous-yet-collective will governed by the state (Davies, 2013). As such, neoliberals act against the state as a collective planner, and in the process aim to create a shift from a state-led market to a market-led state, which they hoped would reinvigorate a competitive capitalism in which industry is free to grow. This economic vision is thus one of perfect competition in a system of decentralised information and control, where profit-seeking producers compete for customers, who have the freedom to choose goods and services based on the price mechanism which guides markets, and where rewards are based on relative success within this socio-economic formation (Cockett, 1995).

#### **1.4 The Heath Government - neoliberalism's first attempt at governing**

The IEA’s advancement of the market economy began to acquire a growing influence over the Conservative Party in the 1960s. They had spent most of the post-war years numbed to the fact that state intervention was an inevitable part of the social and economic landscape (Cockett, 1995). Yet the prospect that neoliberal policies were finally to be adopted was signalled by Edward Heath at the Conservative Party conference in 1968, when he challenged the demand-management orthodoxy:

Every generation must redress the balance to meet its own needs.... [So] we will remove the shackles of government from industry. We will banish the regulation and control of business activities. We will withdraw the Government from holdings in private firms. We will begin to reintroduce private ownership into nationalised industries. (Heath, 1968, online)

By June 1970, Edward Heath's Conservative Party had won the general election and this was to become the first attempt within Britain at implementing the neoliberal economic rationality. After just nine months in office what transpired was the main policy strategy to 'remove the shackles' and 'banish regulation and control' was to be the transformation of the financial sector. Britain's emergence out of the 1960s was still dictated by quantitative ceiling controls that were severely restricting bank lending. However, the Budget Speech of the Chancellor of the Exchequer Anthony Barber in March 1971 began to lay the foundations for a new approach to monetary policy. In discussing the existing arrangements on ceiling controls applied to bank lending, Barber was contemptuous stating they were 'defective on the score both of flexibility and of scope for competition', and over a long period such techniques 'lead to rigidities' in the system, and 'perpetuate a rationing approach which is inimical to innovation in banking' (1971, c. 1371). The Heath Government was pursuing a liberal approach to the banking system which they viewed as an essential precursor to implementing 'competition' and flexibility, or in other words markets, into the wider economy, thus following the position advocated by Hayek and the IEA. But more importantly, this liberal approach to the banking sector was to be extended towards controls on 'consumer credit', which Barber suggested, 'should not be singled out for selective methods of control' (1971, c. 1372). The Bank of England were also encouraged by Heath's Government to support the route to freer and wider competition in bank lending over that of extended regulation, and in May of 1971 at a speech to the International Banking Conference the Governor of the Bank of England, Leslie O'Brien, supported this move by stating, 'there is some evidence that bank lending... to consumers is an important direct influence on spending' (Bank of England (BoE), 1971a, p. 196). Therefore, the emergent priority of monetary policy under Heath was to stimulate economic growth through consumer spending based on the expansion of consumer credit.

Through this we witness the first step in the fermentation of the link between credit and neoliberalism as an attempt is made to place the consumer at the centre of the governing mentality, which in the process displaces the producer. The 'adaptation' sought by neoliberalism was for people to shift their behaviour from producer-led to consumer-

led. If we return to the argument presented by Harris, Seldon and Naylor in *Hire Purchase in a Free Society* (1959) we will see the first seeds of this consumer-led rationale been laid:

The rational purpose of human organisation in a free society is consumption... a free society and an expanding economy must be governed by man as consumer, not man as producer. If he allows the producers interest to gain the upper hand over the consumers interest, he sets up resistances to change, and the result must be impoverishment and restrictions on liberty.... Hire purchase [as an instrument]... in asserting the will of man as consumer... should not be tampered with lightly, and certainly not in order to fill the vacuum left by government failure to manage the monetary system. (p. 149)

It is clear Seldon and Harris place a crucial role on credit ‘in asserting the will of man [sic] as consumer’; in essence they see them as deeply concomitant. This is an attempt to advance a system in which credit is propelled as the foundational aspect of the consumer rationality – which in the process deliberately challenges the state as a collective planner. Hence, *the consumer* becomes the second key term in the bundle of ‘common-sense’ ideas in which neoliberalism refers to, and embeds within popular consciousness.

Christopher Payne (2013) traces the conception of the consumer from the 1950s in his book *The Consumer, Credit and Neoliberalism*, and provides an account of how that conception became integral to neoliberal economic policymaking from the 1970s onwards. Payne argues:

[N]eoliberals came to view consumption as an enterprising and entrepreneurial practice in its own right. As a result, it was thought essential that credit also be liberally available to fund consumption practices that were deemed as productive of human capital. This in turn required a different monetary regime from that operated in the [Keynesian] era. In this new monetary system, the borrowing needs of consumers could invariably be met, in turn fostering... the ‘natural’ enterprising spirit of everyone, whether producing or consuming. (2012, p. 9)

Payne (2013) demonstrates how an imagined figure of the consumer became utilised by the neoliberal movement, both to problematise Keynesian methods for governing the economy and as the basis for a new governmental programme: ‘Those practicing neoliberalism reference the consumer as a “natural” state of being that does not need to be questioned’ (p. 6). The analysis clearly shows how the term ‘consumer’ entered into the vocabulary of the state as a key resource of economic management under neoliberalism (Marron, 2007), where the central task of the government becomes extending access to

consumption as far as possible. As a result, reform of the banking sector, with the intention of making it more competitive, was a central part of how to govern for the consumer, which in turn was imperative for a neoliberal economic system to succeed (Payne, 2013).

The reform of the banking sector, proposed by the government of Edward Heath, was implemented in September 1971 through a Bank of England policy called *Competition and Credit Control* (CCC) (BoE, 1971b, p. 189). The aim of CCC was to provide the flexibility for the banks to determine their lending capacities more freely with a greater focus on market operations and demand (BoE, 1971a, p. 196-97). This new monetary regime abolished quantitative ceiling controls on bank lending including term controls for hire purchase, which meant banks and financial institutions could now determine the directions of their lending<sup>4</sup>. Browning (1986, p. 279) states, this new arrangement 'was without doubt a revolution in post-war British banking practice'. Nevertheless, a closer reading of the new monetary policy and its political application reveals that the authorities did not appear to fully embrace this revolutionary system that placed the consumer at the heart. They remained somewhat stuck in an intermediate position in which one aspect of the traditional approach to bank lending was removed, that of *quantitative* ceilings restrictions, whereas the other aspect remained, that of *qualitative* guidance on the direction of bank lending. On the introduction of the new system, and with the increase in credit lending that was expected to follow in mind, the Chancellor Anthony Barber stated: 'I hope that the banks and finance houses... will channel this additional credit mainly to companies. The general guidance on the direction of lending still stands; in particular, restraint should continue to be observed in the field of personal lending' (1971, c. 1372). This position was further reiterated two months later by the Bank of England who asserted they would 'continue to provide the banks with such qualitative guidance as may be appropriate' (BoE, 1971b, p. 192). The credulity of Heath's government – in assuming that qualitative guidance would impact on the financial sectors decision making and offer some self-restraint, when legal restrictions on quantitative ceilings had been removed and profits were at stake – is beyond doubt. Indeed, at a speech given in 1972 to the Finance House Association, the body that represents credit and hire purchase providers, the Governor asserted:

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<sup>4</sup> Furthermore, each bank was now required to hold only 12.5 percent of its liabilities in the form of reserve assets singling a major reduction from the 28 per cent previously commanded. According to Governor O'Brien, the principle of this scheme was to create a system in which 'the allocation of credit is primarily determined by its cost' with a priority on 'open-market policies' (BoE, 1971a, p. 196). Without moving into a technical description, interest rates were to play a vital role in restricting and easing the distribution of credit depending on the economic conditions that prevailed at the time.

[C]ynical voices may perhaps say that the authorities' conversion to the new philosophy is only skin-deep and that at the first whiff of crisis we shall be back to 1965 all over again. That is not how I see it. I believe that we have now devised a system which will enable the authorities to exercise appropriate influence over monetary conditions at all times, without stifling competition. (BoE, 1972, p.87)

In practice the abandonment of ceiling controls on bank lending and hire purchase fuelled the rapid growth of personal lending, in particular for cars and other durable goods. In the two years following the introduction of Competition and Credit Control, banks' deposits had doubled and advances to consumers had increased by 150 percent (Hall, 1983, p. 314). The Governor of the Bank of England, Leslie O'Brien, was aware this process was occurring at the time, but stated he was confident that once industrialists became assured in the strength of the economy that the banks 'will be no less deeply involved in meeting the financing needs of industry than in catering for the consumer' (BoE, 1972, p. 90). However, by 1973 close to 90 percent of growth in bank lending went to the personal sector (Hall, 1983, p. 283); which had also grown by 33 percent during 1973 (BoE, 1982, p. 75). As a result of the increases in personal lending, there were signs emerging that individuals were beginning to fall-into-debt; the amount outstanding with retailers and finance houses increased by 80 percent between 1970 and 1973 (BoE, 1977a, p. 30). A further consequence of this monetary and credit policy was the rapid expansion of the money supply which grew by 28 percent during 1973 alone (BoE, 1982, p. 75). The government was beginning to lose control of economic and monetary conditions, and Britain was moving closer to the throes of a banking crisis.

By the end of 1973, and to great embarrassment, the Chancellor Anthony Barber was left with little alternative but to take action which he viewed as 'necessary to reduce home demand in order to leave sufficient of our reduced resources available for export and for productive investment in the private sector' (Barber, 1973, cc960-2). Immediately following this announcement, the Bank of England issued a *Credit Notice* to improve their 'control over the money supply and bank lending' (BoE, 1974a, p. 37). As the semantics reveal, we were back to the same postwar banking policies. This involved the reintroduction of hire purchase controls and further restrictions on other forms of consumer credit, including credit cards (BoE, 1974b). A period of further restraint was fostered in by the *Supplementary Special Deposit Scheme* (SSDS) in 1974, which became known as the bank 'corset'. The 'corset' restrained lending by creating a disincentive for

the banks to acquire new assets (mainly in the form of loans) above a certain threshold. If banks surpassed this threshold they would be subjected to a sliding scale of penalties depending on the severity of the breach; a move that tied lending to profitability<sup>5</sup> (BoE, 1974a). The imposition of ‘the corset’ was a move regarded as disastrous by the IEA; mainly because it acted as a partial brake on competition within banking. But the IEA also criticised the government on the issue of inflation because it had reached a post-war peak of 16 percent by the end of 1974, mainly off the back of increased spending stimulated by credit (Browning, 2013).

So from an attempt to free industry to a financially liberated market place, the government reigned in those initial policies as the economy began to show signs of stress. Thus, it seems the ‘authorities’ conversion to the new philosophy’ was ‘only skin-deep’ and ‘at the first whiff of crisis’ they were ‘back to 1965 all over again’. The first attempt at neoliberal governmentality had ended by the reintroduction of controls on lending; and ended rather badly for the Heath Government. The high expectations afforded the election of Edward Heath by the IEA and other individuals invested in neoliberal economics had been dashed. In considering the main issue that led to this situation it becomes clear that the authorities were still operating in a social formation that governed for the producer. They did not successfully adapt or implement the supervisory arrangements to fit with the intention of governing for the consumer, to which the new banking system had been created to accommodate (Payne, 2013). The economic structures were incompatible with the political structures.

As result of the industrial action that occurred due to the banking crisis, and which had been encouraged by strong union power, the Conservatives lost the election of 1974. But this was not the end of neoliberal governmentality. Stuart Hall and his colleagues (2013, p. 5) confirm one of the key features of neoliberalism is that it ‘combines with other models and modifies them. It borrows, evolves and diversifies. It is constantly “in process”’. Peck (2013, p. 147) adds to this conceptualisation of neoliberalism by arguing it is a ‘directional and not a destinational’ phenomenon. In other words, there is no ‘end’ in neoliberalism, it is a frontal project that provides knowledge and strategy of the direction in which to push, but it will never occur in a perfect form; there are inconsistencies in its operation. Neoliberalism is characterised by the drive for continual transformative

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<sup>5</sup> Since profit is the mechanism that drives innovation in banking, it was hoped the reduced profitability that would occur from a bank’s expansion of their balance sheets would restrict the pursuit of both innovative lending practices and the sale of loans with higher default risks (BoE, 1982).

restructuring, and constant adaptations in its operation (Peck, 2013). Within this framework provided by Hall and Peck, it can be viewed that the attempt to remove the 'shackles off business' and 'banish regulation and control' by Heath's Government was a first attempt to implement the economic epistemology of neoliberalism, and what occurred and developed after this in Britain was not a more progressive form of neoliberalism, but just a different form. The foundations had been established, Heath himself was aware of this, as his Leader's speech at the Conservative Party conference upon being elected Prime Minister reveals:

If we are to achieve [our] task we will have to embark on a change so radical, a revolution so quiet and yet so total... We can only hope to begin now what future Conservative Governments will continue and complete. We are laying the foundations, but they are the foundations for a generation. (Heath, 1970, online)

What was required for neoliberalism to be accepted and become successful as an economic model were 'adaptations' in the link between theory and operation; one which brought into sync the economic conditions for the consumer with the political articulation of the consumer.

### **1.5 The Centre for Policy Studies as neoliberalism's redeemer**

This process was started by Keith Joseph, a member of the Heath cabinet and an outspoken critic of their policy failures. After the election defeat, Keith Joseph visited Ralph Harris of the IEA to seek advice about the development of 'a new crusade for private enterprise'. In a memorandum to Arthur Seldon in March 1974, Harris records aspects of his conversation with Joseph:

I opened up by asking whether it would really be helpful to the Conservative Party or to the IEA, in view of all that had happened over the last three years [to pursue a new crusade for private enterprise]. Most engagingly he responded by acknowledging 'guilt' for all that had gone wrong despite the fact that he was not really in the economic *policy* sector... He emphasised the need to show the ethical and social case for private enterprise rather than appearing like Mr Heath to be preaching a materialistic creed of 'growth'. I emphatically agreed. (Harris, 1974, p. 1).

This memorandum reveals the disillusionment felt by neoliberals due to the failure of their epistemological experiment, but Joseph was keen to reignite it. Joseph took the view that

many of the failures of the Heath Government were essentially ‘political’ problems. The neoliberal economic theories were deemed veracious due to the work of the IEA who, over the course of nearly twenty years, had developed a coherent and robust body of free market ideas and articulated the benefits of them in tackling social and economic problems. Joseph believed the political application of the economic thinking established by the IEA had not been properly thought through (Cockett, 1995). As a result, the step was taken to create a think-tank with the sole aim of converting the theoretical framework established by the IEA into a coherent political strategy with specific policies that a Conservative-led-government could pursue in the future (Cockett, 1995). Writing to potential donors in March 1974 Joseph acknowledges that what he has set himself ‘is a formidable task’ (1974a, p. 1).

Nevertheless, just three months later, on 7<sup>th</sup> June 1974, the Centre for Policy Studies (CPS) was founded by Keith Joseph (the Chairman) along with Margaret Thatcher (the President). The Centre’s explicit purpose was to make the case for ‘a free market economy operating within a humane system of laws and institutions’, which will emphasise ‘the links between freedom, the standard of living and a market economy based on private enterprise and the profit discipline’ (1974b, p. 1). The establishment of the CPS represents the first attempt at reclassifying ‘profit’ into positive terms after years of socialist government who viewed the pursuit of profit as an immoral quest<sup>6</sup>. The ‘new right’ believed it was their job to change the conduct and values of the many who they deemed were trapped in, antedated and outmoded, collective ways of thinking (Payne, 2013). Thus, the CPS was to be used as a means to change hearts and minds and create the foundations upon which neoliberal policies would become accepted. Joseph, Thatcher and the IEA firmly believed that reality could be remade through the dispersal of new concepts and ideals (Cockett, 1995).

The monetary consequences of attempts to reform the banking sector between 1971 and 1974 were to play an enormous role in the ‘adaptations’ of the neoliberal movement in the mid-1970s. In this redevelopment phase the Conservative Party were ready for new ideas. This drew them closer to the monetarist argument advocated most powerfully by Milton Friedman. In 1967, Freidman argued in order to stabilise the economy and counter inflation the growth rate of the money supply must be controlled

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<sup>6</sup> The CPS were also aspiring to expand ‘ownership and participation’ and release ‘under-used energies’ and ‘resources’ – in business, in people, and in banking – which they believed had been stifled by the government orthodoxy of central planning and welfare (Joseph, 1975, p. 3).

(Backhouse, 2009). This economic policy was appealing to the Conservative Party because of the uncontrolled expansion of the money supply under the Heath Government which had colossal effects on the economy. A monetarist counter-inflationary policy, where the growth of the money supply and bank lending were kept within reasonable limits, was deemed the most appropriate way of providing the foundation to tackle and move forward with others areas of economic policy (Hall, 1983; Browning, 1986). As such, monetarism provided the right tool to the Conservative Party because they now regarded monetary stability and fiscal discipline as the foundation of strong government. We must remember, a strong state was, and still is, absolutely essential to the implementation of neoliberal polices. As Joseph alluded to in 1975, the CPS approach is not a ‘council in laissez-faire, which means abdication of any responsibility by government for the nation’s economic wellbeing’ rather ‘we seek to understand the market and its laws in order to control it the better’ (Joseph, 1975, p. 2).

Whilst these strategies were been constructed in opposition, bank lending policy under the Labour Governments of Harold Wilson (1974-1976) and James Callaghan (1976-1979) were dictated by the suspension and reintroduction of the ‘corset’. Between 1973 and 1980 the Bank of England, under the stewardship of Gordon Richardson, suspended and reintroduced the corset on *three* separate occasions depending on the direction and scale of bank lending. Qualitative guidance on the direction of lending was still been provided with the Bank of England continuously seeking restraint on lending to individuals for personal loans (BoE, 1977b). This period became a crucial site for the encounter between the two competing philosophies: on one hand were Keynesians advocating state control over the economy and capital movements, who were opposed, on the other hand, by neoliberals who wanted a market-led approach along with the free flow of capital across international boundaries (see Hayek, 1976). However, in the presentation of neoliberal ideas Milton Freidman called for patience and provided the context to their acceptance:

Only a crisis - actual or perceived - produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable (1982, p. xiv)

This period also signalled the introduction of Margaret Thatcher onto the political scene, and she had an intuitive understanding of the position outlined by Freidman.

## **1.6 The rise of Thatcher with neoliberalism on her coattails**

In 1975, Margaret Thatcher became the leader of the Conservative Party, and she was quick to start to articulate the ‘crisis’ that she perceived was besetting Britain.

It is the Labour Government that has caused prices to rise at a record rate of 26 percent a year. They told us the Social Contract would solve everything, but now everyone can see that the so-called Contract was a fraud... It is the Labour Government that has pushed public spending to record levels. How have they done it? By borrowing and borrowing. Never in the field of human credit has so much been owed... What we face today is not a crisis of capitalism but of socialism. No country can flourish if its economic and social life is dominated by nationalisation and State control. (Thatcher, 1975, online)

The problem that Thatcher and the Conservatives have with inflation is its ‘decapitalisation’ effect; which basically means the erosion of living standards and savings (Joseph, 1976, p. 9). Inflation uproots the very essence of capitalism by devaluing monetary assets overtime. According to Joseph, ‘our present irrational economy’ cannot ‘last because it is undermining its own foundations’ (1976, p. 9). Thatcher and Joseph vehemently challenged the idea of big government, and in its place advocated the benefits of deregulation of industry and the privatisation of governmental services. The aim was to shed as much government activity to the rules of the market; meaning government would become one provider of services, amongst many, competing for the consumer (Rifkin, 2004). Key to point out here is that Thatcher and Joseph had begun to challenge every notion of socialism and state control; they were beginning to suggest the economic crisis was caused by that ideology. Indeed, the ‘crisis’ that Friedman had alluded to was now in sight, or at the very least that was the way the Conservative Party were presenting it. As a result they were also aiming to shift the debate to the ‘politically impossible’. In the place of state socialism Thatcher stated: ‘Let me give you my vision: a man’s right to work as he will, to spend what he earns, to own property, to have the State as servant and not as master – these... are the essence of a free country’ (Thatcher, 1975, online). Thus, the task of changing hearts and minds, that the CPS had set as its mission, had begun; and the strategy was bold.

The Conservatives started to turn the notch up on socialism. Yet although they presented the ‘crisis’ as one of socialism, it was mainly a ‘crisis of profitability’ that they were trying to rectify. The growing corpus of neoliberal ideas in the 1970s, and the push

for them to be accepted, was an attempt to deal with a ‘crisis of profitability’ they believed represented a breakdown of the economic and social structures established by socialism. This position was advanced in a policy statement published in 1976, entitled *The Right Approach to the Economy*, where the Conservatives argued, the ‘fundamental problem has been the erosion of the cornerstone of the whole edifice of industrial enterprise: profits and profitability’ (Joseph, Howe, Prior, and Howell, 1977, p. 29). The statement goes on to suggest: ‘It will be essential to demonstrate in the next few years, far more than we have in the past, the essential role of profits’ (*ibid*, p. 29-30). The Centre for Policy Studies subsequently commissioned a report in an attempt to shape this statement into a coherent political strategy, which also involved an attempt to shift the party’s stance on state intervention, nationalisation and, finally, the unions. The *Steeping Stones* report was published in late 1977 and its aims were clear: ‘A greater share of wealth must return from government and employees’ and ‘the principal objective is to persuade the electorate to reject socialism and the labor-trades unions axis’ (Hoskyns and Strauss, 1977, p. 6, 2). This was truly a battle of ideologies. The words of Hall et al. (2013, p. 5) presented earlier ring true: ‘capital’s share was being eroded’ which was a ‘situation that could not be tolerated’. Predictably these documents are regarded as some of the most important for the neoliberal movement because they outlined the entire strategy, including a systematic policy-framework, for what was later to become known as Thatcherism (Payne, 2013).

On the back of this methodical challenge to state socialism, and with Britain’s emergence from the Winter of Discontent, Margaret Thatcher won the election and was elected Prime Minister in May 1979. The election victory signalled the end of the Keynesian era of demand-management, and the beginning of a new form of governmentality situated on the neoliberal economic framework established over the preceding three decades. Indeed, after just 15 days in office Margaret Thatcher sent a letter thanking Ralph Harris and the IEA for what they ‘have done for the cause of free enterprise’, and went as far to acknowledge it ‘was primarily’ the ‘foundation’s work which enabled’ the Conservatives ‘to rebuild the philosophy upon which the party succeeded’ (Thatcher, 1979a, online). If there was ever any doubt of the deep influence the IEA has had on the political and economic terrain of Britain this letter will quash that.

At her first Conservative Party Conference as Prime Minister in June 1979, Thatcher outlined her economic plans but more importantly she began to lay the grounds for a concerted effort to change the way people think: ‘We have to move this country in a new direction, to change the way we look at things, to create a wholly new attitude of mind’

(Thatcher, 1979b, online). The time was ripe to propagate a culture that posits ‘citizens as rational economic actors in every sphere of life’ (Brown, 2006, p. 695), and to start, once again, governing for the consumer (Payne, 2013). Neoliberalism had made its comeback, and an economy aligned with market-rationality was to begin. Perhaps unsurprisingly then the election victory was to prove a watershed moment for the financial sector and credit policy. The longer run objectives of Heath’s attempt to reform the banking sector through the policy *Competition and Credit Control* were to be put back into practice, but with a slightly different formula.

So after just ten months in office parts of the restrictions on bank lending were to be removed. On the 26<sup>th</sup> March 1980 the Bank of England, with the approval of Chancellor Howe, announced it was terminating the bank ‘corset’ for good. The new focus on methods of monetary control for the Government and the Bank of England were a ‘greater emphasis on open market operations’, with ‘market factors’ being given ‘a greater role in determining the structure of short-term interest rates’. It was widely agreed this approach would ‘lead to more flexible, market related, pricing of overdraft facilities’ and other forms of consumer credit (BoE, 1980b, p. 428). This represented a return to the familiar language of 1970 and the proliferation of credit was once again at the heart of the implementation of neoliberal economic and social policies. Nevertheless, with the policy failures of the Heath Government etched in the collective memory of neoliberals, and with the ‘adaptations’ that had occurred as a result, the Thatcher government was keen to point out the ending of the ‘corset’ did ‘not imply relaxation of monetary restraint’. They drew attention to the target of between 7 and 11 percent in the annual growth rate of the money supply as evidence of this (BoE, 1980a, p. 153). This argument was further supported by the publication of the Thatcher Governments’ *Medium Term Financial Strategy* (MTFS) in 1980, which set targets for the growth of money for four years (Howe, 1980). The money supply had indeed become the focal point of economic policy, and monetarism came to define the political environment.

But still easing of the restrictions on credit was to follow. The first involved the reduction of the reserve asset ratio – the amount the banks held as reserves for their liabilities – to 10 percent in January 1981, followed by a temporary reduction to 8 percent for most of March and April 1981, and finally its abolition in August 1981 (BoE, 1982, p. 76). Then, after 23-years since the publication of *Hire Purchase in a Free Society*, the unfamiliar authors of the document at the time of its publication – now known as Lord Baron Harris of High Cross and Dr Arthur Seldon CBE – were finally to get their wish and

see their vision of an entirely free market approach to consumer credit enacted. In 1982, the Government removed all controls from hire purchase lending, and a ‘new’ economy of credit came to underpin British society (Burton, 2008). In this ‘new’ economy of credit (to be explored further in Chapter 2), credit instruments become an invitation from financial institutions to encourage people to save less and spend more. The impact of this policy was immediate as the saving-ratio dropped from a peak of 16 percent in 1980 to 9 percent by the end of 1982 (BoE, 1983, p. 5). It is important to stress that these changes in credit policy meant it was now easier for people to obtain credit than at any other time in British history (Oliver, 1997), and as a result lending began to increase rapidly as banks sought out new custom. The statement by Thatcher in 1975 that ‘never in the field of human credit has so much been owed’ came to take on new meaning.

### **1.7 A paradox at the heart of monetary policy**

Nonetheless, there was a paradox at the heart of this monetary policy. The authorities were concerned that the removal of restrictions on bank lending was having a major influence on the expansion of the money supply above the target; just as it had done 10 years earlier under Heath. By 1985 the money supply was growing faster than the targets<sup>7</sup>, which meant they were becoming increasingly irrelevant, and indeed embarrassing for the government. At a speech to the Finance Houses Association in 1985, Governor Leigh-Pemberton pointed to this issue and stated:

[S]uch a rate is far higher than is consistent with the comfortable attainment of the present target for broad money; and it complicates – but does not undermine – our firm intention to provide financial conditions appropriate to non-inflationary, sustainable, growth. [However]... if borrowing does continue to rise sharply, the resultant monetary pressure would be of major concern to the authorities. (BoE, 1985, p. 237-8).

It was becoming clear that the focus on attempting to control the money supply at the same time as removing restrictions on lending was proving to be extremely difficult, if not impossible. There appeared a paradox at the heart of the monetary debate. In effect, ‘the objectives of financial liberalization and monetary control were on a collision course’ (Congdon, 1990, p. 7). The argument went: if the aim is to keep within monetary growth

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<sup>7</sup> The removal of restrictions on bank lending was having a major influence on the expansion of the money supply (sterling M3) above the target. In the period between 1982 and 1984, sterling M3 stayed within its target range of 8-12 percent, but between 1984 and 1985 the rate of growth was 11.9 percent despite the target being between 6-10 percent. The following year the target was set at 5-9 percent but annual growth was at 14.5 percent and expanding (see Browning, 1986, p. 297),

targets it is not clear how that can be achieved without resorting to direct, quantitative lending controls. As Hall (1983) emphasised, bank lending to the private sector is the major source of monetary growth in the long term. The Government were left with two options: on the one hand, they could re-implement restrictions on credit and the directions of bank lending, or, on the other hand, they could disengage from their monetarist economic policy and detach themselves from money supply targets altogether. The Government choose the latter option, for one simple reason: the growth of credit was fundamental to the realisation of their economic and political vision.

The key to moving away from monetarism rather than re-implementing restrictions on consumer credit is hidden away in a document published in 1977 by the Bank of England, entitled *The Personal Sector*. The document stated an obvious but often neglected truth: ‘persons acquire assets with borrowed funds, as well as by running a financial surplus’ (BoE, 1977a, p. 29). Such a simple statement would appear unfit of any form of analysis, but in actual fact this one statement provides the key to why credit was allowed to dramatically expand on two separate occasions in 1971 and again from 1980. Borrowed funds, or in other words credit, permit every individual – regardless of whether they have a financial surplus – to acquire assets; assets equating to private property. Here we arrive at the crux of the issue, because imbedded within the neoliberal economic strategy for governing for the consumer, is the realisation that the pursuit to accumulate private property and assets – in whatever form whether homes, clothes, education, *et cetera* – is the foundation upon which individuals’ act as consumers, and the unhindered flow of credit becomes the basis upon which this vision could be realised and fulfilled.

Indeed, returning to the argument made in 1959 by Harris, Seldon, and Naylor, in that foundational document for neoliberalism, we see that the case for hire purchase, and consumer credit more broadly, was centred on ownership:

Here we come to the essence of the matter, ownership gives a sense of satisfaction... the pride of proprietorship, the ability to adapt an object to one’s tastes, the scope for expressing personality in the property – all of these are the elemental motives that move men to aspire to ownership... Ownership conveys power, and it is on the widespread dispersal of power that the hopes for a freer society rest. (p. 110)

So the term ‘consumer’ utilised by neoliberals was always intended to imply something more distinct, which is an individual in the process of purchasing and accumulating private property. Thus, *the consumer* is the lexical term given to a political vision. For that reason,

*private property and ownership* becomes the third, and final, key term in the bundle of common-sense ideas in which neoliberalism refers to, and embeds within popular consciousness.

In this new settlement advocated by neoliberals, incomes would no longer rise in line with productive output, but ‘workers were encouraged to buy a piece of capitalism’ with credit (Graeber, 2011, p. 376). What lends weight to this conclusion, is at the same time as the relaxation on credit lending occurs, privatisation and ownership became the principle policy flagship of the Conservatives second term in government. In 1982, Thatcher made the following point:

Time and again history beats out the same message. Competition is better for the consumer than State control. We are acting on that conviction. Wherever we can we shall extend the opportunity for personal ownership and the self-respect that goes with it. (1982, online)

In 1983, upon their election victory, Thatcher pushed the idea of privatisation and ownership as if they were ideals naturally compatible with traditional British values: ‘There are things for which we as a people have stood for centuries’ which is ‘the belief in private property and home ownership’ and ‘the limitation of Government and the freedom of the individual’ (Thatcher, 1983, online). The proliferation of credit and its role in the pursuit of private property and home ownership had started to influence the Conservatives political rivals. Indeed, Thatcher mused Labour are ‘reassessing’ its once hostile ‘attitude to home ownership’ and the Social Democrats can ‘now see the virtues of capitalism, competition and the customer’, before confidently stating ‘we have entered a new era’ (Thatcher, 1983, online) of governmentality. The vision underpinning this new form of governmentality was further reinforced in 1984 by the bold statement that the Conservatives ‘want every owner to be an earner and every earner to be an owner’ (Thatcher, 1984, online). This was the Conservatives belief ‘in a popular capitalism’ and ‘in a property owning democracy’ to which Thatcher classified as ‘nothing less than a crusade to enfranchise the many in the economic life of the nation’ (Thatcher, 1986, online). The vision was truly about individual’s interests being defined with the workings of capital as consumers; not against it as organised producers. In this new socio-economic formation the individual becomes a valued citizen only through their individual pursuit of private gain, where the role and functions of the state transforms to protecting the individual’s right to pursue private property and ownership for economic and social gain.

From 1985, and against this backdrop, the government's enthusiasm for an economic policy centred on monetarism began to fade. But this implores the question why the Thatcher government decided to end the 'corset' and hire purchase controls at the same time as trying to remain within monetary targets. Payne states:

[T]he explanation for this lies in the attempt both to incentivize 'rational' behaviour and to do, somewhat paradoxically for free-market liberals, the work of creative destruction in the economy... [T]he government believed that low inflation signified that attitudes and behaviour had changed and that Britain had adopted an enterprise culture. (2013, p. 20)

So the paradox at the heart of monetary policy was actually a strategy for meeting the governments 'prime economic objective', which Thatcher stated in 1980 is 'the defeat of inflation' (Thatcher, 1980, online). In 1982, Thatcher advanced this position asserting: 'No longer will the saver find his money devalued. No longer shall we have two nations, those who profit from inflation and those who lose by it' (Thatcher, 1982, online). The defeat of inflation was always centred on shifting the balance of power back to lenders from borrowers, and, in the process, creating an environment in which those who held private assets benefited from the socio-economic system and were not disadvantaged by it through decapitalisation<sup>8</sup>. By 1985 inflation had reduced to 5 percent from its high of 24 percent ten years earlier (Browning, 1986), and thus the Government had achieved their policy objectives. As a result, the monetarist economic policy was surplus to requirements. The Chancellor of the Exchequer Nigel Lawson announced, at his Mansion House speech later the same year, that the government was no longer attempting to target the rate of growth in the money supply, and suspended the target altogether (BoE, 1985). Finally, after 15 years of continuous 'adaptations' in the implementation of neoliberal economic philosophy, the financial sector was able to seek business in new and innovative ways, free from the shackles of direct controls or monetary targets. The economic and political conditions for a credit boom had been laid. In aiming to construct a 'property-owning democracy' the only tool that can achieve this aim is the widespread availability of credit; credit becomes the bridge, the link between the vision of a property-owning society and its material reality.

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<sup>8</sup> Earlier it was noted that bank lending to the private sector is the major source of monetary growth in the long term. But another influence on inflation is collectivised wage demands. Thus, Thatcher's attack on inflation was also facilitated by an attack on the labour-trade union axis' ability to demand higher wage.

## 1.8 Chapter summary

The statement ‘persons acquire assets with borrowed funds’ (BoE, 1977, p. 29) forms the bedrock of neoliberal discourse and provides the fusion between an economic rationality founded on open-market operations and competition and a political rationality founded on the consumer. Indeed, this represented the synthesis of the economic theory advocated by the IEA and the *correct* political application of those ideas. The mistakes of the Heath Government which Keith Joseph was so eager to overcome had been consigned to history. The confidence and jubilation of those invested in neoliberal economic ideas was palpable. In 1983, Margaret Thatcher boldly proclaimed, ‘I believe we have altered the whole course of British politics for at least a generation’, and, in 1986, Milton Friedman joyously declared the neoliberal ‘augury has been fulfilled in intellectual circles even more than we could have dared to hope’ (1986, p. 7). So under a Thatcher government with strong links to Harris and Seldon of the IEA, with Hayek and Friedman, and with Joseph from the CPS, we see the beginning of exponential increases in the rate of credit lending for both home ownership and unsecured forms of credit untied to any specific type of property (see Graph 1.1). In recognising the achievement of this policy, Thatcher used her leader’s speech at the Conservative Party conference in 1987 to declare: ‘For years we Conservatives had talked about wanting to create a property-owning democracy... Extending ownership has been one of the achievements of which I am most proud’ (Thatcher, 1987, online). The seeds that were planted so hearts and minds would accept a new political and economic rationality had finally germinated. It is important to emphasise that those ‘common-sense’ ideas at the foundation of neoliberalism – *the market, the consumer, and private property and ownership* – all rely on the proliferation of credit to function. As such, credit alone is the fuel that sets neoliberalism in motion.

In this chapter I have established the meta-systemic processes – the ideology and discourse – that show how the economic rationality supporting the proliferation of credit helped establish its ubiquitous characteristics. However, there are still some important questions that lay unanswered. What are the consequences of these policy changes in the way that credit markets operate? What does a society, with liberated credit at its core, look like? These questions point to the way meta-systemic processes influence and alter social structures at the macro-systemic level; a consideration to which we will turn in the following chapter.

## CHAPTER 2

### The Social Structures of Neoliberal Governmentality

*The ultimate stakes of any political struggle  
is the ability to define what value is.  
David Graeber (2011, online)*

#### 2.1 Introduction

Through the presentation and discussion of primary sources of data, the previous chapter clearly showed how certain common-sense ideas underpin the dynamic of neoliberal governmentality and are supported by the proliferation of credit. We saw how credit forms the bedrock of neoliberal discourse and provides the fusion between an economic rationality founded on open-market operations and a political rationality founded on the consumer. Yet, it is one thing disseminating common-sense ideas intended to alter what Bernard Lahire (2003, p. 337) refers to as ‘the cultural and ideological atmosphere’ and encourage a new way of behaving amongst the populace, and actually achieving such a proposition. In combination to such a move what was also required was a shift away from the social structures supporting Keynesian demand-management, and the development of new ones to support a form of governmentality based on the neoliberal oeuvre.

It was noted in the Introduction that the macro-system is the cultural system, in which the theories and ideologies of the meta-system are circulated and utilised to develop institutional and social policies which shape sociality. In this chapter I will outline some of the main social and financial structural alterations that occurred to facilitate the neoliberal politico-economic rationality and to manage individuals, goods and wealth in a way favoured by this rationality (Foucault, 1978. as cited in Burchell, Gordon, and Miller, 1991). I will explore neoliberal governmental practices and institutions in order to illustrate their influence on the social and financial environment of Britain. Two questions guide this chapter. (I) What were the main social structural alterations that occurred to support the common-sense ideas at the heart of neoliberalism, including the proliferation of credit? (II) How have credit markets adapted to fit this (developing) social environment, and in what way did credit become normalised? This analysis will provide the context to explore the dispositions, thoughts, and actions of individuals caught in these changing landscapes.

## 2.2 Changing structures of accumulation

To provide a conceptual sharpness to this discussion we will turn to the ‘social structure of accumulation’ framework advocated by William Tabb. The framework posits that each era of capitalism is characterised by a specific combination of institutional elements that are mutually compatible and self-reinforcing, and which help to direct the economy along the intended trajectory (Michie, 2013). According to Tabb:

The social structure of accumulation (SSA) framework suggests that periods of growth require a coherent set of mutually reinforcing institutions favourable to capital accumulation.... Institutional stability provides conditions under which the behaviour of others, the meaning of events, and the likely outcome of actions can be predicted over the relevant planning horizon with enough confidence to provide consistent expectations, and so encourage investment and promote growth. Such institutional understandings and practices take on a certain solidity so that expectations stabilize, and people can act with confidence that mutually understood rules and norms will be followed. (2012, p. 25, as cited in Michie, 2013, p. 127)

In an era of capitalism signified by neoliberal economic and political ideas, there are at least three ‘mutually reinforcing institutions favourable to capital accumulation’. First, an assault on government support and welfare; a move supported by promoting the ‘self-governing capabilities of the consumer’ (Marron, 2007, p. 125). Second, an amplification of social inequality, or what Shapiro (2013, online) refers to as ‘inequality producing tactics that overlap and reinforce each other’. Third, a move from an ‘old’ to a ‘new’ economy of credit (Burton, 2008, p. 67). The first two social processes favourable to capital accumulation can be traced back to a speech given by Margaret Thatcher in 1975 upon becoming leader of the Conservative Party:

We believe that you become a responsible citizen by making decisions for yourself, not by having them made for you... We believe [people] should be individuals. We are all unequal. No one, thank heavens, is quite like anyone else, however much the Socialists may pretend otherwise. We believe that everyone has the right to be unequal. (1975, online)

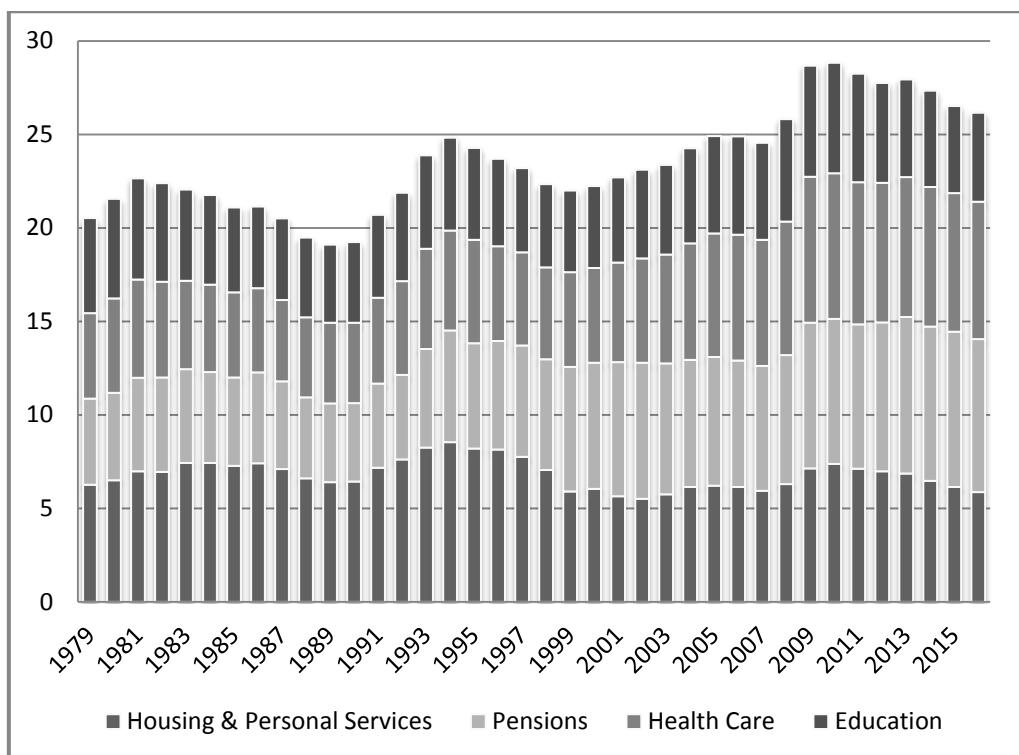
The first part of the speech is directly referring to government support and welfare that had been central to modes of governmentality under demand-management. The second part of the speech attempts to challenge one of the other pillars of this form of governmentality, egalitarianism.

### **2.2.1 Retraction of the welfare state**

In Thatcher's view, 'you become a responsible citizen by making decisions for yourself, not by having them made for you' (Thatcher, 1975). This passage signifies a switch in political emphasis to 'unburdening the individual' and empowering them in life and work (Savage, Warde and Ward, 2003, p. 157). From this viewpoint, the subject becomes the site of action, the responsible agent in negotiating the social world. Neoliberal governmentality utilises techniques which aim to foster this response, and create an active, 'affective' subject. In practice this process occurs through a direct and sustained attack on the munificence and size of the welfare state (Savage et al., 2003). As we saw in Chapter 1, the welfare state represents the antithesis of neoliberal governmentality.

Traditionally, state welfare consists of government expenditure programmes in four areas: education; health; social security (pensions); housing (including housing benefits) and personal social services (Hill, 1998). Graph 2.1 below details state welfare spending across these four areas between 1979 and 2016. In 1979, the Thatcher Government's White Paper on public expenditure plans began with the proclamation that, 'public expenditure is at the heart of Britain's present economic difficulties' (as cited in Hill, 1998, p. 2). From the 1980s much of the politics of welfare has revolved around 'cuts' and reductions in public spending. The Thatcher Government's attempt to reduce public expenditure meant by the end of her period in office state welfare spending was the lowest proportion of GDP it has been in the last 36 years. The total amount of government welfare spending as a proportion of GDP then remained relatively stable between 1992 and 2007 (between 21-25 percent of GDP), only to increase rapidly after the financial crisis of 2008. However, over the course of the last three decades the balance of welfare spending has changed between services. Although spending on pensions and health have seen real term increases, spending on housing and public social services has remained around 6 percent of GDP. Meaning a greater proportion of individuals – due to higher unemployment, long-term incapacity and an ageing population – are claiming from the same pot (Hill, 1998). Ultimately this process has signified a downward pressure on the generosity of certain elements of the welfare system, with those turning to the state for assistance in dealing with social or personal problems finding monetary reductions in such support.

**Graph 2.1: State welfare spending as a percentage of GDP (1979-2016)**



Source: UK Public Spending. (2015).

Note: Housing and public services includes spending on family & children, unemployment, housing, social exclusion, social protection.

But retraction of welfare is not just about real term declines in individual benefit payments but also in rhetoric and discourse. Nettleton and Burrows (2001) point out that welfare discourse in Britain now attempts to foster self-reliance and individual responsibility. Portes (2012) recognises this process stems from one of the axioms of micro-economic theory – a branch of neoliberal economic theory – known as the ‘equity-efficiency trade-off’ (p. 3). The concept embodies a belief that policy measures that reduce income inequality – such as progressive taxation and/or means tested benefits – are likely to reduce labour supply, effort and ultimately economic growth because they are deemed to have a negative impact on incentives (or in other words personal responsibility). Capturing this economic viewpoint is Sormon (2008) who argues: ‘While the welfare state is necessary in some form, it isn’t always effective... The key is to avoid making individuals and groups dependent on state assistance, locking them into sustained semi-poverty’ (online). The implementation of this axiom is evident in the way unemployment policy moved from ‘welfare-to-workfare’ from the mid-1990s. This shift was part of a wider trend towards an active labour market policy, where the ‘benefits system is turned from a passive provider of financial support into a tool to promote labour market engagement’.

(Fothergill and Wilson, 2007, p. 1). Indeed, according to Niemietz (2012, p. 35) from the IEA, the reform of unemployment benefit ensures that ‘welfare recipients are active in some way in return for benefits’. Furthermore, this position assumes that economic opportunity is there for all but only if the individual is willing to work hard and take personal responsibility (Schwartz, 2007). Thus, we see at the heart of reform is a shift in the responsible agent from government to the individual.

Payne (2013) suggests economic security is no longer based on government expenditure programmes but on fostering entrepreneurial thinking and action. Central to this shift is a conception of the neoliberal citizen. Various authors have referenced the emergence of this subject and although they use slightly different semantics similarities are clearly evident: Brown (2006, p. 695) refers to the subject as the ‘individual entrepreneur and consumer’; Marron (2007, p. 104) as the ‘self-governing individual’; Payne (2013, p. 44) as the ‘enterprising consumer’; and Hall et al. (2013, p. 7) as the ‘free possessive individual’. All imply self-governing capabilities, and therefore the term ‘self-governing consumer’ will be used as a classification for the neoliberal subject: the subject who becomes responsible by ‘making decision for yourself’ (Thatcher, 1975). Accordingly, citizens as self-governing consumers are encouraged to take responsibility for themselves and practice self-reliant and positive thinking, where the ability to do so shifts from a reliance on governmental agencies and institutions (Payne, 2013). Brown (2006, p. 695) argues the moral autonomy of the self-governing consumer is ‘measured by their capacity for “self-care” – their ability to provide for their own needs and service their own ambitions’. This argument is most convincingly encapsulated by a cultural and policy shift in the way government now provides support to its citizenry. Instead of providing support to people in the form of grants, governments from the 1980s began offering it through credit agreements, most notably the development of the social fund loan system for claimants, or the student loan system for access to further education (Ford, 1991; Brown, 2006). In the latter case, we have recently seen the further development of this process by Chancellor George Osborne. By 2017, educational grants to students from lower income families will be turned into loans because they are ‘unaffordable’ and ‘unfair’ (Osborne, 2015, online).

The state now functions to ‘depoliticize the multiplicity of social interests by rendering them as private differences between individuals’ (Macphee, 2013, online). Collective bargaining through unions became one such impediment to serving the self-governing consumer and consequently required radical depoliticization (the consequence

of this move for identity formation will be discussed in the following chapter). This came in the form of various challenges including de-unionisation of the workforce, labour market deregulation, and deindustrialisation, which placed greater strain on the welfare state. Consequently, neoliberal economic and social policies play a major role in atomising society. Within this formation the state becomes insulated from its traditional role as the public arena for negotiating social conflicts; social inequality is no longer regarded as a problem that requires debate or solution and instead individuals are charged with negotiating the social terrain as private subjects. Consequently, a significantly declining proportion of national income is being spent on public goods and social issues. Indeed, between 2002 and 2007, only Spain, Ireland and the US spent a lower proportion of their national income on public goods than the UK (Dorling, 2012, p. 7). Montgomerie (2010, p. 106) insists, ‘the reduction of government support and a virtual abdication of social responsibility by the business community’ has ‘combined to shape a neoliberal “politics of abandonment”’. This allowed – what neoliberals refer to as – the equal right to inequality (Thatcher, 1975; Habermas, 2000) to be legitimised and normalised, eradicating the pursuit of egalitarianism and universalism in democracy (Brown, 2006).

### ***2.2.2 A society founded on inequality***

The second view noted by Margaret Thatcher was, ‘everyone has the right to be unequal’ (Thatcher, 1975, online). This position was further elaborated upon in 1980, when Thatcher gave her first televised interview after being elected Prime Minister on *Weekend World* (Thatcher, 1980b). The following is an excerpt of this interview with journalist Brian Walden:

Walden: Now I put it to you, is the price for our economic recovery and prosperity greater inequality in this country?

Thatcher: One of the problems there is differentials for extra skill and extra effort, so I don't believe many people go for equality, except in equality before the law, equality in voting rights. No, you will get a more thriving society when people can rise to the limit of their talents, and out of the wealth they create, we shall all be better off.

Walden: But it does mean more inequality, does it not?

Thatcher: It does mean more inequality, yes indeed, if opportunity and talent is unequally distributed, then allowing people to exercise that talent and opportunity means more inequality, but it

means you drag up the poor people, because there are the resources to do so. No-one would remember the good Samaritan if he'd only had good intentions; he had money as well.

Essentially, the logic here is that inequality – whether a result of innate capacities or those acquired from the influences of environment – is the desirable state for the basis of a socio-economic system. Under this proposition the state's role transforms from pursuing equal opportunities and conditions, which translates to the reduction of inequality through specific redistributive governmental programmes (tax, welfare, public services), to one in which inequality is protected as a 'right'. This position can be traced back to Fredrick Hayek's *The Constitution of Liberty* published in 1960. According to Hayek:

The great aim of the struggle for liberty has been equality before the law, [which rests on the assumption] that individuals are very different [and] these individual differences provide no justification for government to treat them differently... [F]rom the fact that people are very different it follows that, if we treat them equally, the result must be inequality in their actual position (1960, p. 86-87).

From this viewpoint it is clear that Hayek believes individuals are unequal due to inherent and/or acquired qualities and that these should be recognised in law. More importantly, Hayek submits equality before the law not only protects inequality but actually increases it: 'The equality before the law which freedom requires leads to material inequality', because the 'individual capacities which are inborn and those which are due to the influences of environment... greatly affect the value which an individual has for his fellows' (*ibid*, p. 87, 89). Furthermore, Hayek (1960, p. 88) strongly believes the state should have no power in creating economic equality through 'discriminatory coercion' – or in other words state interference – as this would be an affront to the conditions of a free society. Finally, Hayek (1960) actually submits that inequality is beneficial for society and should be protected as a right:

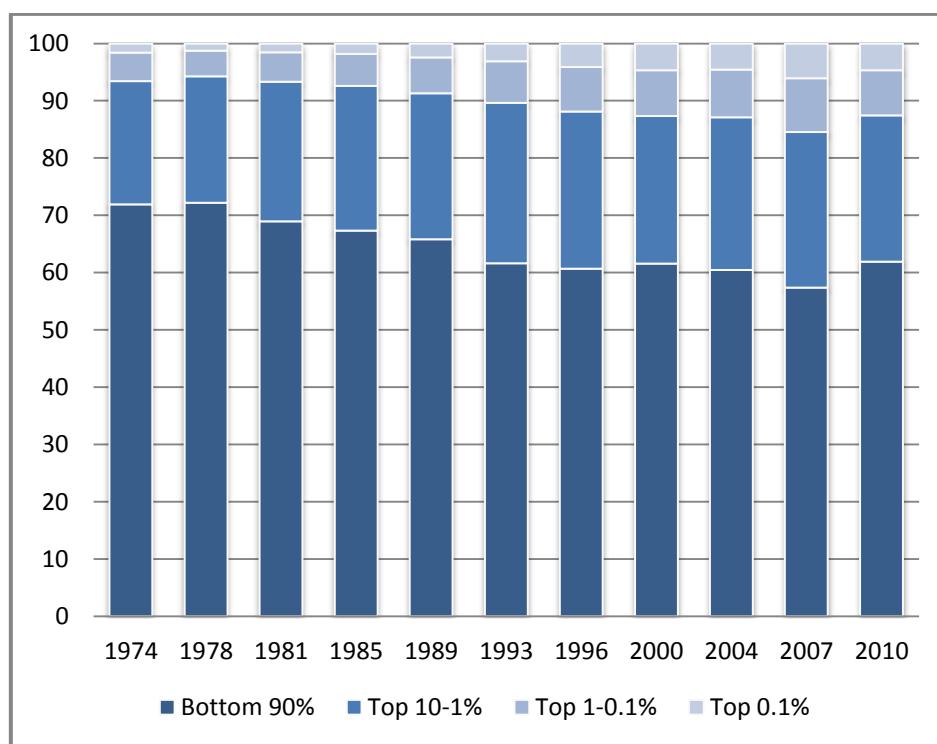
The fact is that it is no less of an advantage to the community if at least some children can start with the advantages which at any given time only wealthy homes can offer than if some children inherit great intelligence or are taught better morals at home... [I]t would be unreasonable to deny that a society is likely to get a better elite... if individuals are not deliberately made to start from the same level, and if children are not deprived of the chance to benefit from the better education and material environment which their parents may be able to provide. (p. 90)

In this view advocated by Hayek, and subsequently advanced by Thatcher, the state's role shifts to protecting and fostering inequality, which becomes protected through equality before the law. The election of Margaret Thatcher in 1979 not only signalled the beginning of the second phase of neoliberal governmentality in Britain and a change in welfare policy and discourse, it also provided the context for the onset of a socio-economic formation founded on growing inequality.

### **2.2.3 Amplifying income inequality**

The area most affected by the implementation of these views on welfare and inequality was income; let's explore the figures. Taking a perspective on income inequality across the Conservative governments from 1979 to 1997 and New Labour from 1997 to 2008 reveals the extent that income inequality has amplified. Graph 2.2 below reveals the share of income from 1974 to 2010 between four specific groups within Britain: the bottom 90 percent; the top 10-1 percent; the top 1-0.1 percent; and the top 0.1 percent. In 1978, the share of the bottom 90 percent of the population in Britain was the highest on record at 72.2 percent, whilst that of the richest 1 percent was at its lowest at 6.5 percent.

**Graph 2.2: Percentage income share for selected groups in Britain (1974-2010)**

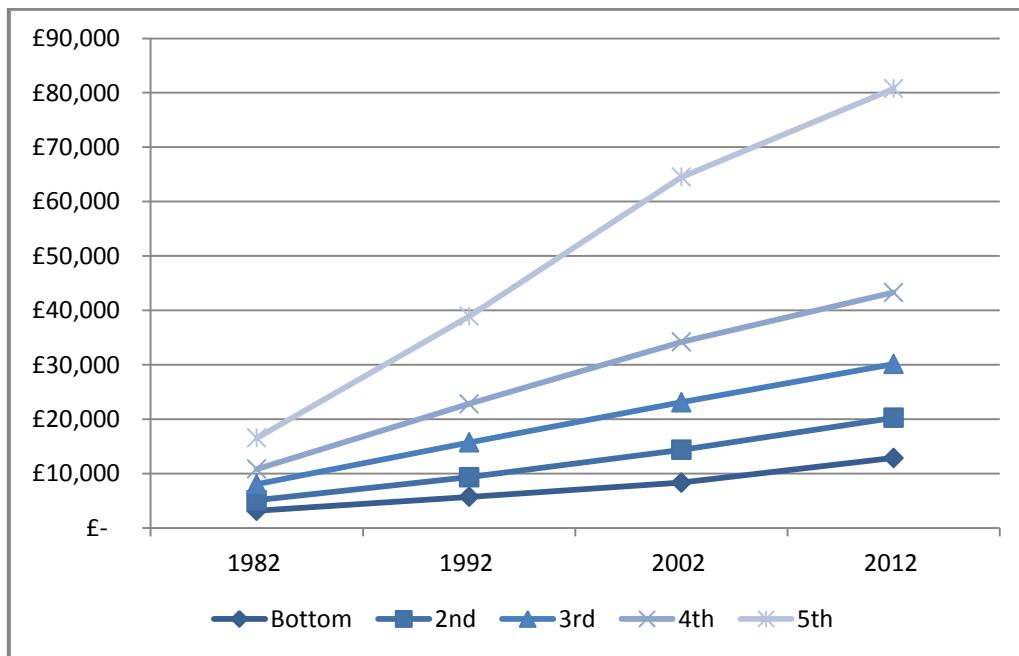


Source: Atkinson (2013) World Top Incomes Database.

However, over the next three decades the bottom 90 percent of the population saw their share of total income continuously decrease reaching its lowest point in 2007 – the year of the financial crisis – at just 57.4 percent (representing nearly a 15 percent decline). In stark contrast, the richest 1 percent in Britain took home just under 16 percent of national income in 2007, with the top 0.1 percent of this group now receiving 6 percent of income; a share equal to the amount received by the top 1 percent in 1978. At the other end of the spectrum, the poorest tenth of the population now share just 1.3 percent of the total income, with the second poorest tenth sharing 4 percent (The Poverty Site, 2012). Just to put this into perspective, if income inequality was to return to 1970s levels, £194 billion would need to be extracted from the rich each year (Dorling, 2012, p. 6).

But how do these figures stack up in monetary terms? Using average income data across quintiles over the period 1982-2012 confirm the above findings (see Graph 2.3 below). In 1982, the average income of those in the top 20 percent (£16,544) was 5.2 times larger than the bottom 20 percent (£3,163). Whereas by 2012, the bottom 20 percent (£12,855) had incomes 6.3 times lower than the incomes of the top 20 percent (£80,736).

**Graph 2.3: The widening income gap between quintiles (1982-2012)**

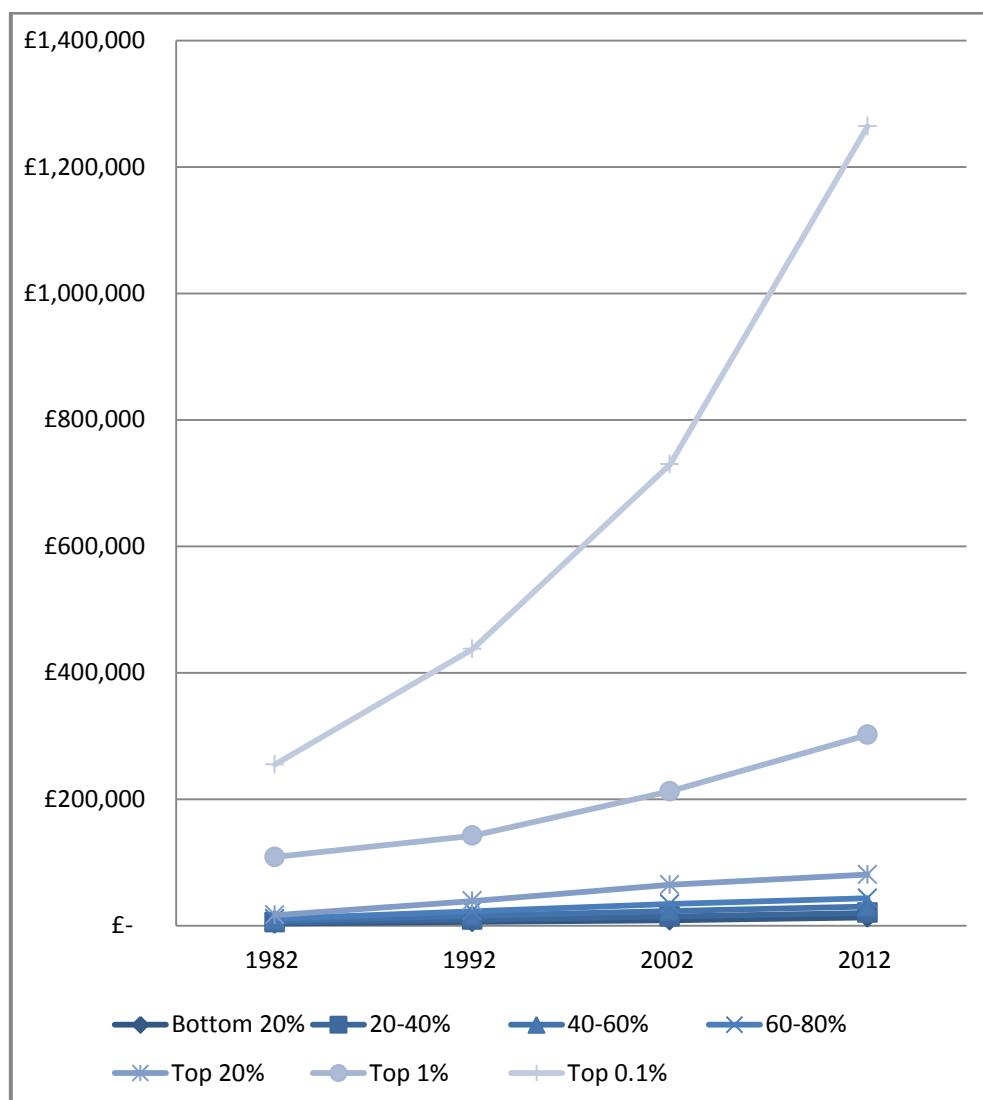


Source: Office for National Statistics (2012).

Although this appears a minor increase, it clearly reveals an intensifying disparity between the bottom and top income quintiles; and as the graph reveals this pattern occurs for the quintiles in-between.

Yet, the real discrepancy occurs if we include the incomes of the top 1 percent and 0.1 percent of wage earners in Britain onto the same graph (see Graph 2.4 below). In 1982, the top 1 percent had average incomes of £108,469, for the top 0.1 percent the income was around 2.5 times larger at £254,942. In relation to the bottom 20 percent of wage earners the top 1 percent had salaries 34 times higher whereas the top 0.1 percent had incomes 81 times larger. However, by 2010, the incomes of the top 0.1 percent had grown 4 times larger than the top 1 percent (standing at £1,264,392), and 98 times larger than the bottom 20 percent of wage earners.

**Graph 2.4: Average income across quintiles, including top 1% and 0.1% (1982-2012)**



Source: Office for National Statistics (2013) and Atkinson (2013).

Note: Incomes for top 1 percent and top 0.1 percent on 2012 graph are based on 2010 figures

These graphs confirm that inequality in Britain has expanded rapidly with the onset of neoliberal governmentality. What's more, according to Dorling (2012, p. 292) this places

current income inequality in Britain on par with the early 1930s. Consequently, this type of data led Savage (2000, p. 46) to declare the 1980s and 1990s was a period in which ‘the very rich’ saw their wealth increase at a rate ‘unparalleled in history’. Indeed, whichever way you stack up the figures it is an inescapable conclusion that there has been a growing disparity in income across different groups in society; and these findings are not new, they have been reported by a diverse range of organisations (see Resolution Foundation, 2011; Institute of Fiscal Studies, 2012; Office for National Statistics, 2013; High Pay Centre, 2013; The Equality Trust, 2015).

### **2.3 Neoliberal structures of accumulation**

According to Hill (1998), amplifying income inequality is multi-faceted and reflects ‘underlying factors, such as technological change and the skills of the workforce’, along with ‘government policies towards social security, taxation, unions and minimum wage protection’ (p. 18). But also these growing differences can be traced back to the shift in the economy from manufacturing to finance, the latter being an industry where there is little constraint on how much some individuals can now acquire (Dorling and Thomas, 2011). Whereas prior to the implementation of neoliberal economic and social policies, the distribution of resources was based on an appreciation of fairness, social responsibility, and collective cohesion, in contemporary Britain it seems concepts and policies that promote individual freedom and the right to accumulate wealth are given primacy.

It is enlightening to refer back to Jamie Peck's (2013) encapsulation of neoliberalism as a *directional* – and not a *destinational* – phenomenon. Indeed, if we apply the same logic to the two social forces – welfare retraction and growing inequality – then it becomes clear that neither of these processes are destinational either: they are not intended to reach an end point. But alternatively both are *directional* – they are constantly ‘in process’ (Hall, 2011, p. 709). This explains why we observe a continued challenge to the welfare state today and ever growing levels of inequality as a result of austerity, with little attempt to stop the trend by any of the mainstream political organisations. Analogously, the retraction of the state from social life only compounds inequality still further, and thus the two social forces act upon each other, developing in a mutually reinforcing relationship. Amplifying inequality is subsequently explained away by a responsibilised discourse; so, in essence, an unequal social system and an individual’s social and material position within this system can always be explained by their own (responsible or irresponsible) decision-

making, shielding social structural factors from the spotlight (we will explore this point further in Chapter 3).

Perhaps more significantly, if we refer back to Tabb's framework we can see how these two mutually reinforcing social institutions are important to the topic under consideration. To recap, Tabb argues:

[I]nstitutional stability provides the conditions under which the behaviour of others, the meaning of events, and the likely outcome of actions can be predicted over the relevant planning horizon with enough confidence to provide consistent expectations, and so encourage investment and promote growth. (2012, p. 25, as cited in Michie, 2013, p. 127)

Welfare retraction and growing inequality provide the 'institutional stability' because they deliver the *stability* – the confidence – that whilst neoliberal modes of governmentality persist there will always be *instability* within the social fabric. Thus, *the stability of social instability* – or in other words a ceaseless flux – becomes the reliable process that allows actions to be predicted and, as a result, encourages investment and promotes growth.

To substantiate this point one only has to refer to two brochures Citigroup produced for investors, the first published in 2005 entitled *Plutonomy: Buying Luxury, Explaining Global Imbalances* and the second published in 2006 entitled *Revisiting Plutonomy: The Rich Getting Richer*. The brochures present a thesis that the US, UK, Canada, and Australia are now plutonomies because 'asset booms, a rising profit share and favorable treatment by market-friendly governments have allowed the rich to... keep getting richer... at the relative expense of labor' (2006, p. 1, 2). In examining what might disrupt or reverse plutonomy, Citigroup (2005) suggest three possibilities all stemming from the expropriation of wealth: (I) the revocation of property rights; (II) through the tax system; (III) changing rules that affect the balance of power between labour and capital. In weighing up these threats Citigroup conclude they are 'benign' and go on to state, 'property rights look as if they are being protected, tax policies helpful and globalization is keeping the supply of labor in surplus, acting as a brake on wage inflation' (2005, p. 24). These conditions are 'good for the wealth of capitalists, relatively bad for developed market unskilled/outsourceable labor' (2006, p. 11), and although the authors suggest a 'backlash against plutonomy is probable at some point' that 'point is not now' (2005, p. 24). Now we arrive at the crux: their plutonomy thesis leads them to ask the question, 'how do we make money from this theme?' (2005, p. 25). They go onto propose a

'plutonomy basket' that encompasses 'businesses selling to or servicing the rich' (2006, p. 1). This is because Citigroup predict, 'we will likely see even more income inequality' (2005, p. 3), and as a result they believe the 'plutonomy basket should continue to do very well' (2005, p. 30). These documents reflect investors' confidence in the *stability of social instability* constructed from forms of governmentality that pursue welfare retraction and amplifying inequality, amongst protection of property rights, favourable tax policies, and labour market flexibility. These conditions also represent the successful manifestation of the argument put forward by Harris, Seldon, and Naylor in 1959, who stated, 'if the producer interest' is allowed 'to gain the upper hand over the consumer interest... resistances to change' are set up (p. 149). In other words, if the producer's interest is allowed to gain the upper hand the *stability of social instability* is brought into doubt, and as a result the foundations which permit the accumulation of capital will also be contested. As Payne (2013, p. 37) points out, 'consumers not producers guarantee progress' because one is adaptable whilst the other is rigid. Consumers can take stock of the differences surrounding them and change their behaviour accordingly. In a consumer-led society, the *stability of social instability* underlies the *contours and directionality* of sociality. Subsequently, with this in mind, how has the credit environment evolved to fit this 'in progress' structural environment?

## 2.4 The new economy of credit

In considering 'social structures of accumulation that are favourable to capital accumulation', it is important to remember and have in mind one of the key points established in Chapter 1. In particular, the capacity for lending credit was altered with the implementation of neoliberal economic theory, which in essence meant individuals were offered the possibility to acquire and use credit. Yet it is also important to track the structural changes that occurred in the financial environment that ultimately brought the ideality of increased credit lending into a reality. According to Dawn Burton (2008, p. 67), there are six key structural alterations that signify the transition from the 'old' to the 'new' economy of credit:

1. The 'regulatory framework' in which lending occurs has been deregulated (*ibid*, p. 68). Market operations have become firmly embedded into the regulation of the financial sector, and the state now leaves 'as much room as possible to the free play of market forces' (Richardson, 1982, p. 103). Furthermore, they are

totally opposed to any type of ‘rigid formulae’ which does not ‘allow maximum flexibility of response’ (Richardson, 1982, p. 103). Accordingly, the philosophical and theoretical oeuvre of Hayek, Freidman, the IEA, and the CPS is now at the heart of financial sector policy in Britain.

2. The ‘credit market has become increasingly competitive as a result of deregulation’, which has multiplied the number and ‘types of lender’ (*ibid*, p. 68). Prior to financial deregulation finance houses, banks and building societies had specific markets in which they would lend funds, however, now the lines of demarcation have significantly blurred as organisations lend funds across various sectors (Richardson, 1982). As such, lending has now expanded from the province of financial institutions to an environment in which most organisations provide credit for goods and services.
3. ‘The use of information technology in credit-granting decisions’ (*ibid*, p. 68) has seen an emergence of specialist departments within institutions for granting credit, reliant upon credit reference agencies.
4. ‘The pricing and cost of credit’ has altered from a standard, one-size fits-all pricing policy to a risk-based-pricing policy based on the probability of default (*ibid*, p. 67). (Below this change will be explored further in consideration of amplifying inequality.)
5. The way that lenders ‘manage debt’ has transformed from a sole reliance on in-house credit teams using county court proceedings to collect debt to a more diversified range of specialist debt collectors (*ibid*, p. 67).
6. ‘The social perception of credit’ has shifted (*ibid*, p. 67). Within a Keynesian demand-management economy credit was dominated by negative connotations, especially as we have seen for credit used for personal consumption, however, it is now viewed as an entirely rational tool in the management of daily life. (A point we will further explore later in the chapter.)

In addition to these six structural alterations highlighted by Burton, there are a further two that require attention. The seventh key alteration involved a significant innovation in how credit is produced. In 1986 a phenomenon referred to as the financial ‘Big Bang’ took place and it involved fundamental transformations in the markets for securitised debt. Securitised debt, or asset-backed bonds, are the bundling together by credit providers of existing consumer credit instruments – including personal mortgages, personal loans, credit card loans, car loans, overdrafts, store cards, student loans, *et cetera*

– into larger tradable assets in which investors can buy shares and receive interest payments (Bank of England, 1991; Marron, 2007; Walker, Hanna, Cunningham, and Ambrose, 2014). With securitisation any consumer credit agreement made could be resold (Hyman, 2013), and thus securitisation represents a key structural development. According to the Bank of England, securitisation has a dual purpose:

Securitisation is a technique which is used, particularly by financial companies, to raise funds through the issue of marketable debt secured against companies' existing assets or future earnings. Assets of an illiquid nature can thus be securitised and readily sold so as to improve firms' liquid capital. (1991, p. 244)

Consequently, securitisation allows credit providers to remove, or hide, stocks of debt from their balance sheets, thus complying with minimum reserve asset ratio controls dictated by trans-national banking regulations (Marron, 2007). But securitisation also enables enormous leveraging (Dean, 2013) as firms can increase the scope of their investments by the perpetual production of new credit. Accordingly, the securitisation of debt funds future growth by increasing the supply of credit, which consequently transforms lending patterns (Evans and Schulmanesee, 2000; Walker et al., 2014).

A system in which existing portfolios of credit can be used to create new portfolios of credit implies the circulation of money is detached from production, and money becomes self-mediating and can expand without limit (Dean, 2013). Dean offers an astute encapsulation of this process: 'If the Marxian formula for capital is money begetting money, its neoliberal version is debt begetting debt' (2013, online). Consequently the production of credit, collectivised through securitised debt, becomes a mechanism of exchange in neoliberalism: debt becomes integral to the operations of neoliberal capitalism. As an ever-increasing amount of credit is produced through securitisation, a search for additional borrowers becomes a spasmodic feature of the system. Subsequently, an extension of credit occurs further down – an increasingly widening – socio-economic structure; or what Janet Ford refers to as 'down market' (1991, p. 19).

Finally, the eighth key alteration regards the diversification of opportunities for obtaining credit and an increasing speed between application and decision. This signifies a move within the credit markets to high frequency lending. Specifically this has involved the introduction of payday lenders into credit markets – a development that has accelerated since the financial crisis – in which individuals are not only able to apply for credit online, but the nature of the credit agreement instil a form of borrowing that is short term and

frequent. Consequently, whereas credit markets in the ‘old’ economy of credit were centred on longer term loans – such as mortgages, car loans and personal loans – that had fixed interest rates tied to repayments that occurred over the course of a fixed number of months/years, in the ‘new’ economy of credit we have arrived at a situation in which various long and short term credit agreements can be accessed.

Marron (2007) conceptualises these eight process as the ‘evolving form of credit’ (p. 120), because the financial system adapts its operation around the changing social and political environment, driven from an undergirding logic that consumer credit is produced as a ‘profit-making enterprise’ in its own right (p. 104). Thus, at the crux of the transition from the ‘old’ to ‘new’ economy of credit is the positioning of credit as a tool to ‘accumulate capital’ (Tabb, 2012, as cited in Michie, 2013). It is important at this stage to detail how this process is normalised through rhetoric and discourse, before further exploring the links between amplifying inequality, welfare retraction, and credit.

#### ***2.4.1 Democratisation of finance***

It was noted earlier, that in the ‘old’ economy of credit availability of and access to credit was characterised and fractured along specific demographic lines. However, with developments in the production of credit, the term ‘democratisation of finance’ was advocated to signal the broadening out and deepening of access to financial and capital markets for ordinary, moderate income individuals. In discussing this shift, Erturk, Froud, Johal, Leaver, and Williams (2005) insist:

Households are increasingly encouraged (by the state as well as by financial services providers) to purchase appropriate securities (either directly or via policies and funds); their asset portfolios are then to be balanced by appropriate borrowings in the form of mortgages, credit cards and all the rest in ways which encourage households to manage a balance sheet as well as current income and expenditure. (p. 3)

The ‘democratisation of finance’ is presented as a strategy whereby the expansion of capital acts under an inclusionary impulse to include a greater number of the populace into the benefits provided by credit markets. But in actual fact means, as noted above, there occurred an increased downward targeting of individuals driven by profit maximisation (Marron, 2007).

This process gained impetus through the creation and advancement of statistical credit-scoring technologies which transferred the decision making for granting credit to

automated systems. The decision making procedure for granting credit incorporates the individuals' credit history, their historical performance with debt, and their current socio-economic position in an attempt to determine the risk of default across the length of the product agreement, with interest charged according to this extrapolation (Leyshon, Signoretta, Knights, Alferoff, and Burton, 2005). As Getter (2006, p. 42) observes, 'rather than face rejection, high-risk households can participate in credit markets if they are willing to pay higher rates to compensate lenders for the additional risk'. This new process involved a discursive break in the conception of creditworthiness from the granting of credit agreements based on character, one of the central tenets in the 'old' economy of credit, to risk of default in the 'new' economy of credit (Marron, 2007; Burton, 2008). Burton (2008, p. 53) draws attention to the role of credit-reference agencies as 'central nodes' in the sophisticated network of credit granting organisation. Burton (2008) suggests their influence is the contemporary equivalent of the panopticon due to their capacity to observe and record the behaviour and actions of individuals: 'The credit panopticon results in consumers having to pay a premium for previous misdemeanours' (p. 53). This new system means lenders can charge borrowers different interest rates based on their assessment of the borrower's credit quality and likelihood of default; a process referred to as risk-based-pricing. Risk-based-pricing legitimates the charging of higher interest rates to individuals deemed a greater risk of default; hence, credit is granted along a continuum of prices (Getter, 2006). As a result of this shift, Burton (2008, p. 57) argues the priority within the industry now is 'maximising the profit a customer brings to the organisation rather than minimising the risk of default'. In this context, whereas before interest rates were normalised, penalising safe borrowers at the expense of riskier borrowers, the credit market became regressive by integrating, on differential terms, ever greater numbers into the operations of contemporary neoliberal capitalism (Marron, 2007). Significantly, risk-based-pricing is a policy development that incorporates growing structural *inequality* into its foundations and advances from that basis. Finn (2003, p. 10) states, by 'awarding differential credit terms according to perceived differences of personal character and social standing', financial institutions not only respond 'to consumers' efforts at self-fashioning' but also help to 'position these individuals within hierarchical social relations' (p. 10). Consequently, the market in consumer credit grows because, firstly, individuals who were previously excluded from accessing credit because they were unacceptably risky are now included but at a higher price, and, secondly, those who have always been included are now offered lower rates of interest and so are provided the potential to

consume more of it (Marron, 2007). The emergence of the former group into markets of credit is a structural development characterised as subprime lending.

#### **2.4.2 Subprime lending**

Subprime lending is the tailoring of financial and credit products to individuals with low incomes. In practice, subprime lending involves a loan or credit agreement based on a teaser rate of interest for the first period of the agreement, before a significantly higher interest rate and monthly repayment is triggered for the remainder of the agreement. This policy creates the potential for a payment shock to the borrower and in consequence a significantly enhanced risk of default (Golden West Financial Operations, 2013). The move towards subprime lending was fuelled by a combination of advances in technological capabilities for granting credit, the excess production of credit through securitisation, and lender demands for higher rates of interest on loans; hence, higher profit margins. Accordingly, Montgomerie (2007, p. 167) maintains subprime lending was politically and economically acceptable because it fit nicely into the notion of ‘democratised finance’, giving groups on the margins of economic and social life access to financial services that were available to the rest of the populace. Dean (2013) argues that loans initiated by a subprime lending policy actually deeply rely on low net worth individuals because they validate the higher rates of interest charged for such loans. In this context the process of securitisation absorbed groups previously excluded from financial products into the operations of neoliberal capitalism. Dean (2013, online) concludes: ‘In the circuit of amplified inequality, the increase in the number of poor people isn’t a social problem, it’s an investment opportunity. The system turns in on itself and feeds on its own excesses’. From this perspective, the ‘circuit of amplified inequality’ is the institutional process that permits the lending of credit at different rates of interest depending on the risk of default the credit agreement presents. This is one of the reasons why egalitarianism is no longer an ideal worth striving for: it would corrupt the current system and disrupt a highly lucrative industry for profit maximisation and accumulation. Viewed in this way, inequality is not ‘an unavoidable by product of capitalism but its condition and content’ (Dean, 2013, online). Under these conditions equality – that once bastion ‘common-sense’ term at the foundation of the demand-management economy – is now, within a neoliberal political and economic formation, redesigned and redeployed under equal access to financial services and given a helping of fairness and justice by risk-based-pricing. Indeed, financial inclusion – with access to credit in particular – is now promoted by some researchers as a

potential human right (see Bayulgen, 2013). So equality of condition or equality of circumstance is no longer the prominent objective pursued by political organisations. What is now deemed worthy of the state to pursue is *equality of access to financial and credit facilities* in order to remove all barriers to the acquisition of assets and private property – and thus all obstacles enabling the individual to act as a self-governing consumer.

It should be clear how the extended flexibility in financial institutions lending capabilities has led to an expanding ‘financescape’ (Appadurai, 1996, p. 33) in which profit is extracted through innovations in credit products; products designed to filter credit to an ever growing number of individuals within a system of welfare retraction and amplifying income inequality. The scale of credit lending and the openness of credit markets undermine accounts of those who propose credit use exists in the gap between a low income and minimum income standard (e.g. Parker, 1990; Ford, 1991; Bridges and Disney, 2004; McKay, 2005; Montgomerie, 2007, 2010; Langley, 2008; Orton, 2009; Preda, 2009; Dearden, Goode, Whitfield, and Cox, 2010; Walker, 2011). As revealed, credit dissemination and use occurs across society and this is indeed the intention of those who produce consumer credit. But this raises a critical question: how is credit use, and the indebtedness that follows for some, perceived by neoliberals and in society at large?

## 2.5 Lifecycle view of credit use – the ‘official’ position

Shortly after the financial ‘Big Bang’, Governor Leigh-Pemberton discussed the (new) role of credit in the British economy:

As a nation, our attitude to credit is typically ambivalent. There is a tendency to think of credit as something intrinsically reprehensible... But at the same time it is very hard to envisage the effective functioning of the economy without credit to oil the wheels. Its role is to allow flexibility in the timing of expenditures, enabling them to be separated in time from the receipt of income... credit performs [a] function for consumers, enabling them to make large purchases or investments at a convenient or opportune time, and to pay for them in accordance with their expected pattern of income. I find nothing reprehensible about that – indeed rather the reverse... It must be an advantage for the individual to have more choice between different types of borrowing facility, and greater flexibility over the timing of his expenditure and in the arrangement of his portfolio of assets and liabilities. (1988, p. 48)

This view is now conventional to the contemporary economic position, and it is a theoretical position referred to as the lifecycle hypothesis. The theory assumes ‘individuals will spend some parts of their life in debt whilst saving and decumulating assets in other

parts of their life cycle' (Bridges and Disney, 2004, p. 2). But it is somewhat more than that. Firstly, the model provides a framework for economists to explore the links between different demographic characteristics (or lifecycle categories) and various economic data, including data on credit and debt (for example, Browning and Crossley, 2001; Baek and Hong, 2004; Yilmazer and DeVaney, 2005; Du and Kamakura, 2006; Attanasio and Weber, 2010; Xiao and Yao, 2014). Secondly, it represents a shift in the way credit is viewed: rather than it being perceived negatively as the 'frittering away of money' that is 'reprehensible', as it once was under Keynesian demand-management, it becomes infused with, and judged to have, many positive features (see for example Parker, 1990; Evans and Schmalensee, 2000). Indeed as the quote above infers, credit allows 'flexibility in the timing of expenditures', it allows 'consumers' to make larger 'purchases or investments' than their income at that moment would permit, thus enabling 'more choice' in the arrangement of 'consumers' 'portfolio of assets and liabilities'. As the semantics expose, this economic view is one of a 'rational economic agent' making strategic, sensible, and logical decisions in their financial management, and credit provides an additional tool in the performance of this role. Thus, the accumulation of credit becomes reduced to an entirely *strategic* and *rational* process that arises because the individual is at a specific point in their life-cycle. Constructing credit use as a *rational* and *strategic* choice in the management of daily finances fits perfectly with the aims of those who are invested in the production of consumer credit as a profit-making enterprise: indeed, it would be 'logical' to conclude few would turn to credit if it was promoted as *irrational* and *irresponsible* in the cultural and ideological atmosphere. Hence, within the neoliberal economy credit is promoted as an acceptable and ordinary part of everyday life, and this reveals a key shift in 'social perceptions of credit' (Burton, 2008, p. 67). In highlighting this process, Payne (2013) argues:

What distinguishes neoliberal economic policy is precisely that it imagines a society composed of one class of entrepreneurs, whether producing or consuming. And what essentially gives proof to that is in the entirely novel way of perceiving debt [accumulated credit]. Rather than the shame of the nineteenth century, a moral scourge on the abstinence and work ethic of entrepreneurs, debt when used to finance the purchase of assets became a sign in the late twentieth century that consumers were building their personal balance sheets and making themselves more productive for society in the process.... Debt [accumulating credit] is taken as a sign of increasing rationality in the population at large. (p. 20)

The emergence of this shift in the authorities' perception of credit was apparent from the early 1990s onwards, as the liberalisation of finance had brought with it a sharp rise in the ratio of accumulated credit relative to household income. In discussing the effects of these structural changes on individual behaviour, Governor Leigh-Pemberton drew attention to a 'wider cultural change in our society'. Following on he notes, 'thrift has gone out of fashion... the all too prevalent outlook on life has become "I want it, and I want it now"' (Leigh-Pemberton, 1990, p. 362).

The discussion of welfare retraction, amplifying inequality, and changing markets of credit is intended to contextualise the structural changes that have occurred in Britain over the last three decades. At present little attention has been focussed on individual behaviour within this environment. The discussion of the lifecycle hypothesis is the first attempt at presenting certain accounts underpinning individual behaviour, but at best the position is partial and at worse the position is fallacious. Indeed, we must question the validity of an argument that proposes individuals *rationally* turn to the financial markets to smooth over income and expenditure flows, when, at the same time, a growing number of households accumulate credit beyond the point that is deemed prudent. As a result, it is justified to assume this account merely serves as an auxiliary of the more dominant neoliberal ideology prevalent in contemporary society. This is a position Johnna Montgomerie is attuned with:

In the same way the rhetoric of financial inclusion was galvanized to legitimate... lending, so the logic of the wealth life-cycle (or life-cycle permanent income hypothesis) was used to justify the growing financial insecurity of the young and old during the recent credit boom. Rising debt levels among the under-35s and over-65s was considered a predictable outcome of life-cycle models which presume a balance between income, assets, savings and debt changes across an adult's lifetime... These assumptions limited the scope for criticism of the potential social costs of rising indebtedness and growing financial insecurity for the young and old... That is, the life-cycle rhetoric sanitized the political implications of abandoning these socially marginalized groups to the whims of the free market. (2010, p. 109)

All the while economists are then able to use the lifecycle hypothesis as a tool to investigate 'consumer debt delinquency' – which refers to late payment behaviour and default. As Xiao and Yao (2014, p. 44) reveal, they do so to 'help bank marketers identify borrowers risks of being late on loans by various lifecycle categories given socioeconomic

and demographic conditions, which should assist banks in maximizing their efficiency and profitability'.

Although the ‘democratisation of finance’ discourse and lifecycle hypothesis justifies the extension of credit to ever greater numbers of individuals and normalises its use amongst them, late payment behaviour, or in other words debt, challenges banks profitability. As those in debt challenge banks profitability, it is important, in the final section of this chapter, to outline how their behaviour is explained by those invested in neoliberalism.

## 2.6 Debt - the fault of the individual

The prevailing discourse that frames the cultural and ideological atmosphere surrounding issues of debt does not regard indebtedness as a structural issue, despite the various structural alterations outlined above. Put simply, the discourse advocates that debt and the social problems it creates are predominantly the consequences of the choices individuals have made (Orton, 2009). Returning to Governor Leigh-Pemberton will encapsulate this point:

One reason... [debt] problems develop is that some people have not, I am afraid, been fully prepared for the responsibilities and choices that go with greater credit availability. Inevitably, some have made mistakes and, sadly, are suffering because of them. These individuals do not make a proper assessment of whether they can afford the repayments or understand how compound interest works. (1990, p. 363)

These types of explanations behind the causes of personal indebtedness were advanced in a more aggressive way after the 2008 global financial crisis. Philip Booth, the Editorial and Programme Director for the Institute of Economic Affairs (IEA), set the tone of this narrative: ‘If we do not look for the underlying, as opposed to the popularly assumed, causes of the financial crash... it is quite possible to so seriously misdiagnose the causes... that diametrically wrong conclusions are reached as to the appropriate policy action’ (2009, p. 35). In considering the ‘causes’ of the financial crisis, Booth (2008, online) bluntly states, ‘we should not forget the consumer’, before going onto attack the position of the church in such matters:

Consumer borrowing is high... Clerics often like to blame these problems on abstract concepts such as ‘society’, ‘the capitalist system’ or ‘commercialisation’. But, when it comes down to it, individuals need to take

responsibility, whatever the pressure from salesmen or their peers, and be prepared to wait so that they have sex, drink, eat and consume when the context and time are appropriate.

Sam Gregg, a member of the Academic Advisory Board at the IEA and a frequent author in their publications, adds to this denunciation:

A predictable by-product of the 2008 financial crisis was a renewed wave of moral condemnation of market capitalism... There has, however been... rather fewer moral critiques... of the behaviour of individuals who, for example, misrepresented – i.e. lied – about their assets, income and liabilities in order to obtain loans and mortgages. (2009, p. 149)

This position extends to the very top of government. In his Conservative Party leader's speech in 2011, Prime Minister David Cameron said: 'This was no normal recession; we're in a debt crisis. It was caused by too much borrowing, by individuals, businesses, banks, and most of all, governments'. The implication is that the key to minimising personal and governmental debt problems is self-regulation. Indeed, Gregg (2008) suggests we need to recognise the economic significance of particular moral habits, the most necessary being the 'virtue of prudence' (p. 150). Prudence, according to Gregg, is the ability of individuals to 'make morally correct practical decisions' based on reason and free will, but it also has other 'integral parts' including 'caution', the 'willingness to research', 'foresight', and, 'the capacity to form an accurate sense of the reality of situations' (*ibid*, p. 150). Although Gregg details the role of prudence for lenders, it is borrowers who bear the brunt of this moralising:

The borrower should act with prudence, making decisions based upon experience that do not lead to him being overstretched... Tradition, rules of thumb and the observation of the behaviour of other sensible people have worked for many generations as a more than adequate control mechanism for keeping personal borrowing under control... [W]ithout these qualities, householders who borrow will also make bad decisions which could have serious consequences, as well as become inclined to misrepresent their position to lenders. (*ibid*, p. 150)

It requires little imagination to see the basis upon which neoliberals and economists view indebtedness: it is purely subjectively determined. According to Ritzer (1995, p. 3), 'the tendency to blame individual consumers for their problems with excessive debt' is a result of the fervent and rampant 'individualism at the core of our cultural system'. This rampant individualism is a result of many of the structural changes that have been outlined

in this chapter, in particular, the radical depoliticization of unions and the collective bargaining power they once held. Indeed, these perceptions regarding consumer credit and indebtedness are underpinned by the transition from viewing social problems through the lens of demand-management and producers to one that focusses on them through the lens of neoliberalism and individual consumers. These structural changes and the discourse that underpinned them have had a profound impact on theoretical accounts that attempt to explain social processes and individual behaviour. It is to these accounts that we turn in the following chapter.

## 2.7 Chapter summary

This chapter has outlined changing social structures that neoliberal governmentality has set in motion. First, an assault on government support and welfare reinforced by encouraging the ‘self-governing capabilities of the consumer’ (Marron, 2007, p. 125). Second, a society founded on amplifying inequality. In this sense, modes of governmentality within Britain focus *excessive* attention on welfare retraction but *little* attention on rising inequality. These dual developments involve a shift in the view that social problems should be resolved by the state to one in which the individual is charged with the *responsibility* for negotiating them. The chapter then established the links between these altering social structures and the transition to a ‘new’ economy of credit. In this ‘new’ economy of credit there are more specialised, fragmented, multidimensional, and flexible operations in the granting and management of credit. The financial innovation in securitised debt resulted in the financial industries search for new groups of potential borrowers. The growth in credit lending was lent legitimacy by the ‘democratisation of finance’ discourse, which signified that credit was open to all, was a part of contemporary social life, and formed one of the central components of a rational financial strategy. The chapter concluded by revealing how the indebtedness that follows for some who pursue this ‘rational’ financial strategy is not viewed in the context of the various structural changes that have taken place, particularly in credit markets, but instead is a result of individual moral failure.

These processes signify a wider cultural change in British society, and point to the emergence of a neoliberal subject. This is a subject who must negotiate the ‘cultural change’ that has taken place; one whose actions, behaviour, and identity is placed under pressure by ‘in progress’ changes to social structures; and one who has the *choice* of

incorporating credit into the management of their daily lives and in the construction of their identities. But a key issue is left hanging: although it is clear that innovations in credit are a corollary of increasing inequality – enabling a growing proportion of individuals to access credit – it is unclear why individuals turn to credit in a social system characterised by welfare retraction and growing inequality. It is also unclear the extent theoretical accounts of identity formation consider the role of credit. Thus, key questions emerge. How do these ‘inequality producing tactics that overlap and reinforce each other’ (Shapiro, 2013, online) filter through when arrayed as forces against the individual? What influence, if any, do they have on identity formation? Do accounts of contemporary identify formation consider the role of credit? These issues and questions will be explored in the following chapter.

## **CHAPTER 3**

### **Identity Formation in Neoliberal Society**

*'Without you I'm nothing'.  
Without a nexus of others, none of us could be 'who we are'.  
Steph Lawler (2008, p. 8)*

#### **3.1 Introduction**

In the previous chapter I outlined how an assault on welfare and an open-minded approach to amplifying inequality as the foundation of society helped embed the neoliberal politico-economic rationality. I further explored how credit markets have evolved around these 'in progress' structural alterations. Finally, I documented how despite these various changes those invested in neoliberalism blame individuals for their debt problems. Up to this point very little attention has been placed on individual behaviour within contemporary society; an omission this chapter aims to rectify. Therefore, this chapter will present a micro-system analysis, which, using Anning and Edwards' (1997, p. 22) model, is an analysis of the 'pattern of activities, roles, and interpersonal relations experienced' by a 'person in a given setting with particular physical and material characteristics'. In the context of this chapter, a micro-system analysis involves exploring the theoretical and political accounts that attempt to explain and describe individual behaviour and identity formation within the ideological terrain and social structural formation of contemporary society. Therefore, the question guiding this chapter: how has theory attempted to explain identity in contemporary society, and to what extent has credit factored into these accounts?

In the introduction I emphasised credit use and personal indebtedness must be considered in the context of the proliferation of credit and in light of political and academic arguments that suggest Britain is a classless society. My central argument in this thesis is that credit and debt offer a unique vantage point into class analysis, because they provide an avenue to think through class in different ways. So initially this chapter explores the end-of-class debates and the 'turn to individualisation'. I will then trace how theories of reflexive individualisation and cultural class analysis have navigated this terrain and show how consumption has become central to their construction of identity, before criticising these accounts for failing to recognise the role of credit. Finally, I will infuse elements of

these theoretical accounts to support my argument that individuals use credit in their attempts to navigate a social space signified by amplifying inequality and the individualising discourse that surrounds it.

### 3.2 The end of class and classed identities

Prior to the implementation of neoliberal economic and social policies, explanations of inequality, and indeed challenges to welfare, would have been explained by a structuralist focus on social class. Historically ‘class’ was an analytical concept developed to ‘encompass the embeddedness’ of social and economic factors (Crompton and Scott, 2005, p. 186). A key analytical role for the concept of ‘class’ was to determine the extent an individual’s structurally defined economic position led to the development of specific social and political attitudes (Savage and Devine, 2005; Bottero, 2005). An individual’s relationship to the mode of production was central to understanding the nature of social structures, as it was assumed individuals found in similar economic positions would have shared interests and identities. However, against the backdrop of ‘in progress’ structural changes to society, class analysis began to look suspiciously out-dated. It was argued that if individuals are no longer forming around collective advancement defined by their socio-economic position, a direct result of de-unionisation and the decline of old industrial and manufacturing sectors, but are living individual lives driven by self-responsibility and self-governance – thus reflecting a *dis-identification* with a class position – then ‘class’ is no longer a relevant theoretical or analytical tool.

In the 1990s a growing spate of theorists were questioning the significance of social class, and some pointed to the ‘end of class’ as a tool for social understanding (see Crook, Pakulski, and Waters, 1992; Pahl, 1993; Lash and Urry, 1994; Pakulski and Waters, 1996; Clark and Lipset, 1996). For example, in noting what they believe to be the characteristics of class society and classes, Pakulski and Waters (1996) submit:

[A] fully formed class involves a measure of self-recognition and self-identification on the part of participants... the members of a class have to be aware of their commonality and employ some recognized terms for collective self-description... [However] [c]lass identities are challenged by ‘new associations’ and new social movements... classes are dissolving... advanced societies are no longer class societies. (p. 1-4)

Richard North – a self-confessed ‘neoliberal in economic terms’ (2005, p. 271) – provides a perspective on these arguments in his book *Rich is Beautiful*, published by the Social Affairs

Unit of the Institute of Economic Affairs. (We will return to his arguments at different stages throughout this chapter as they illuminate the neoliberal position on the sections discussed.) North (2005) declares: ‘Nowadays... it seems very few people care about their rank in society, and most probably have no real concept of such a thing... social status seems to matter less today than at any time in history’ (p. 125). Accordingly, ‘for many commentators there is an increasing divide between class conditions and the subjective perceptions and reactions to those conditions’ (Bottero, 2004, p. 987).

Classed identities are often held to have dissolved in the face of new social movements, in particular those associated with gender, ethnicity, age, and sexuality (Lawler, 2005). Recognition of demographic factors in identity formation reflects an awareness in social theory that individuals were becoming increasingly active in political struggles around aspects of identity that are deemed worthwhile to them, rather than aspects of their identity that are structurally defined (such as class). However, Crompton (2010, p. 20) states the consequence of the ‘turn to individualisation’ is that ‘structural inequalities become displaced onto the individual’. In this context the discourse has changed to a perspective that submits the poorest members of society are now either implicitly or explicitly at fault for their lifestyles and as such they become morally condemned (Butler and Watt, 2007). As a result, Lawler (2005) argues social inequality has become transformed into individual pathology and the problem of a classed society has become the ‘problem’ of certain types of people:

[O]ne particularly insidious effect of claims of classlessness is that, when class is linguistically expunged, it cannot be invoked as an explanation for inequality. As a result, people on the losing end of a classed system can increasingly be blamed. In other words, the social-structural dimensions of class inequality are now understood as being embedded only in the subjectivities of social actors. Explanations for inequality come to inhere within the subjectivities of persons who are then marked as “wrong” or “right”, “deficient” or “acceptable”. (p. 798)

Undoubtedly these types of judgements seem to correlate with attempts by neoliberals to make failure a result of a lack of self-responsibility and/or self-governance on the part of the individual concerned (as discussed in Chapter 2 regarding debates surrounding changes in welfare). For instance, returning to Richard North (2005) will encapsulate this point:

We need to stop blaming capitalism for our own failures of character... most problems in life are moral, not mechanical. Problems are to do with individuals, nor societies... It may be that nowadays there are fewer working-class people who make it into the middle class simply because they are stupid, lazy or don't see the point... If there remains a stubborn minority who don't take advantage of... good free education and tolerable housing... to climb out of poverty, it might not be the case so much that they 'won't' progress, but that they really, really, can't... It is surely fair to say the rungs are there, and those who find them too arduous may just not be very good climbers... That is why it is reasonable to say now that the class system is dead. Where once there were serious difficulties to be faced by someone seeking to break the bonds of his class, now there are very few. Where once one could fairly blame the 'system' for someone's inability to get ahead, now one may more fairly blame the person himself. Only the very stupid have a good excuse for staying working class. (p. 24, 82, 111, 114)

These types of explanations underpinning social problems and outcomes have seeped through into the public conscience. Indeed in a systematic study comprising quantitative and qualitative methods that explored people's perceptions of inequality, Bamfield and Horton (2009) found:

[T]here was a far greater tendency to ascribe individual responsibility and blame for behaviour towards those at the bottom of the income spectrum than those at the top... [and] a widespread belief about the ready availability of opportunity, resulting in highly individualised explanations of poverty and disadvantage. (p. 6)

We should not be surprised empirical research has also found that even those 'in the most economically marginalized and impoverished factions of the working class engage in disidentification' with an 'imagined underclass' who are perceived to be 'work-shy, to claim benefits illegitimately... and to engage in blameworthy consumption habits' (Shildrick and MacDonald, 2013, p. 291). However, Tyler (2015) suggests the transformation from structural explanations for inequality to individual explanations were not just spontaneous but were encouraged by forms of governmentality that attempt to realise the social conditions required to embed financial capitalism. In other words, the transition from Keynesian demand-management to neoliberal financial capitalism involved 'class decomposition through individualization', which explains why people dis-identify with class names from a previous social formation (Tyler, 2015, p. 498). As we have seen the discourse is highly effective. However, a lack of attention on structured inequality strengthens these positions as issues of social order become recast as issues of – pathological and faulty – identity (Lawler, 2008). Class decomposition has further

consequences because any social problem can be reduced to individual pathology and deficiency: a situation particularly acute in explanations of indebtedness (as we saw at the end of Chapter 2). Furthermore, this challenge to class and the ‘turn to individualisation’ has also mirrored attempts by neoliberals in Britain to encourage – through policy and discourse – a shift in people’s subjectivity from producer-led to consumer-led.

### **3.3 A consumer society**

Against this setting, a growing numbers of scholars from the 1990s began to incorporate the ascendance of neoliberal discourse, and the changing political and social milieu instigated by it, into explanations of social change. The two social forces of welfare retraction and amplifying inequality, simultaneously supported by a neoliberal governmentality that attempts to condition the subjectivities of citizens as self-governing consumers, have been instrumental in underpinning theoretical accounts that point to the emergence of a consumer society; documented extensively by numerous social analysts (see Giddens, 1991; Beck, 1992; Crook , Pakulski, and Waters, 1992; Seidman, 1994; 2004; Gabriel and Lang, 1995; Campbell, 1995; 2004; Castells, 2000; Bauman, 1988, 1998, 2007; Baudrillard, 1999; Featherstone, 2000; Miller, 2000). What links each one of these authors is the concern with how we might understand capitalism after the ‘cultural turn’; a term designed to register the shift away from an emphasis on structural formation and a move to capture ‘the growing “centrality of culture”... on contemporary social life’ (Hall, 2007, p. 39). According to Lury (1996), the cultural turn reflected various alterations in the social and physical landscape, including:

A larger and wider range of goods; the commodification and marketization of a wider range of goods and services, the expansion of shopping as a leisure pursuit; the emergence of different forms of shopping; political organization by and of consumers; a heightened visibility of sport and leisure practices; wider acceptance of credit and debt; an increase in the sites for consumption, including shopping malls and theme parks; the growing importance of packaging and promotion and style, design and appearance; the emergence of consumer crimes; illnesses associated with consumer society such as compulsive shopping; and an interest in collecting, including of art, antiques and so forth. (As cited in Burton, 2008, p. 28)

Defining culture is an attempt to encapsulate the essence of neoliberal capitalism, and accounts of social change aim – without necessarily highlighting it – to document the key elements of social life and identity formation within a neoliberal political, economic,

and social formation. The following sections will explore the theoretical accounts that attempt to incorporate consumption into identity formation.

### 3.4 Reflexive individualisation

One of the key theoretical themes to emerge in recent years regarding identity formation is ‘reflexive individualisation’. In the writings of Anthony Giddens (1991) and Ulrich Beck (1992), the theory assumes increasing ‘individualisation’ has broken any relationship that existed between economic position and cultural identity, and subsequently self-identity becomes a reflexive project that is shaped by new forms of social structure and the weakening of older forms situated in the family, work, and class. According to Savage (2000, p. 101), both Giddens and Beck ‘see class not as a modern identity but as a traditional, ascriptive one’, and argue it has ‘no place in a dynamic, individualised, ‘reflexive’ society’. For Giddens (1991) ‘the self today is for everyone a reflexive project’ (p. 30) and each individual now lives out ‘a biography reflexively organised in terms of possible ways to live’ (p. 14). According to Giddens (1991), self-identities are no longer given but are ‘something that has to be routinely created and sustained in the reflexive activities of the individual’ (p. 53). Giddens (1991) places an increased emphasis on issues relating to lifestyles due to the breakdown of traditional social structures and a proliferation of *choice* as to how to lead one’s life. A lifestyle, he continues, ‘is a more or less integrated set of practices which an individual embraces’ to ‘give material form to a particular narrative of self-identity’ (*ibid*, p. 81). The term lifestyle in contemporary society connotes individuality, self-expression and self-production. Lifestyles are signified by an individual’s ‘body, clothes, speech, leisure pastimes, eating and drinking preferences, home, car, choice of holiday, *et cetera*’ (Featherstone, 2000, p. 92).

Beck (1992) agrees with Giddens, arguing that as a result of social changes actors can no longer rely on past structures that fix identity to supply their biographies, but must now reflexively construct them. Beck links ‘individualization’ to the institutional changes and the retraction of welfare instigated by neoliberal forms of governmentality. For Beck (1992, p. 92) these changes detached class location from cultural identity, but they also led to transformation in the social meaning of inequality because the ‘attachment of people to a “social class” has become weaker’ and people are now developing ‘ways of life that tend to become individualized’. Thus, as a result of structural changes what has emerged is

'capitalism without classes' but with 'individualised social inequality' (Beck, 1992, p. 88). Other writers have drawn similar conclusions to Giddens and Beck, and argue there is 'an increasingly significant reflexive subjectivity' (Lash and Urry, 1994, p. 3), and 'people have to turn to their own resources to decide what they value, to organize their priorities and to make sense of their lives' (Heelas, 1996, p. 5). Essentially, accounts of reflexive individualisation point to the emergence of new identity politics and culturally defined identities as individuals exercise greater choice in the identity they construct and project. But although the foundations and social structures shaping identity formation have altered, individuals *always* seek to maintain 'ontological security' (Western and Phillips, 2005, p. 166).

### **3.4.1 Conceptualising ontological security**

Giddens' conceptualisation of ontological security has four key elements<sup>9</sup>. The first element involves the development of relatively secure environments of day-to-day life, which means ontological security is maintained through predictable habits and routines (Giddens, 1991). Croft (2012) elaborates that in contemporary society individuals' routines and habits are performed through an interaction between four sites:

[H]ome, in terms of a physical space that has psychological and political meaning; family and friends, a social order that is immediate and personal; a public space in which we operate; and identities, chosen connections that make sense intersubjectively, through which in part we construct our biographies. (p. 226)

The second element implies the routines of day-to-day life do not 'just happen' but they are 'made to happen' by 'modes of reflexive monitoring of action' (1984, p. 64). According to Giddens (1984), reflexive monitoring of action is behaviour that is both purposeful and intentional within the flow of activity of the agent – behaviour is thus a continuous process of reflection and action not a string of unconnected acts. As a result Croft (2012) asserts, 'it is important to understand the self as not something fixed, but as something always in motion... always changing' (p. 227). Third, reflexive monitoring of action is undertaken in

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<sup>9</sup> Ontological security was first coined in 1960 by R.D. Laing, yet it is the development of the concept by Anthony Giddens' (1984, 1991) that forms the bedrock of contemporary attempts to operationalise and deploy the term (for instance Solomon, 1992; Stokes and Hallet, 1992; Dupuis and Thorns, 1998; Hiscock, Kearns , MacIntyre, and Ellaway, 2001, 2002; Ford, Nettleton, and Burrows, 2001; Atkinson and Blandy, 2007; and Croft, 2012).

circumstances of co-presence, or in other words intersubjectively<sup>10</sup>. Thus, the individual cannot be understood separately and/or asocially, because behaviour and beliefs are constructed in orientation to others and to the experiencing self (Giddens, 1984), which creates identities that are placed relationally to one another and in some instances in opposition to one another (Croft, 2012). As Lawler (2008, p. 8) reasons, ‘without you I’m nothing’, thus ontological security is negotiated, appropriated, and defined in relation to others. In this framework, identity is thought of as being ‘socially produced, socially embedded and worked out’ in people’s everyday activities and social lives (Lawler, 2008, p. 8). Four, there is a network of trust relations that acts as a ‘protective cocoon’ encasing the individual (Giddens, 1991, p. 40). This ‘cocoon’ acts as the individual’s main source of emotional support that protects against risks and dangers – or existential anxieties – encountered in everyday interactions with the social and physical landscape. Hence, at the origin of the ontologically secure individual is a trust, in others, in the activities of others, and in the ongoing durability of surroundings that forms an individual’s perception of a stable external world and a coherent sense-of-self (Giddens, 1991). In addition, Croft (2012) suggests there is a fifth element embedded in the concept: ‘No matter how ontologically secure the agent may be, there is always a fragility as well as a robustness to that position... The ontologically secure individual can never be always secure in that position; there is always a precariousness’ (p. 222, 223). Despite being partly contradictory, this is a key point because it links the previous four notions and indicates why the individual is seeking ontological security in the first place. The threat to an ontologically secure position implies ontological security is an active endeavour; a state of being that must constantly be ‘worked on’ in order to achieve. The importance of this point to the thesis will become apparent later in this chapter.

Overall, theoretical accounts of reflexive individualisation recognise key shifts in individual behaviour as a result of structural changes that encourage citizens – as self-governing consumers – to take responsibility for their own lives, practise self-reliant thinking, and act on that basis. Nonetheless, in view of the theoretical accounts’ sweeping nature, the position does allow for a good deal of elaboration and refinement. Specifically, there are omissions relating to the role of resources (economic, cultural, and social) in identity formation despite the postulation there is choice in how to lead one’s life; indeed,

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<sup>10</sup> According to Giddens, ‘in the course of their daily activities individuals encounter each other in situated contexts of interaction – interaction with others who are physically co-present... the social characteristics of co-presence are anchored in the spatiality of the body, in orientation to others and to the experiencing self. (1984, p. 64).

it seems all and sundry are permitted the capacity to freely construct ‘ways to live’. However, as Ford, Nettleton, and Burrows (2001, p. 6) point out, ‘this notion of lifestyle choice is, of course, fundamentally related to the availability of resources’. These points will be developed at a later stage. At this stage, some of the key themes to emerge will be explored and developed; notably, the position that it is consumption that is now driving identity formation in contemporary society.

### 3.5 Consumption and identity formation

As arguments surrounding the weakening, or breakdown, of identity formation based on class affiliations began to solidify, they started to attract a wider group of followers. This led Crompton (1998) to surmise: ‘With the rise in standards of living, it is argued that issues related to consumption, rather than production; and that “lifestyles” rather than “classes” are playing an increasingly important part in shaping a whole range of attitudes and behaviours’ (p. 140). Thus, consumption emerges as the most important factor in contemporary social life, a position Zygmunt Bauman (1988) illustrates: ‘Citizens are socially integrated and their institutional loyalty secured through the power of the market. Individual needs, desires, identities, and social lifestyles are wedded to consumption’ (as cited in Seidman, 2004, p 196). Writing ten years later Bauman (1998, p. 27) draws similar conclusions to both Beck and Giddens and agrees that identities are ‘self-constructed’, yet Bauman further suggests that these choices are not just the result of structural changes, but something that is driven by the individual:

Identities, just like consumer goods, are to be appropriated and possessed, but only in order to be consumed and to disappear again. As in the case of marked consumer goods, consumption of an identity should not - must not - extinguish the desire for other, new and improved identities... Consumer society is not one of delayed gratification; it's a now society. A wanting society, not a waiting society. (1998, p. 29-31)

There are similarities in this account of individual behaviour and identity formation with that proposed by Governor Leigh-Pemberton (1990, p. 362) eight years earlier, who suggested, ‘thrift has gone out of fashion... indeed, the all too prevalent outlook on life has become “I want it, and I want it now”’. In these accounts consumption emerges as the main source of meaning in the ‘search for identities’ (Castells, 2000, p. 3). These accounts acknowledge a shift in the foundations of British society. No longer is it constrained by frozen social relations dominated by producers, but it is propelled by change and the

*stability of social instability* which is leading to flexible identity formation based on consumption. It would appear the aim of neoliberals, such as Seldon, Harris and Naylor, Joseph, Hayek and Thatcher, to embed a consumer-centric approach at the heart of governmentality have come to fruition as the guiding principles of social life. According to these accounts we have arrived at a point where the rhythms of life are expressed through *mutable* consumer activity, whereby, ‘individual identities are wedded to consumption’ through the seduction evoked by commodities (Bauman, 1988, as cited in Seidman, 2004, p. 196). Furthermore, identity formation is reduced temporarily to the present, to the fleeting moment, as individuals live by the motto ‘I want it and I want it now’.

It is a concern with consumption as a *symbolic* rather than an instrumental activity that unites these accounts. The work of Jean Baudrillard provides an articulation of consumption viewed in this way. In a chapter entitled *A New Language*, Baudrillard (2000) draws on Marx’s concept of the commodity but applies a post-Marxist analysis and stresses the importance of the commodity sign rather than the use or exchange value of the commodity itself. It is assumed that what individuals’ consume are the signs and meanings that are attached to the commodity which no longer have any fixed referent (Campbell, 1995). The emphasis placed on the symbolic aspects of consumption has tended to monopolise consumptive activities as a way in which an individual conveys information about their identity to others. Due to the diversity and variety of consumer goods and the signs and meanings associated with these products and services, it is argued individuals are presented with the opportunity to select an identity for themselves (Smith-Maguire and Stanway, 2008). An individual’s consumptive choices are to be regarded as indicative not only of their self-identity, but also of how they wish others to perceive them.

In part, this tendency to categorise individuals around consumption and lifestyles has gained considerable impetus because of developments in marketing. The sign-value and symbolic nature of a commodity is influenced by advertising and branding which determine the cultural meaning of goods in the social sphere (Baudrillard, 2000; Goldman and Papson, as cited in Hearn 2008, p. 202). Hearn (2008, p. 199) maintains, ‘the brand, dispersed via a variety of media forms’, comes to represent a certain set of values, actions, and emotions that are mediated ‘between the brander and the consumer’; it has ‘become a sign of a definite social identity, which summons consumers into relationship with it’. This led Marsh, Bradley, Love, Alexander and Northam (2007, p. 33) to argue, we consume objects because ‘we want to be associated with all the references implicit in that brands identity... in essence, we want to become a member of the community of owners of that

brand'. On the obverse, Bauman (1998, p. 38) presents a theoretical encapsulation for those whose consumption activity does not live up to contemporary standards with his notion of the 'flawed consumer'. If one does not consume they will be branded a 'defective inadequate consumer', and become 'shut off from the social feast' in which others are engaged (Bauman, 1998, p. 38). In neoliberal society, consumption in itself takes on a form of its own: it is not solely the goods that form our identity or reflect the identity we wish to project, it is the very act of consuming in and of itself, because it is this act that reveals whether an individual is an active and responsible member of society. It is through consumption that we become socially integrated (Clarke, 1998).

To summarise, from the arguments outlined above there are four key traits to note. First, cultural factors have detached from economic and social constraints. Second, the notion of fixed social groups has dissolved due to the proliferation of identities and the breakdown of modernist social structures. Third, in competitive consumer markets symbolised by turbulence and fluctuation, individuals – as self-governing consumers – are compelled to accept insecurity and absorb ideals of adaptability, flexibility, and knowledgeability in order to navigate the social world successfully. Fourth, the growing centrality of cultural aspects of society provides an autonomous source of identity creation, founded on consumption, resulting in more fluid lifestyles. Overall, the articulation of a shift to a consumer society does seem to carry currency given that consumption contributed, on average, to 69 percent of the yearly growth in demand found in the UK economy from 1990 to 2008 (BIS/DFID, 2011, p. 6). However, despite the postulations that regard identity formation as the result of individualised consumption choices, it is important to examine more closely the social processes which structure choice in consumer goods and lifestyles, and raise the question as to whether the concern for style and individuality itself reflect more the predispositions of particular social groups. To do so we must still place emphasis on the production of self-identity and the use of consumer goods and lifestyles in this process, but we must also include the relationship between lifestyle tastes and structured social groups. In essence does class exhibit itself through consumption? Or is consumption purely an individualistic, fluid, entirely contingent choice? The next section will critically analyse the arguments discussed above and present a different set of ideas in relation to contemporary identity formation.

### **3.6 Individualisation and the cultural turn in class analysis**

Despite arguments to the contrary Steph Lawler (2008, p. 126) argues, ‘class divisions, class distinctions and class inequalities have not “died”’, and ‘neither has class ceased to be a meaningful category of analysis’. Nonetheless, for class analysis to be revived an admission needed to be made regarding the fundamental problem of traditional class analysis: it was based on the assumption that an individual’s identity was collective rather than singular (Cannadine, 2000; Savage, 2000). However, as Savage (2000, p. 105) suggests, ‘if we refuse the proffered starting point – the assumption that collective class cultures have ever been important – then individualisation needs to be seen in a very different light’. Recent approaches to class analysis have attempted to define class in cultural and lifestyle terms. Cultural class analysts argue, ‘class has become an absent presence’ meaning ‘it circulates socially while being unnamed’; consequently, ‘the drawing of classed distinctions has become displaced and individualized’ (Lawler, 2008, p. 126).

In exploring this trajectory for class analysis the work of Pierre Bourdieu has emerged as the most apposite ‘vantage point’ due to its ‘centrality’ to ‘debates about class and culture’ (Savage, 2000, p. 106). As a result, Bourdieu has become the doyen of class analysis in recent times. For Bourdieu culture is not an effect of class location but rather a separate mechanism through which class operates. Viewing culture as a mechanism of social class in its own right is one of the major strengths of Bourdieu’s conceptualisation of class because it reduces the economic field to just one domain in which class processes operate. Therefore, Bourdieu’s ontology is based on a vision of social class that challenges the long-standing sociological presumption that inequality is generated at the site of production; in the process he offers a very different epistemology to examine the edifice of inequality.

To expand, Bourdieu (1984) stresses the centrality of consumption practices (especially the manifestation of taste) in the creation and maintenance of social relationships of domination and submission. Bourdieu places a strong emphasis on the hierarchical nature of the status system of modern society, underlining the importance of the individual’s possession of four distinct, but interrelated, forms of capital, and the way these resources can be put to use to display taste, and to advance an individual’s social position. (The capital theory Bourdieu outlines is instrumental to how I frame credit use and the impact debt has on the participants’ lives so requires consideration here.) The first form is *economic capital* which relates to the amount of income an individual earns, and

the wealth and property they own. Wealth can be categorised into three subdomains: personal property, including homes or cars; savings, drawn from surplus income; and assets, such as real estate, businesses and stocks. Income can be earned from assets – for instance via interest and/or profit – but in the main income is drawn from an individual's occupation. Wealth, on the other hand, is an expression of an individual's economic position and is the result of access to income and/or credit. The second form is *cultural* capital to which Bourdieu (1986) identified three subtypes – institutionalised, objectified and embodied. *Institutionalised* cultural capital refers to educational and academic qualifications that bestow upon its holder credentials with respect to culture that are legally binding and constant. *Objectified* cultural capital is evident in objects and possessions that are transmissible in their materiality as taste and not through the means that facilitated their appropriation (e.g. eating out at restaurants). *Embodyed* cultural capital refers to embodied attributes – such as accent, demeanour, dress, *et cetera* – that take time and resources to inculcate and assimilate. Just to emphasise, Bourdieu (1986, online) asserts that because the social conditions facilitating the acquisition and transmission of cultural capital are more disguised than those of economic capital, it is 'predisposed to function as symbolic capital'; that is, a means through which individuals transmit their competence in acquiring 'resources objectively available'. So *symbolic* capital, the third form of capital identified by Bourdieu, is the display of 'legitimate' forms of capital obtained through and shaped by class struggle; hence, it is closely tied to acts of status positioning that underpin distinction. The fourth form is *social* capital which resides in the social connections, networks and organisational affiliations that an individual has access to. According to Bourdieu, it is possible to convert:

[O]ne type of capital into another; however, the exchange rates vary in accordance with the power relation between the holders of the different forms of capital... [This] is one of the fundamental stakes in the struggles between class fractions whose power and privileges are linked to one or the other of these types... The distribution of the different classes (and class fractions) thus runs from those who are best provided with both economic and cultural capital to those who are most deprived in both respects. (Bourdieu, 1984, p. 108, 119)

Through struggles between classes over the exchangeability of different kinds of capital, Bourdieu (1984) identifies inequalities as the result of the connection and interaction between embodied practises, capital stocks, and social processes.

According to Bourdieu, an individual's ability to acquire and transmit capital(s) is structured by their socially and historically acquired dispositions – the *habitus*. Bourdieu (1984, p. 95) conceptualises the habitus as the 'practice-unifying and practice-generating principle... the internalised form of the class condition and of the conditionings it entails'. Thus, for Bourdieu the habitus is fundamentally an embodied phenomenon; it 'signifies not just how we think about the world but the bodily system of dispositions we bring' to social space, and 'though thoroughly individualized, the habitus in fact reflects a shared cultural context' (Adams, 2006, p. 514). Thus, dispositions represent an echo of our social upbringing and reflect the internalisation of our past interaction with the physical environments and social milieus we have encountered. Bourdieu's account suggests identity should be viewed in 'dispositional terms, located within the pre-reflective, embodied nature of practical activity' (Bottero, 2010, p. 4). The practicality of consuming cultural goods allows the expression of habitus based preferences or tastes which create the circumstances for the reproduction of social groups (Campbell, 1995). Categories of judgement and taste are socially constructed, and therefore defined by the milieu in which the cultural product being considered is produced and consumed. As such, it is deemed an individual's social milieu acts as a formative or framing context that helps produce distinctive forms of social action, shaped by social class, when choosing and displaying products of consumption. The deployment of economic, cultural, and/or social capital can be mobilised by individuals with a habitus that can operate with the 'knowledge and recognition of the immanent rules' of a particular social milieu (Bourdieu, 1993, p. 72). For that reason Bourdieu's approach is focussed on the *explanatory capacity* of class in revealing the dispositions – such as the behaviours, habits, and norms – that an individual holds, which, through their interaction with the external contextual environment, reproduce specific social effects. Bourdieu elegantly articulates these processes:

The categories of perception of the social world are... the product of the internalization... of the objective structures of social space. Consequently, they incline agents to accept the social world as it is... rather than to rebel against it, to counterpose to it different, even antagonistic, possibles. (Bourdieu, 1985, p. 728)

Whereas traditional class analysis is centred on movement between *hypothesised* structures, Bourdieu presents a *relational* sociology. For Bourdieu (1984), taste expressed through our consumptive activities distinguishes social group membership and distinction.

For privileged classes, taste demonstrates the advantage of being able to draw on greater volumes of economic, cultural and/or social capital to signify a superior social position.

Bourdieu (1984) does acknowledge that the terrain of society does change and describes how this affects the established social order. Bourdieu recognises that all groups, regardless the social position they occupy, ‘cannot conserve their positions... except by running to keep their distance from those immediately behind them’, which in turn means they must aspire ‘to possess that which the group just ahead already have’ (*ibid*, p. 157). Bourdieu refers to this process as the ‘dialectic of downclassing and upclassing’ that entails all groups ‘run in the same direction, toward the same objectives’ (*ibid*, p. 157). Ultimately the race is dictated by the ‘leading group’ who are able to acquire distinct assets when they are scarce, and which no longer maintain their ‘distinctive rarity’ once ‘they are multiplied and made available’ to the larger ‘groups lower down’. For those who arrive late to the asset in question, not only is the ‘duration of enjoyment reduced’, but there may also be ‘technical consequences’ in relation to a car or device, ‘or symbolic ones in the case of cultural goods’ (*ibid*, p. 160). Overall, Bourdieu contends the competition for a given type of asset is akin to a race in which, ‘after a series of bursts in which various runners forge ahead or catch up, the initial gaps are maintained’ (*ibid*, p. 157). Here Bourdieu explicitly accepts that the established social order at any given moment in time ‘is also a temporal order’ (p. 160). However, despite transformation to the ‘nature of conditions’, Bourdieu still asserts the ‘structure of positions’ and the ‘whole set of gaps, differences... distinctions... which give a social formation its structures’ (*ibid*, p.159) are perpetuated. As a result, ‘the social order is progressively inscribed in people’s minds’ whereby ‘social divisions become principles of division, organizing the image of the social world’, and where ‘objective limits become a sense of limits... a “sense of one’s place” which leads one to exclude oneself from the goods, persons, places and so forth from which one is excluded’ (*ibid*, p. 473). From this viewpoint forms of capital enmesh and flow in networks of distinction, defining and dividing individual’s as they attempt to negotiate social space (the collective of social milieus that form a society). As a result, social space is deemed to represent an arena that is dictated by constant struggles for ‘stakes’: categorised as ‘establishing what sorts of capital holdings have what degree of value’ (Warde, 2004, p. 12). Taste therefore ‘classifies, and it classifies the classifier’ (Bourdieu, 1984, p. 6). In consequence, the key issue is not self-conscious claims to class identity, but the ‘classed nature of social and cultural practices’ (Bottero, 2005, p. 140), whereby cultural ‘distinctions place individuals, and construct not class identities, but rather classed

identifications' (Bottero, 2004, p. 990). Consumption is viewed as a process of social recognition and ordering that is *deemed* to reflect the habitus and one's social position.

These insights reveal that individuals draw upon a broad array of dispositions which are used to construct meaning and build identities, dispositions which owe their composition, form, and force to the socialisation processes that created them (Lahire, 2003). Thus, dispositional accounts of identity are helpful because they present an alternative perspective on the view that identities follow a voluntary construction based on the 'reflexive project of the self' advocated by accounts of reflexive individualisation (Bottero, 2010). Savage (2000) contends that modes of individualisation, as theorised by Giddens (1991), Beck (1992) and Bauman (1998, 2000), are not a departure from class identities but are intricately related to them; in other words 'class is used by individuals as a tool in the construction of relational difference and individuality rather than similarity and collectivity' (Atkinson, 2007, p. 537). So although Giddens (1991, p. 81) argues individuals use lifestyles to 'give a material form to a particular narrative of self-identity', proponents of a Bourdieusian approach argue classed practises impact upon these lifestyle choices and forms of identity construction.

As a result, for Savage (2000) Bourdieu's arguments, 'lead not to an emphasis on class as heroic collective agency, but towards class as implicit, as encoded in people's sense of self-worth and in their attitudes to and awareness of others – on how they carry themselves as individuals'. Wendy Bottero (2004) regards this approach as a 'radical shift' in how class is seen to operate:

Rather than the polar terms of "class in itself" giving rise to "class for itself" in which inequality triggered consciousness and action, this new model sets out a reverse process, where explicit class identification and awareness dissolve, leaving behind a hierarchical version of "class", implicitly encoded in identity through practice. (p. 991)

Devine and Savage (2005, p. 15) suggest one would expect to find 'ambivalent, contradictory and complex values' as people negotiate between different social milieus, with varying degrees of success, and are subject to issues relating to class, age, gender, and ethnicity. In other words, particular practices may generate respect in some contexts and derision in others which is bound to produce a wide range of issues relating to identity. This point can be enhanced by noting the work of Bev Skeggs who develops Bourdieu's arguments to examine contemporary class cultures and how they are tied up with the making of the self. Skeggs' (1997) research with young working-class women revealed they

were unwilling to talk about class due to the personal nature of the stigmatisation it brought them:

[T]hese women are highly sensitive to issues of class and difference but they have no discourses available for them to articulate it as a positive identity. Their class struggle is waged on a daily basis to overcome the denigration and de-legitimising associated with their class positioning. (p. 95)

This analysis shows the power of the ideology of the dominant class – outlined at the start of this chapter – and its (negative) interpretation of working-class culture and how it is internalised by individuals at different positions in relation to it. Brake (1995) provides context to how this process occurs:

The local culture into which we are first socialised is that parochial environment against which we measure all social relations which we meet in later life, and in which we begin to build our social identity. Our social identity is constructed from the nexus of social relations and meaning surrounding us, and from this we learn to make sense of ourselves including our relation to the dominant culture'. (p. 38)

Consequently, what is significant here 'is that working-class people are not primarily marked as lacking' through their economic situation, 'but through their assumed lack of knowledge and taste' (Lawler, 2005, p. 800). Lawler (2008, p. 140) further argues their clothes, their bodies, their houses, are saturated with meaning and are assumed to signify 'some "deeper", pathological form of identity' that is 'taken to be ignorant, brutal and tasteless'. The negative discourse surrounding working-class culture makes it difficult for individuals to embrace and use as a positive construct for their identity formation. For that reason, class dis-identification does not represent a break from class theory but:

... is itself a class process, since the values which shape people's willingness to identify with class (or not) are themselves class differentiated, arising out of class oppositions and struggles. The absence of direct reference to class in everyday discourse is taken as a sign of class in action, with 'class' now encoded in implicit ways. (Bottero, 2005, p. 142)

As a result, it is important to see identity, on the one hand, 'as something felt or experienced' (that is self-identification or subjectivity), but on the other hand, 'something conferred – something imposed' on an individual irrespective of how they perceive themselves (Lawler, 2005, p. 802). Skeggs' (1997) research reveals this process. Women within her sample were concerned to establish their 'respectability' and to distance

themselves from stigmatisation by the dominant culture. Central to the ability of an individual to distance themselves from this process is the role of consumption. What consumption potentially offers is for the construction of a *simulated* identity, a process that allows an individual to feel a greater sense of self-worth, and to defer the objective perspective of the observer who may be conferring a particular identity onto us through our appearance and characteristics. Our consumption habits offer the subject the possibility to hide from, and in some instances the opportunity to overcome, this perspective. However, a paradox emerges, because due to the arguments outlined by Bourdieu (1984), Savage (2000), and Bottero (2004), and the nature of the appropriation of cultural goods, it is suggested that through consumption class processes become visible.

### **3.7 Class produced through consumption**

According to Bottero (2004, p. 989), ‘people do not have to explicitly recognize class issues, or identify with discrete class groupings, for class processes to operate, all that is required is for specific cultural practices to be bound up with the reproduction of hierarchy’ (p. 989). Skeggs (2005, p. 46) believes ‘class’ has been reduced to a process of ‘symbolic production’ because of the ways in which groups and individuals attain value through ‘symbolic exchange’. Although the symbolic meaning of commodities has been used by theorists, such as Baudrillard (1999) and Bauman (1998, 2000), to suggest the freedom of choices in their accounts of contemporary identity formation, there is some evidence that choices around the consumption of particular goods and property are fundamentally related to class.

For instance, Holt (1998) has explored the relationship between an individual’s position within the social hierarchy and their taste and consumption. Differentiating his sample into those with high cultural capital and those with low cultural capital, Holt found that ‘consumption patterns do vary by cultural capital across a variety of dimensions’ (*ibid*, p. 19). In particular those with high cultural capital were intent on reflecting their ‘individualised subjectivity... so central to their habitus’ by avoiding mass ‘market-constructed images’ and assets they viewed as ‘contrived’ (*ibid*, p. 21). Instead this group utilised objects that are ‘decommodified’, enabling them to construct ‘a unique, original style’ (*ibid*, p. 14) that was ‘a highly valued mark of distinction in their social milieu’ (*ibid*, p. 21). Whereas those with low cultural capital were more ‘ready to accept the marketized meanings of branded products’ because they act as ‘signals of functional utility and

economic scarcity' (*ibid*, p. 21), or in other words signal the individual's mastery of material constraint. Holt suggests this group 'pursue lifestyles in a less individuated manner that neither precludes commodities nor demands unique identities' (*ibid*, p. 21).

For further evidence of the relationship between consumption and class, the consumption and purchase of clothes is a useful medium for analysis. For centuries, clothes have traditionally symbolised various social, cultural, and economic signifiers about their owners and wearers (Finkelstein, 1991). As Skeggs (2004, p. 101) points out, items of clothing and ways of wearing clothes can operate as 'condensed class signifiers'. As well as creating distinctions, studies have argued that clothes act as a medium through which individuals present their desired self-image to others (Finkelstein, 1991; Galilee, 2002). Miles, Cliff, and Burr (1998) conducted research into the consumption habits of young people, and found their clothing choices provide a dual role in relation to identity formation. Amongst their participants clothes were used to highlight their own individuality while also attempting to align themselves with their peers. Miles et al. (1998, p. 89) argue this paradox highlights a belief within the young people that shows 'everybody's individual taste somehow transforms itself into communal taste, that the group context merely provides an arena for personal expression, despite the inherent realisation that the group context is a crucial factor in influencing consumption patterns'.

In a study that investigates the clothing habits of urban working-class youths, Archer, Hollingworth, and Halsall (2007) found that their investment in 'style' differs qualitatively from middle-class youths because they are produced from different locations and positions of power. Archer et al. (2007, p. 223) note how the young people within their study actively 'took up and constructed collective (classed) identities (creating distinctions between "us" and "them") through their consumption of particular (sportswear) brands and by owning, performing, reading and manipulating different branded styles'. Chenoune (1993) documents the rise in designer clothes from the 1980s and shows how this was used by the upwardly mobile working-class to designate success and authenticity. Chenoune (1993) claims that designer clothes, and in particular sportswear, were adopted by young working-class men to designate class aspirations and money and also to win respect from their peers. Archer et al.'s (2007) study validates this claim by showing the cultural markers set by a successful working-class are now used to distinguish self-worth and respect amongst the current generation, pointing to dispositional factors in consumer activities and identity construction. Archer et al. (2007, p. 224) go on to argue the 'consumption' of 'branded fashion were valued as a form of identity capital (that

commanded an exchange value amongst peers)', which in turn allowed them to 'feel better' about themselves. However, Archer et al. (2007) stress:

[I]n order to take up this position, the young people had to argue against middle-class definitions of quality, so as to assert the value of the Nike brand as a signifier of 'quality' and worth that could be attached to the working-class individual wearing the brand. (p. 224)

In turn, this process 'links up to issues of social inclusion and exclusion whereby individuals believe that they need' an expensive branded item to be part of a group, 'making an individual's identity, in some ways, a type of structured construction' (Boden, 2006, p. 1.4). Such success is the result of vast amounts of money spent on market research and subsequent brand marketing and advertising. The stimulus created by advertisers and marketers creates enormous pressure on individuals to resist popular items, which can eventually result in them being stigmatised or marginalised on the basis of not being able to join in. As Marsh et al. (2007, p. 33) suggest, we consume objects because 'we want to be associated with all the references implicit in that object's identity' 'in essence, we want to become a member of the community of owners of that brand'.

Nonetheless, the study by Archer et al. (2007) shows how the use of brands and the value this creates is different depending on the individual's social position. To a working-class youth their consumption of the 'Nike style' generated self-worth and an exchange value amongst peers, however, from a middle-class perspective it could signify 'danger' or 'threat', negativity and tastelessness (Archer et al. 2007, p. 223). Therefore, even where groups may seek recognition through expensive sports brands this is seen by those who already have recognition as crass. As Lawler (2005, p. 800) emphasises, *class* processes can become visible in consumptive patterns because it reveals the attempt by working-class individuals to participate in consumerism, without the 'knowledge and taste' to 'enable them to "see through" consumerism'. In contemporary discourse the term given to working-class youths who invest in the sportswear brand is 'chav' (Jones, 2012). Although – as already noted – for individuals investing in this identity it allows acceptance and belonging amongst their peers and provides a source of value, for individuals operating in other social milieus and from other social positions it represents a lack of knowledge and taste of consumer society. In this context, consumption of different consumer objects is 'rendered intelligible because other consumers' understand these acts (Ransome, 2006, p. 92), but these acts of consumption have different meanings for particular social classes.

Thus, as Bourdieu (1984) would argue categories of taste are socially constructed and are defined by the social circumstances in which the cultural product is produced and consumed. For working-class youths ‘appearance and the body can provide one of the few potential resources and sites for the generation of worth or value’ (Archer et al., 2007, p. 225). Whereas for the middle-class, not only is value and worth found in other aspects of consumption, but branded clothes are associated with other individuals and groups that they wish to distinguish themselves from (Galilee, 2002, p. 45). Therefore, wearing branded clothes is not something these individuals want to invest in for their identity formation, and instead it is something they consciously avoid.

According to Skeggs (2004), the middle-classes are more likely to be successful in translating their capitals into symbolic capital, that is, to achieve status through consumption. As a result, Skeggs (2004) criticises Giddens’ (1991) depiction of reflexive self-construction because it ‘ignores the role of resources and processes of inscription by privileged others in producing self-identity’ (p. 52), and, as such, ‘resonates only with the experiences of the middle classes’ (p. 54). Consequently, for Skeggs it is only individuals in privileged positions who have the propensity to be reflexive – to change and experiment with one’s lifestyle choices – because they have the economic capital that can facilitate this process. For groups with limited economic capital their reflexivity is stifled, as they are constrained to a lifestyle based on a particular class habitus and conditions of existence.

In summary, by analysing the mechanisms underpinning the consumption of clothes it is clear that class processes operate, often to reproduce distinctions and hierarchy. Cultural class theorists further argue through our purchase of possessions – such as houses, car, *et cetera* – and through our engagement in mundane activities – such as our eating and drinking preferences – we reflect stocks of economic and cultural capital and provide relational cues to others who draw conclusions about our relative social class position (Sullivan, 2008; Bennett, Savage, Silva, Warde, Gayo-Cal, and Wright, 2009). As Bottero (2004, p. 990) emphasised, ‘such distinctions construct not class identities, but classed identifications’. In turn individuals are sending signals about their own social structural position through these very same acts of consumption. Indeed, as Bernthal and colleagues (2005) argue, acquisition of material possessions allows one to ‘sort, distinguish, and ultimately stratify’ our consumption expressions against measures of economic, cultural, and/or social capital (Bernthal, Crockett, and Rose, 2005, p. 134). Therefore, the idea that class is dead and consumption is now the sole influence on identity formation is suspect, as it is clear class still exhibits itself through consumption.

Nonetheless, there are two central criticisms that can be directed at these positions. The first involves the disregard for the role of additional resources in acquiring cultural goods. In everyday interactions the consumptive activities of others are deemed to act as a proxy for wealth or income, generally because a certain economic capacity is needed to sustain a certain lifestyle. However, although Skeggs and other theorists challenge Giddens for ‘ignoring the role of resources in producing self-identity’, a focus on culture has also obscured the way access to additional economic and material resources underpins consumption in the first place. The second, linked to the first, involves a lack of attention in Bourdieusian accounts given to reflexivity within consumption choices. Each will be dealt with in turn.

### **3.8 Economic capital and identity formation**

In picking up the first of these criticisms, Crompton and Scott (2005) argue, ‘a renewed emphasis on identity and difference should not be allowed to obscure or to downgrade one of the major preoccupations of class analysis, which is the study of structured inequality’ (p. 191). Savage (2000) in fact points to the strength of the concept of class in relation to issues of inequality: ‘One of the most powerful defences of social class is that no other concept rivals it in exploring the sociological ramifications of economic inequality’ (p. 43). Yet it seems there are issues that if sociology privileges ‘the cultural over the social and economic’ then questions relating to these latter fields are reduced to a form of ‘cultural layering’ (McLennan, 2002, p. 639). The concern with cultural class analysis is that *structural* inequality as a phenomenon – that still persists and has become more pervasive in Britain – is partially obscured from sociological enquiry. Consequently, Crompton (2010) argues that with the ‘turn to individualisation’ in accounts of contemporary social change, neoliberal discourses – that submit individuals are to blame for their circumstances – go unchallenged.

So although the role of consumption is documented in the construction of identity by theorists working in both the reflexive individualisation and cultural class traditions, there is little attention paid to the way in which amplifying differences in economic and material resources affects an individual participation in consumerism. This is despite Bourdieu’s (1986, online) assertion that, ‘economic capital is at the root of all the other types of capital’. This oversight leads Burton (2008, p. 26-29) to submit, ‘the cultural independence and power of money remains largely unquestioned’, an omission that is

'particularly significant with respect to consumer credit and its role in underpinning consumption... and consumer society'. This is a very important point, because access to economic capital, in whatever capacity, is essential for consumption. Various authors have drawn similar conclusions. Ritzer (1995) states credit is in fact the linchpin the holds consumer society together. In a similar vein Mort (2000, p. 273) asserts, 'underpinning the retail expansion and exacerbation and proliferation of perspective's around consumption has been the expansion in credit'. More crucially in the context of this thesis, Sullivan (2008) suggests, 'the ready availability of consumer credit has made it possible for many people to simulate the consumption of a class to which they may not yet belong or to maintain the typical consumption of a class from which they do not wish to fall' (p. 52). Take a moment's thought: credit and debt are mechanisms that *can* enable an individual to obtain economic, cultural, and/or social capital outside of their given social position and thus help simulate a social class position, obscuring the real openness of a social system. If this is indeed the case, Sullivan (2008. p. 48) argues credit use and debt act as a 'contributor' to a 'fuzzy consumption signal' and as such play a role in complicating the boundaries of social class. Actually, unless a home or car is repossessed, bankruptcy or another public legal event occurs, the extent of an individual's or family's debt is unknown to their social network (Sullivan, 2008). Sullivan (2008) subsequently submits credit and debt are crucial covariates of social stratification, but acknowledges they are rarely analysed dimensions.

At a time of unprecedented systemic growth in credit conducted under the banner of the 'democratisation of finance', one would assume credit would have featured more prominently in the theoretical debates on identity formation. Nonetheless, in the main credit and debt have seldom featured in the accounts of identify formation discussed up to this point. Anthony Giddens and Ulrich Beck make no reference to credit in their accounts of reflexive individualisation. In 2007, Zygmunt Bauman does finally acknowledge credit and debt are key tools in the consumptive process, but this is just prior to the financial crisis and after 20 years of omitting access to credit as a resources underpinning consumption in his theories of contemporary social and cultural change. In 2009, Tony Bennett and various cultural class theorists published *Culture, Class, Distinction*, a book that systematically explored the social aspects of cultural practices and tastes in contemporary Britain to determine whether Bourdieu's arguments are transferrable to a British context (Bennett, Savage, Silva, Warde, Gayo-Cal, and Wright, 2009). However, there is *no* reference, in the entire research project, of the role of credit and debt in

acquiring assets, cultural goods or possessions. In 2013, a group of researchers led by Mike Savage conducted the Great British Class Survey (GBCS) and subsequently published a seven-class schema ‘inspired by Pierre Bourdieu’s conception of economic, social and cultural capital’ (Laurison and Savage, 2015, online). However, in constructing variables on economic capital, Savage et al. make no reference whatsoever to credit and debt. Instead the authors use measures on ‘household income, household savings and house prices’ to create an ‘assets variable’ they use as a proxy for economic capital, despite a mortgage being absolutely essential in the acquisition of a property (Savage, Devine, Cunningham, Taylor, Li, Hjellbrekke, Le Roux, Friedman, and Miles, 2013, p. 9, 11). In the case of Bennett et al. (2009) and Savage et al. (2013) the omission is problematic given the weight Bourdieu afforded credit in his seminal text, *Distinction*. Indeed, Bourdieu (1984, p. 159) is aware of the function credit can serve in the ‘dialectic of upclassing and downclassing’ described earlier in this chapter:

It is no accident that *credit* is so important in this system. The imposition of legitimacy which occurs through the competitive struggle and is enhanced by the gentle violence of cultural missionary work tends to produce pretension, in the sense of a need which pre-exists the means of adequately satisfying. And in a social order which acknowledges that even the most deprived have the right to every satisfaction, but only in the long run, the only alternatives are credit, which allows immediate enjoyment of the promised goods but implies acceptance of a future which is merely the continuation of the past, or the ‘imitation’ – mock luxury cars, mock luxury holidays and so on. (p. 160)

Bourdieu’s *Distinction* was completed in 1979, and at the time credit use in France was severely limited by contemporary British standards. Unsecured credit lending (overdrafts, credit cards, loans, *et cetera*) in France and Britain remained quite similar up until the 1980s<sup>11</sup>. From the 1980s the two countries diverged considerably, to the point that by the 2000s France had very different credit practices to Britain. Even at its peak in 2005, unsecured credit had reached just 11 percent of disposable income in France (Trumbull, 2014, p. 3), whereas in Britain it stood at 26 percent (Payne, 2013, p. 2). Trumbull (2014, p. 3) notes, ‘France has consistently had among the lowest levels of consumer indebtedness of European countries with well-developed financial sectors’. Whereas Britain sits at the very top, reflected by their 73 percent share in the European

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<sup>11</sup> Between 1955 and 1985 unsecured credit rose only gradually from 1 percent to 3 percent of disposable income in France, whereas in America it fluctuated consistently between 15-20 percent (Trumbull, 2014, p. 3), and in Britain, in 1979, it stood at 5 percent of disposable income (Payne, 2013, p. 2).

credit card market (British Banking Association, 2014, p. 8). So although credit practices in France and Britain were similar until the early 1980s, Britain has since experienced a proliferation of credit comparable only to the United States.

Yet Bourdieu clearly acknowledges in *Distinction* the centrality of credit in subverting the established social order: ‘The gentle violence of cultural missionary work tends to produce pretension’ (1984, p. 160) – that is, affected behaviour that results in individuals drawing on credit to give an appearance of greater importance, status, or knowledge than their social position dictates or, without credit, would be permissible. But due to the limited use of credit in France at the time of writing Bourdieu gives it only a cursory consideration in his thesis, and understandably so. Nonetheless, the proliferation of credit within Britain does draw into question the operations of distinction within a British environment, and sheds new light on some of the arguments presented up to this point mainly because it has been fundamentally excluded from any form of analysis by cultural class theorists. It was noted earlier how Skeggs (2004, p. 52, 54) criticises Giddens’ (1991) depiction of reflexive self-construction because it ‘ignores the role of resources and processes of inscription by privileged others in producing self-identity’, and, as such, ‘resonates only with the experiences of the middle classes’. It is now clear that Skeggs, Bennett, Savage, and other cultural theorists, fall into a similar trap as Giddens because they do not acknowledge the role of credit, as an additional resource, in subverting the system of distinction by ‘imitation’ and thus fail to recognise the way the established social order may be affected as a result. In consequence, although these theoretical accounts try to explain contemporary social change and identity formation they fail to take account of the most important structural factor in the construction of identities: access to, and use of, economic resources.

Limited attempts have been made to explore the questions Sullivan raises and Bourdieu’s analysis of credit suggests. One attempt is provided by Bernthal et al. (2005), who explore the connection between credit cards practices, embodied cultural capital, and consumption patterns. Like Holt (1998) they differentiate their sample based on those with high cultural capital and low cultural capital, and find that the skills and tastes expressed by credit card practices ‘very clearly’ distinguish the lifestyles of those with differing amounts cultural capital (Bernthal et al. 2005, p. 136). More specifically, Bernthal et al. (2005) found those with high cultural capital are sensitive to distinctions in consumption symbols that align them with others who share similar social positions. Furthermore, their credit cards practices are used as ‘a weapon in an escalating competition of consumption

markers', in particular, the authors note, through the purchase of furniture when moving into a property (*ibid*, p. 136). Bernthal et al. define the high cultural capital groups' credit cards practices as 'keeping up with the Joneses' (*ibid*, p. 136). In contrast, Bernthal et al. argue those with low cultural capital draw upon credit cards to signal raw purchasing power intended to move them away from stereotypes of material constraint, in particular, with the purchase of clothes and other goods within the public sphere. Bernthal et al. define the groups' credit cards practices as 'showing off' (*ibid*, p. 136). Overall, Bernthal et al. state all of the participants within the study 'are interested in signalling information to others about their lifestyles through their use of credit cards', and 'they do so in ways designed to enhance their particular store of cultural capital' (*ibid*, p. 137). The study provides important insights into the way credit is mobilised to signal a particular lifestyle to others, however, the study focuses solely on the use of credit cards excluding other forms of consumer credit. Given that credit cards account for just 4 percent (£57.4 billion) of the total amount of personal borrowing (£1.43 trillion) in Britain per year (UK Card Association, 2014, p. 9), greater attention needs to be paid to the other aspects of credit use. It is also unclear the extent credit cards were used to obtain cultural goods that were generally regarded as 'outside' the individuals' social position.

In sum, the research exploring the links between the dispositional nature of identity and consumptive activities indicates there are clear differences between those with high and low cultural capital (for example, Bourdieu, 1984; Holt, 1998; Galilee, 2002; Skeggs, 2004; Archer et al., 2007). These patterns seem to be maintained even with those who draw upon credit to facilitate their consumption (Bernthal et al., 2005). But what about Bourdieu's (1984) and Sullivan's (2008) suggestion that credit can act as a subtle, hidden tool by an individual to alter their representation (i.e. to acquire stocks of economic, cultural, and social capital linked to other social positions) within social space. That credit can enable the individual to imitate a lifestyle that is detached from their economic circumstances, creating misty boundaries between different social groups in the process. If this is the case, what does this indicate about the dispositional/reflexive dispute at the heart of contemporary accounts of identity formation?

### 3.9 Identity formation in neoliberal sociality

In considering identity formation in the context of neoliberal sociality we are left with two positions: Bourdieu's notion of the *habitus* and Giddens' notion of *reflexivity*.

Often the two notions that form the bedrock of their respective theories on identity are deemed to be in contradiction with one another. Bottero (2010, p. 4) states that dispositional accounts of identity, constructed from Bourdieu's framework, are used to 'rein in the voluntarism' of reflexive accounts 'which – it is argued – present identity in unsituated' and 'over-rationalised' terms. Bottero (2010) states the issue between *disposition* and *reflexivity* has formed a key theoretical debate between proponents and opponents of Bourdieu's theory. Key here is how other theorists challenge Bourdieu's theorem for focussing too greatly on dispositions at the expense of reflexivity. A case in point, Jenkins (1992) charges Bourdieu with being deterministic: 'The analytical emphasis falls upon causes rather than reasons' whereby 'structures produce the habitus, which generates practice, which reproduces the structures, and so on' (as cited in Robbins, 2000, p. 152). Indeed, if individuals, as Sullivan suggests, alter their respective social position in response to the physical stimuli they encounter, then doesn't this imply some form of reflexivity (i.e. some form of conscious action on their social circumstances)?

It must be noted that Bourdieu does not entirely rule out reflexivity, but suggests it only emerges 'in situations of crisis which disrupt the immediate adjustment of habitus to field' (Bourdieu, 1990, as cited in Sweetman, 2003, p. 536). In this context, 'consciousness and reflexivity are both cause and symptom of the failure of immediate adaptation to the situation' (*ibid*, p. 536), but are limited, in the main, to periods of crisis that 'engender a temporary disjunction between habitus and field' (Sweetman, 2003, p. 536). Thus, from Bourdieu's position reflexivity emerges from 'disruptions to the habitus' (Bottero, 2010, p. 8). Although this means Bourdieu sees reflexivity as an exception to more general processes of pre-reflective, dispositional practice, there is still 'considerable force to this idea' because it opens the space to explore reflexivity in periods of 'crisis' (Bottero, 2010, p. 8).

Bourdieu (1990) argues the habitus, as a durable and relatively stable 'system of dispositions', only develops through 'lasting experience of social position' (Bourdieu, 1990, as cited in Sweetman, 2003, p. 541). Bourdieu argues the habitus avoids disruptions, crisis or changes which might challenge 'its accumulated information' and instead provides 'itself with a milieu to which it is as pre-adapted as possible, that is, a relatively constant universe of situations tending to reinforce its dispositions' (*ibid*, p. 541). This analysis draws us back to the concept of 'ontological security' already documented earlier in this chapter, and it indicates that the two positions are not as far apart as the debate would imply. To recap, ontological security is based on: relatively secure environments in which

habits and routines can be constructed; the development of identity; undertaken in circumstances of co-presence; and a network of trust relations that protect the individual. Furthermore, it was noted that individuals in contemporary society are seeking ontological security (Giddens, 1991; Croft, 2012). It is clear Giddens' notion of ontological security shares similarities with Bourdieu's contention that the habitus, as a durable and relatively stable 'system of dispositions', only develops through 'lasting experience of social position' (Bourdieu, 1990, as cited in Sweetman, 2003, p. 541). They are both suggesting that a stable identity is developed over time through stable conditions of existence, wherein the 'lasting experience of social position' creates ontologically secure individuals. Nonetheless, as this chapter also revealed, there is a fifth element embedded to the concept of ontological security: 'The ontologically secure individual can never be always secure in that position; there is always a precariousness' (Croft, 2012, p. 222-3). To reiterate, the precariousness of social life is linked to the *stability of social instability* (described in Chapter 2) that embodies neoliberal sociality. Neoliberals encourage this process because they believe 'creative destruction' of economic and social structures by ceaselessly replacing 'the old with the new', is the 'engine of economic growth', which they argue brings prosperity (Sorman, 2008, online). Thus, the social landscape is incessantly buttressed by rapid product innovation and dissemination, structural restructuring (redevelopment of buildings, architecture, and space), and amplifying economic inequality that leads to magnified differentiation increasingly visible in social space. It is these amplifying differentiations that present 'crises', because 'rapid, pervasive and ongoing changes' to the social terrain itself, 'can lead to a more or less permanent disruption of social position, or a more or less constant disjunction between habitus' and social milieu (Sweetman, 2003, p. 541). Indeed, this final point is central to the subsequent chapter and to this thesis as a whole, and requires a detailed articulation.

### **3.10 Credit, inequality and identity formation**

Miller and Rose (2008, p. 48) encapsulate neoliberal governmentality as a 'complex web of relays through which [the] economic endeavours of politicians and corporations have been translated into the personal capacities and aspirations of subjects'. To expand, neoliberal governmentality has enabled the development and production of consumer credit as a profit making enterprise, through which individuals who invest in consumer credit are able to extract profit from credit agreements which are actively disseminated to

people throughout the socio-economic system for this purpose. Following on, neoliberal governmentality promotes a bundle of ‘common-sense’ notions that form the pillars of the discourse – the market, the pursuit of private property, and self-governing consumers acting through ideals of self-responsibility and flexibility – via a ‘cultural and ideological atmosphere’ (Lahire, 2003, p. 337), which, in turn, infiltrates the social fabric as legitimate norms, values and ideals. Subsequently, individuals in contemporary Britain are encircled by these norms, values and ideals, and are socialised into them<sup>12</sup>. Indeed as Atkinson and Blandy (2007, p. 451) argue, ‘ownership is not merely about control but is also about being implicated in a wider market-oriented ideology and experience, which itself has been privileged by governments supporting these constituencies’ (p. 451).

In the process individuals develop a broad array of dispositions which are used to construct meaning and build our identities, dispositions which owe their composition, form and force to the socialisation processes that created them, and which are defined by the individuals’ position in relation to the dominant culture (Lahire, 2003). But what’s more individuals are encouraged to pursue these norms, values and ideals regardless of their capacity to achieve them. Providing an added layer to this conceptualisation, Lahire (2003) argues:

We live in societies in which agents may embody beliefs, i.e., norms, models, values, ideals, etc. without having the material and/or dispositional means of respecting, realizing, reaching, or achieving them. For example, living continuously in a cultural and ideological atmosphere in which the benefits of consumption are praised may lead social agents to dream of consuming in order to ‘feel good’, ‘be happy’, or ‘be in on it’. However, these very agents may be without the economic means allowing them to act according to their beliefs; consequently, they may feel temporarily or permanently frustrated. (p. 337)

The articulation by Lahire points directly to the purpose that inequality serves: it accentuates relational difference by revealing individuals who are complying and pursuing dominant neoliberal norms and those who are not. The ‘equal right to inequality’ (Habermas, 2000) that neoliberalism advocates, justifies the accumulation and concentration of excess economic capital at the top – creating individuals awash with

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<sup>12</sup> It is no coincidence that a large proportion of low-income households were drawn to credit from the early 1980s for home ownership; particularly as a result of the ‘Right to Buy’ council homes policy where 1.7 million social housing units were sold to tenants at discounted prices between 1981 and 1995 (Hill, 1998, p. 8; see also Ford, 1991).

money and eager for new instruments in which to invest – and it also vindicates the growing disparities between individuals. As inequality expands an amplifying process takes hold; which from the outset the directional nature of neoliberalism, and the policies it expounds, is fundamentally and inextricably geared towards creating. In this context inequality feeds the underlying systemic mechanisms that define neoliberalism which are constantly in progress, constantly amplifying, constantly intensifying. The amplifying process of inequality heightens and intensifies our sensual response to the physical stimuli we encounter. Thus, inequality emerges as a relational phenomenon that underpins the dynamics of neoliberal sociality; it diversifies society, creates new opportunities for investment in emergent social fields, implementing profit streams where previously there were none, which further magnifies relational practices between individuals.

Actually this is something that neoliberals themselves do not try to disguise or assuage; in fact they are open about the role inequality plays. For instance, a cursory look at the positions of three individuals in alignment with the neoliberal epistemology will substantiate this point. To begin, John Meadowcroft (2007, p. 3), a regular author for IEA publications, argues ‘without economic inequality there can be no economic progress and therefore no prosperity’. Meadowcroft (2008) extends this argument:

[E]conomic inequality... is in fact essential to achieving economic growth and raising living standards. Economic growth cannot take place uniformly and universally... but rather it must take place in echelon fashion, so that some people advance before others and therefore enjoy a superior standard of living to many of their contemporaries. Economic growth involves a process of innovation, imitation and learning... The inequalities of the past have driven the prosperity we enjoy today... It is a shame that today many politicians of all parties... do not appreciate the importance of economic inequality to our continued prosperity. (p. 58)

In a similar line of reasoning, Richard North (2005) argues:

In a nutshell... inequality... seem[s] rather good for some rich countries: that is to say, [it] tend[s] to be rather good for everyone in those societies. This implies that at least to some degree the existence of poverty is good for nearly everyone (perhaps including the poor) in rich societies... The more important point... is that expediency should make the non-rich understand the great value to the whole of society of the very rich. Imposing equality is more dangerous to us all even than letting inequality rip. (p. 64, 66)

Not dissimilarly, the Mayor of London Boris Johnson, in the Third Margaret Thatcher annual lecture held at the Centre for Policy Studies in late 2013, suggests: ‘I don’t believe

that economic equality is possible; indeed, some measure of inequality is essential for the spirit of envy and keeping up with the Joneses that is, like greed, a valuable spur to economic activity' (p. 8). In this context inequality serves one further purpose: it provides individuals with valuable information 'about the likely consequences of different courses of action' (Meadowcroft, 2007, p. 3), this is because inequality signifies the 'winners' and 'losers' of this system who are then thrust to the fore as the benchmarks of either correct or incorrect forms of behaviour and action. North (2005, p. 126) stresses, 'this is important to the moral quality of capitalism: we allow the winners to take so much because we can't be bothered to worry about failures'. It is here the dominant discourse surrounding the 'causes' of inequality are most poignant and effective.

In a system of amplifying inequality the class processes discussed earlier are magnified not eliminated: distinctions become more noticeable, more poignant and more relevant because growing inequality accentuates them. So people feel and experience class processes because people also *feel* and *experience* the operations of inequality. As a result, inequality and class processes are mutually reinforcing and they operate in the same way: relationally. For that reason, inequality is not only a system of income inequality it is a process that occurs in everyday social interactions. Wilkinson and Pickett (2014) provide a clear and astute account of inequalities effects:

The truth is that human beings have deep-seated psychological responses to inequality and social hierarchy. The tendency to equate outward wealth with inner worth means that inequality colours our social perceptions. It invokes feelings of superiority and inferiority, dominance and subordination – which affect the way we relate to and treat each other... [G]reater inequality amplifies the impression that some people are worth so much more than others, making us all more anxious about how we are seen and judged. Some are so overcome by lack of confidence that social contact becomes an ordeal. Others try instead to enhance self-presentation and how they appear to others. (Online)

To expand, the information that social structures of inequality carry delivers information about individuals in social space, who are accessing and accumulating different forms of capital – whether economic, cultural, and/or social – in order to signal and symbolise a specific social position. Any individual observer at a specific moment in time and space is generally unable to distinguish whether the type of capital an individual has accessed and displayed was procured through a 'financial surplus' or through 'borrowed funds', but every individual is influenced by the altering status of others. An individual's consumption

habits affect other individuals as they are compelled to draw information about the subject's social position through those practices. Indeed, various empirical studies support the view that amplifying income inequality induces increased consumption to maintain social position (Krueger and Perri, 2002; Morgan and Christen, 2003; Wilkinson and Pickett, 2010; Frank, Levine and Dijk, 2010; Heffetz, 2011). Substantiating this point, and echoing the argument made by Bourdieu, Frank et al. (2010) argue:

[P]eople do not exist in a social vacuum... The rich have been spending more... their spending shifts the frame of reference that shapes the demands of those just below them, who travel in overlapping social circles. So this second group, too, spends more, which shifts the frame of reference for the group just below.

However, 'it is here that we arrive at the limits of Bourdieu's conceptual framework', because he and his followers 'fail to see the potential of working class resistance to discursive practices of othering' (Tyler, 2015, p. 501). Instead, a growing body of research reveals 'a more radical understanding of class as struggle and highlights the way in which people activate alternate values with which to deflect and contest class stigma' (Tyler, 2015, p. 501). Crucially then, according to Lahire (2003, p. 353), 'different "forces" act upon individuals according to the social situations in which they find themselves', but all individuals are provided with valuable information regarding the consequences of different courses of action, reflected through the capital stocks that each individual is displaying at any given moment in time and space. Social structures of inequality thus impact on the way an individual perceives themselves in relation to the forces that are arrayed against them. Our actions and behaviours are not determined by this information but we draw upon it to construct our sense-of-self and decide our social position in relation to it. In this context, inequality amplifies relational practices and in the process it heightens our perception of ourselves in relation to 'some other thing' or person. As Giddens (1991, p. 43) astutely observes, 'we come to know reality not from perceiving it as it is, but as a result of the difference formed in daily practice'. The negotiation of identity becomes ever more fundamental the more inequality, or difference, is intensified. Accordingly, the pursuit to achieve ontological security has to be considered in the context of neoliberal politico-economical sociality because it is the precariousness, the fragility, of the social world – created by and through these processes – that bombards the individual as they interact with each other in social space, which creates, in response, the potential for 'existential anxieties' about the social world and ones place within it.

Lawler (2008) articulates the link between ontological security and identity: ‘There is an anxiousness and a defensiveness at the heart of all identity. Far from being stable, coherent, and unproblematic, we might see identities as always built on an edgy repudiation of a variety of ‘threats’’ (p. 142). These ‘threats’ and anxieties are in fact exploited by financial industries who train their employees to utilise types of emotion work to sell credit, in particular by making appeals to the individuals deep sensitivities and anxieties about money, family, and self (Poster, 2013). It is not just working class people who are propelled to respond to the classifications that encircle their unequal social position, but people throughout the whole continuum of society (Rigby, 2014, as cited in Tyler, 2015). Consequently, those who are static whilst others are ‘moving’ may feel a sense of impeding anxiety, created through our interactions with social space and social institutions. In order to counteract those feelings of anxiety and to maintain ontological security, individuals must be set ‘in motion’; they must become adaptable, changeable, and responsive to the conditions that surround them – to the relational substance of social life. Thus, the search for ontological security is a phenomenon that is ‘actively sought at a conscious level’ (Dupuis and Thorns, 1998, p. 30). Adding to this point, Sweetman (2003, p. 540) states, ‘adopting a particular lifestyle may lend temporary stability to one’s everyday life and to the narrative that one has chosen to adopt, but such choices are themselves open to continual revision’. Clegg (1997) encapsulates the essence of identity formation from these foundations:

[I]identity is never fixed in its expression nor given by nature... Membership in a category as a particular type of subject is the effect of devices of organization; thus identity is contingent, provisional, achieved not given. Identity is always in process, always subject to reproduction and transformation through discursive practices that secure or refuse particular posited identities. Identities are not absolute but are always relational: one can only be something in relation to some other thing. (p. 29)

In essence, the analysis by Clegg regarding the operation of identity formation is fundamental to this thesis. In considering identity as something that is ‘contingent’ and ‘achieved’, as something ‘in process’ and subject to ‘transformation’, as something that is ‘always relational’ we arrive at individual identity formation linked to the beat of neoliberal governmentality; which is also contingent, in process, founded on the continuing *stability of social instability*, and subject to transformation and constant adaptations. Hence, just as neoliberalism is a *directional* phenomenon so too must identity formation within a system

of neoliberal governmentality. Directionality refers to the search for ontological security within a system of distinction. A changing and expanding system of distinction means the ‘lasting experience of social position’ that constructs the habitus is under threat and individuals are compelled to maintain it; thus ontological security becomes an ‘in motion’ process (Dupuis and Thorns, 1998, p. 30) to maintain a social position.

For that reason amplifying inequality is a social force which constructs different scenes and contexts, institutions and groups, which individuals must then pass through, draw knowledge from and navigate. In consequence, individuals who have been encouraged to act as self-governing consumers with value systems that are built on personal responsibility and flexibility – ideals which have become deeply-entrenched aspects of people’s self-conception (Smith-Maguire and Stanway, 2008) – are compelled to draw on their own resources, with resources they can access, to operate in and negotiate this expanding system of unequal relations. With this framework in mind, Lahire (2003) noted earlier that gaps sometimes occur between a person’s beliefs, their sense-of-self, and their ability to act according to these beliefs or dispositions due to their lack of material or economic means. In consequence – and here we arrive at the crux of the matter – access to alternative sources of economic capital, such as credit, emerges as one tool that can be invested to *resist* and *overcome* the relational nature of social ordering instigated by inequality. This is because credit can be *converted* into other forms of capital – whether economic, cultural and/or social – depending on the individuals’ assessment of ‘the particular circumstances of time and space’ (Hayek, 1948, p. 80) that they are subjected to. In this framework, it is argued that credit provides the means through which individual ‘agents can stand back from their milieu, reflect critically on their habitus, and act to transform it’ (Sayer, 2004, as cited in Bottero 2010, p. 11). On this basis it is possible to overcome our economic capital stocks (such as our income, savings and wealth) by drawing on credit as a separate resource in which to acquire and display capital, or in other words to convert in our attempts to accumulate value and build our identities. For that reason, the use of credit enables the *potential* for an individual to *overcome* the disparities between their beliefs, their sense-of-self, and their ability to act according to these beliefs or dispositions due to their lack of material or economic resources (Lahire, 2003). In essence, credit offers the potential to engender reflexivity which in turn can help construct an alternative identity placement. Therefore, the use of credit provides a tool that can enable the individual to act out and form an identity through the appropriation and accumulation of capital(s), and in relation to the class mechanisms they are exposed.

### **3.11 Chapter summary**

The first three chapters of this thesis have revealed that credit is the underpinning dynamic to neoliberal common-sense notions – the market, the pursuit of private property, and the self-governing consumer. Furthermore, these processes are supported by an assault on welfare, de-unionisation, and social and economic policies that result in the amplification of inequality. Against the backdrop of ‘in progress’ structural changes to society, an expanding group of theorists began to argue ‘class’ is no longer a relevant theoretical or analytical tool. However, Tyler (2015) asserts these changes are the result of attempts by neoliberals to decompose traditional class practices in order to embed financial capitalism. Facilitating class decomposition has been a move to an ideology of individualism that has shifted blame for the causes of inequality onto individual subjects and identities. Those unable to participate in the consumptive sphere are defined by neoliberals in unfavourable terms: as stigmatised ‘flawed consumers’. In such a position, is it any wonder that individuals dis-identify with the conceptual arsenal deployed against them to define their social position.

In this chapter I attempted to deconstruct the theoretical accounts that have emerged to explain individual behaviour within a neoliberal economic, social, and political formation. Particular attention was given to reflexive individualisation and cultural class analysts and the debate as to whether consumption can be regarded as a reflexive choice decoupled from structural location or a reflection of dispositions. The chapter concluded that there is some validity to both of these positions, but the key is recognising the processes that engender reflexivity. It was argued that amplifying inequality provides conditions for reflexivity because it intensifies social class processes of distinction. At its most fundamental reflexivity is the engagement of individuals with the structural conditions of their existence, taking steps to avert issues or problems that could challenge their social position and sense of ontological security. According to Skeggs (2004) resources are one of the mechanisms that engender reflexivity, and due to their greater access to economic resources, reflexivity resonates only with the experiences of the middle classes. However, at the same time as theoretical accounts emerged suggesting a decoupling of economic position with cultural activities controls on credit had been unhinged, so is it unreasonable to assume that the former is at least partly explained by the latter? It maybe that the reflexivity some proponents suggest defines contemporary identity formation is

just merely those individuals who are drawing upon credit to acquire economic and cultural capital that would otherwise be impossible if credit were unavailable at the scale witnessed since 1980.

Although in this chapter we have discussed a social order that does reveal class influences on consumption, it was proposed that discourses surrounding inequality and the social conditions that amplifying inequality engender, may encourage individuals to acquire capital(s) that are a reflection on, not a reflection of, dispositional practice (Bottero, 2005), and that credit emerges to facilitate this endeavour. As such, there are crucial questions that lay at the heart of contemporary disputes over identity formation, and the majority of these relate to the covariates credit and debt. These issues will be explored in the three empirical chapters of this thesis (Chapter 5, Chapter 6, and Chapter 7) where interview data of 19 individuals in financial difficulties is presented. But before this data is discussed, Chapter 4 will explore the process undertaken to acquire the data along with detailing the demographic and financial characteristics of the projects participants.

## **CHAPTER 4**

### **Methodology**

*It is through methods that methodology and epistemology become visible.*  
Stacy Carter and Miles Littler (2007, p. 1325)

#### **4.1 Introduction**

The previous three chapters charted the theoretical rationale behind the project's aims and objectives. This chapter outlines the methodology of the project. The methodology will justify the methods used as the foundation of this project and from which the data informing the conclusions are drawn. In order for this to be achieved, I will begin by clarifying the methodological position adopted, before detailing the rationale driving the use of in-depth semi-structured interviews as a data collection tool. I will then outline the process used to identify and recruit the research participants before an overview of the process of gaining ethics approval for the project is presented. Following on, I examine the fieldwork conducted and detail the challenges raised by conducting interviews with a vulnerable group of participants. The data analysis techniques and framework are then addressed before a conclusion is provided.

#### **4.2 Methodological position**

Thomas Osborne and his colleagues, Nick Rose and Mike Savage (2008), assert that when considering the multiplicity of problems in society, research styles should not be challenged on philosophical grounds, but accepted in their inventiveness for rendering those problems visible: 'Thought takes its force from whatever makes it vehicular, from whatever gives it movement' (p. 525). I take the stance that it is not desirable, nor possible, to present a project as methodologically unalloyed, as it is apparent that both the methodology and the projects objectives operate in an iterative, reciprocal process. Therefore, the position of Carter and Little (2007, p. 1318) is embraced who state the methodology adopted should be 'thoughtful, historically and theoretically situated, and flexible rather than dogmatic'. In addition, I hold to the view that the methodology should 'maximize the probability that the object [of study] is adequately and accurately described

and explored' (Uprichard, 2006, p. 1204). Resultantly, the methodology guiding this project is one that has been constructed based on practical considerations relating to the limitations of the project, and epistemological considerations regarding the topic under investigation. Selecting a certain research method to investigate credit use and debt management has therefore not emerged from a belief that it fits to a particular philosophical stance but has involved framing the problem drawn from the previous theoretical discussion, and choosing the most fruitful and pragmatic way to problematize and investigate it.

#### **4.3 Interviews as method**

In the Introduction the research strategy and aims were presented. The primary aim of this research is to unpack the complex and interconnected relationships between credit and debt, specific techniques of government, and social class processes over time. The first step to achieving this aim was to outline the 'classificatory systems' that circulate in the credit and debt realms and the 'forms of value, judgements and norms they establish' (Tyler, 2015, p. 507). This step was achieved in the first three chapters of the thesis. The second step required to achieve this aim, is to explore the stories of individuals who were caught in a changing economic, cultural, political, and social environment where credit use and indebtedness have become commonplace, and trace their attempts to ameliorate the unequal social conditions they face.

As a result, in-depth semi-structured interviews were selected as the primary research methodology because they are well-suited for studies with exploratory objectives (Sullivan, 2001), and enable the collection of rich, emic, and reflective data (Morgan, 1998) that is required to meet the aims of this research. In-depth interviews were chosen as the main method because the research attempts to generate 'an authentic insight into people's experiences' of credit use and personal indebtedness (Miller and Glassner, 2004, p. 124). Semi-structured interviews as opposed to unstructured interviews were selected because of the requirement to produce data regarding the participants' experiences of credit use, falling-into-debt, and managing debt that is so integral to answering the research questions. The organisation of the semi-structured interview allowed a narrative to emerge in the participants' construction of their experiences across these realms, and provided a medium for each participant to deconstruct the experiences that are of

personal significance to them whilst sticking to the themes this research attempts to address.

Mindful that alternative research methodologies, based on either a survey questionnaire or on focus groups, could have provided tools to elicit and capture the participants' opinions and experiences, there were however a number of technical and practical drawbacks associated with these methods which made them discordant with the project. The focus group method was inappropriate because of the nature of the topic being investigated, emphasised mostly clearly by Edwards (2003, p. 7) who declares, 'debt is a very sensitive issue... many people with debt problems feel ashamed and embarrassed'. Not only is the secrecy which surrounds debt the most pertinent signifier of its importance, it also reveals the reason why focus groups would not have provided the confidential setting required to discuss the participants' experiences. Focus groups would have created an intimidating and constricting environment for useful discussion and data collection, and, in the process, would have violated the ethical principles of this project. Furthermore, disclosure of an individual's debt problems can lead to disciplinary action at work, including dismissal for certain professions, and can put enormous strains on relationships, further highlighting the incompatibility of focus groups with this type of study.

Although survey questionnaires have been used in various research projects involving individuals in financial difficulties (for example, Bridges and Disney, 2004; Brown, Taylor and Wheatley-Price, 2005; Lenton and Mosley, 2008; Campbell and Hercowitz, 2009), they were deemed unsuitable for this particular project for two main reasons. First, although the open-ended format of survey questionnaires enables the space for participants to express their opinions, they do not permit the emergence of the norms, values and motives guiding the individuals' actions. Thus, the survey questionnaire and the quantitative data it produces represent an approach that is incompatible with the aims of this project. A greater understanding of participants' experiences, via their trajectories through the credit and debt realms, is presented by drawing on a qualitative methodology because its foundation is 'animated by an impulse to capture the particularities and nuances of situated lives' (Carrigan, 2012, online), where the reality of everyday life emerges from streams of interconnecting events. Indeed, as Bryman (1993, p. 65) contends, the 'general image that qualitative research conveys about the social order is one of interconnection and change', and as this project focusses on the *macro* development of credit markets since the 1980s and debt collections practices, along with

the interconnection of peoples' lived *micro* everyday practices of credit use and the resultant indebtedness within these wider structures, then a qualitative methodology for the purpose of this research appears an obvious choice. Second, through dealing with an organisation to gain access to the research participants it was made clear at the start of the negotiation process that it would not be possible to send out a survey questionnaire to the organisation's clients, and consequently parameters regarding available methods were set from the outset (further details outlining access and recruitment will be provided later in this chapter). Consequently, a survey based questionnaire was not an option even if it had been highlighted at an earlier stage of the project as a desired methodological tool.

By the very nature of the topic 'credit and debt', quantitative information about the participants' financial circumstances invariably arises through accounts drawn from qualitative interviews. As such, the project does involve the disclosure by the participants of sensitive financial information, including past and current income, current expenditure, *previous* amount of debt owed, and *current* amount of debt outstanding. This financial information carries two benefits. First, it frames each participant's situation at the different stages along their own unique journey through the credit and debt realms, offering an observation point into the participant's current circumstances in relation to their overall journey. Second, it provides a point of comparison between the research participants (for example, someone who is close to clearing their debt is likely to have a more positive mind-set than someone who is not). It must be noted that an indebted position is a dynamic phenomenon. The total amount owed and the creditors outstanding is constantly changing on a daily, weekly and monthly basis, so this information only provides a fleeting account of the individual's situation before the overall circumstances change once again, and the individuals' position becomes unrecognisable from the data. Indeed as StepChange Debt Charity (2013, p. 2) observe, 'the nature of debt problems in UK households continues to evolve'. Therefore, this project provides only a 'snapshot' of debt for each participant at a specific stage of their journey in the year 2013. If the interviews were conducted with the same group of participants at any other point in time then the financial information would be unrecognisable, and no doubt the corresponding qualitative interview data would also be different. The two are intertwined in the construction of the participants' narratives. As with research investigations in other topics, such as poverty analyses or intergenerational mobility studies, a 'static snapshot' provides only a limited insight into the dynamic aspect of people's lives (Bridges and Disney 2004; Dearden et al., 2010), but, with regards this project, one I may add is infused with in-depth

accounts which are juxtaposed to the wider structural conditions at this time. So although each interview represents a unique moment in time and space that cannot be transferable, taken as a whole the participants' narratives help elucidate the essence of credit use and indebtedness in Britain in the year 2013. The qualitative nature of this study would not necessarily permit generalisations from its findings and theories, however, by linking the emerging theory within this thesis to broader theories a certain degree of generalisation is possible (Silverman, 2009).

#### **4.4 Access and recruitment**

In order to address the research questions presented in the Introduction it was necessary to gather data from those who are currently in an indebted financial position. In this context the sample procedure used is purposive, that is the sample has been selected to serve an investigative purpose rather than to be statistically representative of a population (Ritchie, Lewis, and Elam, 2003, as cited in Carter and Lewis, 2007). As such, the individuals' financial circumstances were used as the principle selection criteria in the study. As noted in the introductory chapter, the term 'debt' signifies a specific financial situation. It refers 'to any situation in which due payments have not been made', therefore, 'debt equals default or arrears' (Ford, 1990, p. 1). In the context of this project it also involves the participants continued inability to pay the amount requested by their creditors, in addition to their main priority expenditure – housing, utilities, food, clothing, travel, *et cetera* – from the income they have available.

To obtain a sample of individuals in an indebted financial position, the charity StepChange Debt Charity (from now on StepChange) were approached. As noted in the Introduction, StepChange is the leading national provider of free, independent, and specialist debt advice (Bell, 2011, p. 38). Where individuals are unable to meet their credit commitments, StepChange are able to intercede and provide a systematic, structured, and practical approach to the individual's financial situation. This involves:

- establishing the financial problem;
- delineating liability for the debts along with advice, if required, on court procedures for debt recovery;
- advising on income maximisation and expenditure reduction;
- creating a financial budget;

- presenting a viable solution to the debt problem<sup>13</sup>;
- providing the required support dependent on the solution selected.

Demand for this service has been growing steadily since the turn of the century, reaching a peak in 2009 when 488,210 people contacted the charity after the financial crisis. Although slightly dropping in 2011 (417,592) and 2012 (369,497), it picked up again in 2013, when 507,863 people (around 1,400 a day) sought help from StepChange; the highest ever recorded (StepChange Debt Charity, 2013, p. 32). To put this into perspective, 65,000 people contacted the charity in 1999 (Edwards 2003, p. 7), meaning there has been an eight-fold increase over a 15-year-period in the number of people using their service. With 50 percent of StepChange's clients enduring a year or more of mounting debts prior to contacting them for help, and with only 37 percent who need debt advice seeking it in adequate time (StepChange Debt Charity, 2013, p. 1), it is clear that acknowledging a debt problem is a major step and reflects a decision generated from a crisis point at that moment in their lives. Consequently, those who approach the charity for help, and most of the current clients of StepChange, are in precarious financial positions, but they are *all* taking steps to try and resolve issues relating to their debt problems. Thus, the clients of StepChange were suitable participants for the aims of this research because they are at the final stage of their own unique journey from using credit to falling-into-debt.

Access was negotiated with the representatives of StepChange who agreed to aid the recruitment of participants for the project by creating a sample population of participants from their own database of debt management plan (DMP) clients. In the Introduction I noted one of the central assumptions within contemporary literature is that credit use and over-indebtedness exists in the vacuum between low income and a minimum income standard (e.g. Dearden et al., 2010; Walker, 2011). To be sure, this undoubtedly reflects the circumstances of many people who experience debt but it is by no means exhaustive. This study also aims to determine whether individuals utilise credit to be reflexive in their identity construction, therefore, it was crucial to assess credit use across the income spectrum. Thus, no income parameters were set on StepChange's database when approaching respondents.

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<sup>13</sup> In 2013, 278,438 recommendations were made to people who contacted the charity. These included: 89,450 people being advised to undertake a debt management plan (DMP); 54,217 to maximise their income; 25,583 to pursue a debt relief order (DRO); 23,008 to pursue bankruptcy; 22,634 actually met their payments and needed to budget more effectively; 21,286 did not have a budget surplus and were advised to make token payments of a pound to each creditor; 13,719 were advised to pursue an individual voluntary arrangement (IVA); 8,906 were given other advice; 8,117 to realise assets; and 1,518 to release equity (StepChange Debt Charity, 2013, p. 6).

All of the potential participants approached at the time the fieldwork was conducted were using a DMP for the repayment of their debt. A DMP is a debt solution that takes the individual's income and priority expenditure into consideration before offering the budget surplus on a monthly basis to the creditors as a repayment to reduce, and eventually clear, the *total* debt. The charity currently helps more than 129,000 individuals repay their debts using a DMP, estimated to be about a third of the total DMPs currently been administered within the debt management sector (Bell, 2011, p. 38). It must be recognised that a debt management plan with StepChange is one solution upon many that are available to individuals who are in debt (although specific criteria dictate their availability). Graph 1.2 presented in the Introduction indicated that other debt solutions – such as bankruptcy, IVAs, and DROs – have also been on the rise in recent years. Thus, people using the services of StepChange for a DMP may have a different experience of debt than those who pursue alternative solutions, and this must be considered when evaluating the research findings.

The sample population of indebted individuals were identified by StepChange based on whether they had given prior approval to be approached to take part in research. Other than the above mentioned selection criterion, the only other factor that distinguished the applicant's inclusion was their decision to take part. As a sample population the participants are currently negotiating very sensitive circumstances that are often unknown to their family and friends. Generally, gaining access to individuals in debt is a notoriously difficult endeavour but with the assistance of StepChange and the generosity of the research participants, access was negotiated to a group of individuals that would have otherwise remained impossible to reach. This has opened up the opportunity to explore research questions and issues that have so far remained an enigma for social scientists and academics alike, providing data that fills a lacuna in the literature presented in the previous chapters.

#### **4.5 Gaining ethics approval**

Once the sample had been identified and access negotiated, the research project was subjected to ethical approval. As the research was undertaken as part of an educational programme, the review required was at the institutional level, and was conducted by the University of York's ELMPS Ethics Committee. In order to obtain ethical approval a detailed form was submitted along with recruitment literature and 'field' documentation.

Throughout the research project I have held to the position, ‘that sociology thrives when it adopts a style of thought that renders problems thinkable via an empirical commitment with an ethical purpose’ (Osborne, Rose, Savage, 2008, p. 521). Undeniably, conducting research with individuals in debt presented a varied and complex range of ethical issues that needed to be considered and negotiated in order to maintain an ‘ethical purpose’ whilst rendering problems thinkable based on an ‘empirical commitment’. Some of the main ethical issues involved with the project included:

- participants informed consent;
- confidentiality and anonymity of participants;
- data protection of personal details and sensitive data;
- data storage, management and access;
- conflict of interest with participants;
- conflicts of interest with StepChange;
- risks of emotional harm, including embarrassment, distress, discomfort and inconvenience for the participants.

The research sought to comply with the British Sociological Associations (BSA) *Statement of Ethical Practice* (2002), the Sociological Research Associations (SRA) *Ethical Guidelines* (2003), and the ESRC’s *Framework for Research Ethics* (2010). The research was explained as fully as possible through a *Participant Information Leaflet*. The leaflet was designed in the style of a questions and answer document, and included: detailed information about the rationale behind the project; specifics of project funding; intended outcomes of the project and how the results will be disseminated; the reason for their inclusion in the project; assurances about confidentiality and anonymity; and the ethical consent the project had gained (BSA, 2002, p. 3, no. 16). The respondents were also informed of the identified potential risks and ‘harms’ of the research through an *Informed Consent Form*, which also covered their right to refuse to answer a question and their right to withdraw from the research at any stage (BSA, 2002, no 16 and 17; SRA, 2003: 27, Clause 4.2; ESRC, Principle 2). Furthermore, the participants were encouraged to express any concerns they had during the research period.

For the interests of this project there are just a few ethical concerns that require further attention. One particularly acute ethical hazard was the possibility of contravening confidentiality. In dealing with large quantities of financial data and personal details, including the age, education, occupation, home address, and contact details of the

participants, great care was required in making sure the participants' identities were protected. As a result pseudonyms were used as substitutes for the names of the participants throughout the research to preserve the integrity and anonymity of the participants. In addition, all references to places and locations, along with any date of key events from the interview have been altered in each interview transcripts, and thus in the subsequent empirical data, to add an extra layer of protection for the participants. Age profiles and occupations have been kept as they are necessary to the analysis.

#### **4.6 Recruiting and interviewing a sample**

After ethical approval had been granted by the University of York's ethics committee in late October 2012, the charity was informed that potential participants could be approached. As a result, in December 2012 StepChange sent an email to 1205 of their clients inviting them to take part in the research project. The email included a brief summary of the research; the reason(s) why they were been approached to participate in the project; and my contact details in case they wished to accept the invitation or elicit further information. The email invitation sent by StepChange resulted in 21 responses, and I subsequently sent the *Participation Information Leaflet* to each of the potential participants. As a result of this endeavour, the final sample from StepChange's approach was 21 as correspondence with two potential participants was lost. This leaves a response rate of 1.74 percent from the 1205 clients approached by StepChange. Unquestionably this highlights the difficulties obtaining a sample of people in financial difficulties. There are various reasons for this low response rate and these will arise and become apparent as the research unfolds. Nonetheless, the occupational and income spread of the participants is balanced. Indeed, based on the 2013 Office for National Statistics equivalised income data, Table 4.1 below indicates the participants are drawn from a cross-section of the British income spectrum: eight are drawn from the lowest quintile (under £15,262); two from the second lowest quintile (between £15,262 and £20,521); seven from the middle quintile (between £20,521 and £27,067); three from the second highest quintile (between £27,067 and £37,522); and one from the highest quintile (above £37,522). At the time of interview, 13 participants recorded their highest ever incomes, although nine participants have experienced a drop in their income; in particular, Thomas, George, and Jane have experienced a drop in income from the highest quintile to the lower quintiles. Overall, at

least 16 participants have had a relatively healthy income at some point in their lives, and thus their credit use offers crucial insights when juxtaposed against the literature.

**Table 4.1: Participants' income at time of interview and highest ever income**

	Pseudonym	Current Income (£)		Highest ever Income (£)	
1	James	32,500		32,500	
2	John	33,000		33,000	
3	Graham	50,000		50,000	
4	Alan	5,400		35,000	
5	Erika and Paul	1,000	7,000	17,500	22,500
6	Anne	8,000		25,000	
7	Thomas	12,000		55,000	
8	Heather	10,000		10,000	
9	George	18,000		40,000+	
10	David	21,000		22,000	
11	Jane	8,400		40,000	
12	Sandy	27,000		27,000	
13	Joanne and Martin	22,500	22,500	22,500	22,500
14	Justin	32,000		32,000	
15	Janet	7,000		7,000	
16	Anita	18,000		28,000	
17	Anthony	27,000		27,000	
18	Karen	22,000		22,000	
19	Sean	25,000		25,000	

Current Income (Totals)	
Lowest quintile	8
2nd quintile	2
3rd quintile	7
4th quintile	3
Highest quintile	1

Highest ever Income (Totals)	
Lowest quintile	2
2nd quintile	1
3rd quintile	10
4th quintile	4
Highest quintile	4

Note: Income for Erika and Paul and Joanne and Martin are individual figures.

Furthermore, as this project uses a purposive sample, generalisability to the wider population is limited. Therefore, the sample and response rate is not deemed to bias the findings and offers an avenue to explore the limitations in the literature discussed in the first three chapters. Even so, in order to be systematic in the sampling procedure, two further attempts were made to increase the sample size. However, on the first approach it was noted by StepChange's Head of Policy that cutting another sample at that time was not possible due to a backlog of research requests awaiting samples, but to try again in a month's time. On the second approach I did not receive a response from the charity and assumed their patience had ebbed; thus no further attempt was made. As a result of the number of responses from the batch of e-mails sent by StepChange, interviews with a pilot sample of participants were not possible. This is despite the researcher being aware that pilot interviews are useful for 'insuring that the research instrument as a whole functions well' (Bryman, 2008, p.247), including the provisional testing of research methods, questions, and participants prior to beginning fieldwork. For the remaining 19 confirmed

participants, details of the interview (i.e. time, date, and location) were arranged by e-mail at a time convenient for them. One week before the interview was scheduled to take place, the participants were sent an *Informed Consent Form* so they could familiarise themselves with the document they were being asked to sign on the day of the interview. Prior to each interview the consent form was provided in a paper format along with a copy of the *Participation Information Leaflet*, and informed consent was obtained by the participant's signing of the document. The following section presents an overview of the particularities of fieldwork.

#### **4.7 Fieldwork**

In total, 19 interviews were conducted between January 2013 and May 2013. As StepChange is a national charity the sample approached were drawn from three of the four countries that construct the British Isles (England, Scotland, and Wales), providing a balanced geographic disbursement but a challenging spatial spread. The participants who were located within a specific region of the United Kingdom were grouped together to make traveling to them more manageable for a single researcher; however, the eight individual trips required to conduct the interviews resulted in a total mileage of approximately 2658 (equivalent to the distance from York, England to Baghdad, Iraq). All of the interviews were conducted face-to-face and took place in various places, with eleven conducted in the participant's own home, three in pubs, two in coffee shops, two in community centres, one in a restaurant, and one at a work location. The locations presented different practical challenges, specifically how to remain inconspicuous when discussing personal and sensitive information in public locations. In acknowledgement of this an app *iTalk* was used via an iPhone device to record the interview, rather than an audio recorder, in order to deter unwanted attention.

Table 4.2 outlines the key characteristics from the sample including, age, educational qualification, marital status, current occupation, current income, and details of past and current debt levels. In terms of demographic characteristics, the recruited sample consisted of nine women and twelve men (Interview 5 and Interview 13 were conducted with couples), and the age range was between 30 and 72 years, with the mean 50.2. Regarding the participants' financial position at time of the interview, unsecured debt ranged from the lowest £1,680 (Anita, Interview 16) to the highest £90,000 (Graham,

**Table 4.2: Participants' personal and financial information at time of interview**

Participant (Pseudonym)	Age	Marital Status	Education	Current Occupation	Current Income (£)	DMP Start	Previous Debt (£)	Current Debt (£)	Monthly Payment	Debt Free
1 James	30	Cohabiting	IT (College)	Network Technician	32,500	2010	31,000	12,000	483	2015
2 John	51	Cohabiting	A-level	Process Technician	33,000	2006	72,000	32,000	750	2017
3 Graham	46	Married	Bachelor's degree	Programmer	50,000	2012	105,000	90,000	930	2021
4 Alan	69	Single	Secondary	Retired Aeroplane Stock Controller	5,400	2007	25,000	23,000	45	2055
5 Erika and Paul	52   69	Married	Secondary	Dog groomer   Retired Rail Worker	8,000	2005	34,000	22,000	80	2036
6 Anne	50	Divorced	Bachelor's degree	S/E Business Trainer and Mentor	8,000	2012	30,000	29,000	147	2030
7 Thomas	72	Married	College	Retired Motorway Engineer	12,000	2011	24,000	20,000	151	2024
8 Heather	45	Married	Secondary education	Theatre Assistant	10,000	2010	16,000	9,247	190	2017
9 George	63	Divorced	Bachelor's degree	Retired Social Worker	18,000	2005	84,473	35,000	442	2023
10 David	46	Married	Secondary	Truck Driver	21,000	2002	60,000	33,000	546	2017
11 Jane	53	Divorced	Bachelor's degree	Cleaner	8,400	2010	50,000	42,500	250	2027
12 Sandy	45	Single	Bachelor's degree	Contract Monitoring Officer	27,000	2008	29,000	19,000	100	2029
13 Joanne and Martin	46   62	Married	Secondary	Accounts Manager   Stock Worker	45,000	2009	50,000	17,500	848	2014
14 Justin	34	Single	A-level	Recruitment Specialist	32,000	2006	40,500	28,257	155	2028
15 Janet	54	Single	Secondary	Long-term Unemployed	7,000	2010	15,000	9,800	176	2017
16 Anita	32	Single	Bachelor's degree	Property Manger	18,000	2009	11,000	1,680	280	2014
17 Anthony	49	Married	A-level / NVQ	Stock Manager	27,000	2005	81,000	3,080	440	2014
18 Karen	49	Married	College	Lymphedema and Holistic Therapist	22,000	2012	37,500	32,000	796	2016
19 Sean	38	Married	College NVQ	Recruitment Specialist	25,000	2012	26,000	24,000	124	2029

Interview 3), with a mean of £25,763. Comparing this to the average debt of StepChange clients in 2013 at £15,979 (StepChange Debt Charity, 2013, p. 8) reveals a research sample that is slightly skewed in relation to the charity as a whole. However, some of the participants had made significant strides clearing their debt. At the point each participant approached StepChange for help, their debt ranged from £11,000 (Anita) through to £105,000 (Graham), with a mean of £43,314. Thus, on average the participants had cleared £17,551 each; although there are of course huge variations between them. The first participant to start using the service of StepChange was as far back as 2002 (David, Interview 10) with the latest towards the end of 2012 (Anne, Interview 6). Three participants were hopeful of being debt free by the end of 2014, so they were coming to the end of their own repayment journey, whereas six participants have more than 15 years to wait until their debt will be clear.

Further particularities of the participants' circumstances will be discussed in the following data chapters. It must be noted that each participants' circumstances are unique but there are similarities and patterns found amongst the interviewees, as will become apparent.

#### **4.8 Interview themes**

The interviews explored a broad range of topics, which included: personal and family background; occupational history; previous experience of using credit; reasons for using credit; items purchased with credit; personal choices, rationales and aspirations; factors leading to, and experiences of, falling into debt; the individual and social resources available; the process of negotiating with creditors; reflections on managing debt; and notable life events that have changed the participants' experiences and/or circumstances. These broad topics were loosely fit into four different areas – (I) background; (II) use of credit; (III) the build-up of debt; and (IV) management of debt – in order to explore the individual's own trajectory through these contextually different but interconnected financial realms. Although all necessary steps were taken to create an *Interview Questions Guide* that avoided posing any types of forceful, aggressive or insensitive questions, in pursuing retrospective accounts of the participants' journey from using credit to their current indebted position the questions did touch upon experiences and memories that were emotive to the participant. Although this will be discussed later in the chapter it is important to note that one of the main objectives of this research is to bring the

participants' stories to life; the participants' honesty and emotional response was key to achieving this aim.

Each interview lasted between 1-hour-and-7-minutes and 2-hours-and-53 minutes. Accordingly the data produced was rich, emic, in depth and comprehensive, fitting with the initial intentions of the research project and the rationale for using semi-structured interviews as a data collection tool. Furthermore, if there are any doubts that the sample size is too small to meet the study's objectives, the quality, richness and abundance of the data produced from the fieldwork and its efficacy in answering the research questions undeniably quashes that; indeed, this will become noticeable in the following chapters as the empirical data is presented.

#### **4.9 Interview(er) effect and style**

It was apparent from the outset one strength of a qualitative methodological approach is that it engages with individuals' subjectivities, their rationale, thoughts, and positions on certain choices they have made, and the actions they have taken. But it was also clear throughout conducting this research that I was subjected to a similar process. For that reason it is important to be transparent about my own subjectivity and mindful of how the direction of the research has been influenced as a result. In approaching this interface it was clear that the interviews do not represent an infrangible interaction, but instead occur in a specific moment in time and space, and through a reflexive deconstruction it became possible to account for my own position in the interview process. Consequently, three questions have guided this endeavour. First, how did the types of questions directed at the participants influence their reflections and constructions of their experiences? Second, what influence did I, a male junior researcher in his late 20s, have on the interview process? Third, how did the environment and setting where the interview took place infiltrate the construction of the data?

In dealing with the first question, a direct effect on the participants' representations was the way the questions elicited a response. Prior to the start of the fieldwork I was drawn to an astute reflection made by Kvæle and Brinkmann (2009) relating to their own experience of conducting interviews:

The expert interviewer is... immersed in the concrete situation and is sensitive and attentive to the situational cues that will allow him or her to go on with the interview in a fruitful way that will help answer the research question, instead of focusing all attention on the interview guide, on

methodological rules of interviewing, or on what questions to pose next. (p. 139)

Taking this approach established a distance from the interview guide and allowed the focus to be on the content the interviewee was disclosing. I was aware that precision was needed with the questioning, so I asked straightforward questions and provided the space to let the participants answer them fully. Interviews are social relationships in which the researcher can establish conditions that facilitate the development of trust with the interviewees. This is only possible if the researcher makes interviewees feel comfortable with the way questions are being posed, particularly when exploring apparent inconsistencies or touching on delicate issues (Fuentes, 2006). Fontana and Fey (2005, p. 696) call this approach an ‘empathetic interview’ and this was the model I chose to underpin interviewing in this research. Thus, I adopted an interview style that corresponded more with an empathetic friend having a chat than an interviewer. But I also aimed to be invisible, contained, and as unobtrusive as possible, which, in turn, permitted an alertness to ‘inconsistency or error on the part of the participant’ (Carter and Little, 2007, p. 1321). With that in mind, the interviews required a good deal of probing and double checking in order to develop, and for a clear picture to emerge of each participant’s experiences, with the interview guide providing the structure to navigate the discussion.

In dealing with the second and third questions, it is important to have in mind that the interviews were not necessarily looking for ‘true’ representation of past experiences, but rather the focus was upon the participants’ perceptions of events. Nonetheless, as Gilbert (2008, p. 11) states, ‘the researcher is not simply observing from a position of detachment’. It is clear that the personal and cultural values of the researcher do influence the interview encounter and, thus, the emergent content of those interviews. This was further exacerbated for a junior researcher, in terms of recruitment and the practicalities of conducting interviews with people in precarious financial positions. A further layer of complexity was injected into the interviews as they involved individuals from a range of different geographic areas, all with different personal and family histories, divergent occupational experiences, and a wide range of skills and qualifications. Therefore, each participant’s perception and assumption of my own cultural identity would be different as a result of their own personal and cultural values, and, as a result, they ‘modify what they say and how they say it in line with these assumptions’ (Phoenix, 2008, p. 71). An awareness of this is vital for the successful analysis of the interview data, and indicates

why narrative analysis was selected as one approach to data-analysis. According to Phoenix (2008, p. 74), narrative analysis permits an insight into ‘the process of meaning-making in narrative talk’ and the ‘identity claims’ the participants ‘make on the basis of their autobiographical histories and the experiences they claim as the interview is co-constructed with the interviewer’. It is important at this point to discuss and reflect on the difficulties of interviewing indebted individuals.

#### **4.10 Interviewing vulnerable groups**

The specificities of interviewing indebted individuals are under-explored in the academic literature, but a particular acute problem is noted by Edwards (2003):

Debt is a very sensitive issue. Asking someone how they got into debt must be approached carefully... Many people with debt problems feel ashamed and embarrassed, and they often think that when they seek advice they will be judged. They often feel it is their fault for not being able to manage their money effectively. (p. 48)

This insight was evident on various occasions in the interviews. Some participants were reluctant to reveal details of their experiences, and often when they did it felt they were expecting a judgemental or disapproving response. I expected this behaviour before entering the field and felt prepared for it as a result of my experiences as a debt advisor. As a result of advising thousands of individuals in financial difficulties over a four-year-period, I became *desensitized* to the financial information the client revealed. Desensitization (often called inurement) is understood as the process whereby a diminished emotional responsiveness develops regarding a negative encounter or stimulus after repeated exposure to it (see Goldfried, 1971; Bryant-Jeffries, 2001; Carnagey, Anderson, and Bushman, 2007). I recall the first time working at StepChange when I observed an individual with debts in excess of £80,000 and my shock at seeing that figure. However, over time, and in dealing with thousands of individuals, the emotional response stemming from debt figures diminished greatly and as a debt advisor you purely absorb the information in order to offer advice. In the interviews I often sensed reluctance on the part of the participants to reveal the amount of money they owed. Whilst being aware of the huge weight the accumulated debt placed on the participants, disclosure of the debt figure is something I have experienced many times and I was clear to the participants that I am

not there to judge their behaviour but to understand it. This approach seemed to build trust and the participants generally opened-up as the interview progressed.

On a couple of occasions as the interviews unfolded, the participants, in recalling their memories of distressing events and experiences, became quite upset. On these occasions my professional role as a debt advisor once again proved to be a major strategic advantage in the field. My professional role furnished me with a deep understanding of the predicament of financially distressed individuals, including the decisions they must face on a daily basis along with the consequences (legal, psychological and practical) that can and does materialise as a result of their position. This knowledge proved invaluable in the field and equipped me with the required skills to approach the topic and deal with participants in the most effective and empathetic way possible. I was able to draw on years' worth of experience listening, helping and advising people with problem debt in order to navigate tricky developments in the interview. Clearly the process of interviewing can be particularly challenging and this means researchers need to be sensitive to the appropriate ways of approaching these encounters. There are benefits for both researcher and participant in the process.

#### **4.11 Taking part - participant benefits**

Although there were occasions when the interviews created negative emotional responses they were, overall, quite positive and inspiring engagements. For instance, participant reflections on their experiences and current situation proved beneficial for some as it permitted the space to reflect on their life from a different perspective. This experience was also observed by Dearden et al. (2010, p. 21) who note a 'side effect' of their project was that the longitudinal interviewing prompted the respondent 'to reflect (often for the first time) on the whole picture and to encourage prospective as well as retrospective thinking'. Indeed, following the final interview and an email I had sent to Sean thanking him for his cooperation, I was met with the following response a day after:

I just wanted to say thank you also, it was nice to talk and much has happened since our meeting. I sat down with the wife, discussed our finances, [and] today I have been in touch with StepChange and added the final 2 remaining catalogues to the DMP. No more credit from now on! It's amazing how much you realize things when you actually think about things in more light. So for that I say thank you. Hopefully now on the decent wage I'm on, when we want something we can buy, or save until we can afford it.

It seems on this occasion the interview provided the setting for Sean to discuss and reflect on his past actions, and produced a cathartic moment for him to positively intervene in his own life and make some encouraging steps in resolving certain issues. This example is one from many and reveals that taking part in research can have positive benefits for participants. A more detailed discussion of the data will commence in the next chapter, but before we reach that stage the data preparation and analytical strategy will be documented.

#### **4.12 Data preparation and analysis**

Following data collection, all 19 interviews were transcribed (11 of which were transcribed by a contracted transcriber to improve efficiency)<sup>14</sup>. The interview data was transcribed verbatim and with some conversational details such as pauses and hesitations included to aid data analysis. Researchers undertaking their own transcription are in an advantageous position as themes arise through transcription due to their comprehensive immersion within the data (Bird, 2005). As 58 percent of the interviews were transcribed by a contracted transcriber the need to become familiar with the content of *all* of the interview transcripts was crucial. The approach adopted for this endeavour was the NCT (Noticing-Collecting-Thinking) model advocated by Susanne Friese (2012) because it provides a framework to reading and re-reading the interview transcripts.

The process starts with noticing interesting things in the data and highlighting interesting themes. In the first instance I read through hard-copies of all the interview transcripts and highlighted interesting sentences/paragraphs within the data and the similarities and differences between the research participants. The aim of this process was to gain a general perception of the data and to avoid missing central themes likely to occur if solely a theoretical lens were adopted; therefore, the initial coding was inductive, grounded, and exploratory. As a result of reading the transcripts unexpected themes emerged: the notion of the ‘door’ as a juncture between the credit and debt realms, credit use as a directional phenomenon, and debt as a destinational one<sup>15</sup>. These themes

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<sup>14</sup> The contracted transcriber signed a Confidentiality Agreement prior to any transfer of audio files in order to protect the confidentiality of the participants. Audio files were anonymised prior to being transferred to the transcriber. The files were condensed into manageable sizes and uploaded to a secure drive, accessible solely to myself and the transcriber; they were deleted after transcription was completed.

<sup>15</sup> These concepts – and those created for the deductive coding – will be extrapolated in much greater detail in the subsequent chapters, at this stage it is adequate merely to document their emergence from the data analysis process adopted.

reflected patterns in the way participants constructed their experiences and enabled the development of multiple analytical categories relevant to the research.

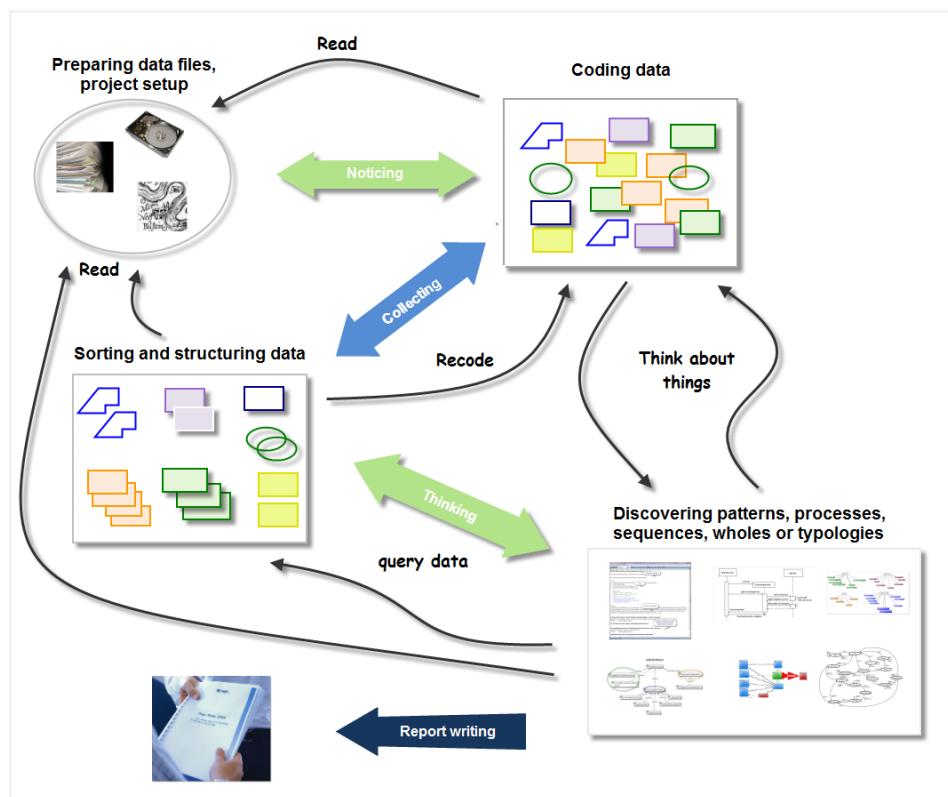
The foundation of the NCT model is the systematic analysis of data using computer-aided qualitative data analysis software (CAQDAS); as a result the software package ATLAS-ti was utilised. A code in ATLAS-ti can be used for a basic description of the data, an indicator, a subcategory, or main category/theme, which can then be extrapolated into code families (Friese, 2012). After reading hard-copies the transcripts were uploaded into ATLAS-ti and the process of collecting – similar and contrasting – things together began. Considerable time was dedicated to coding, interview transcripts were analysed sentence-by-sentence, and every time the software was used to develop and redevelop the codebook.

The research aims to unpack the complex and interconnected relationships between credit and debt, specific techniques of government, and social class processes over time, by exploring the intimate stories of individuals who were caught in a changing economic, cultural, and social environment. The *Interview Questions Guide* (see Appendix 1) was constructed to move through the participants' life trajectory – starting with their background, then moving through their use of credit, to falling-into-debt and their current indebted position – in order to provide a structured framework that elicited experiences via memories, thoughts, actions, norms and values relevant to this research. This approach was intended to provide structure to the data but to also allow space for the participants to build their own story. Based on the literature review and structure of the *Interview Questions Guide* a deductive coding framework was developed that aimed to highlight incidences of key concepts within the participants' narratives crucial to meeting the research aims. This included breaking down the data into the domains central to this thesis – 'credit use', 'falling-into-debt', and 'managing debt' – and then further sub-categorising these domains – 'credit use – acquisition of economic capital' or 'managing debt – impact on economic capital', 'credit use – acquisition of cultural capital', or 'managing debt – impact on cultural capital', and so on. Furthermore, the participant's values, emotions, and perceptions were coded across these three domains to permit a holistic analysis of the participants' 'identities' *in situ* with forms of governmentality and social classes process influencing them. In keeping with the aim of exploring the dynamics of change in the participants' identities from their previous use of credit to their current indebted position, narrative coding was also deployed (Cortazzi, 1993). This included: the participants' trajectories since childhood; critical events and turning points in their experiences; how

they have made sense of their experiences; how this affected the decisions they made; and the way their life has unfolded. A particular strength of narrative coding stems from the way it facilitates the observation of links and connections within the data and between participants (Lewins and Silver, 2008).

Although a sequential process to data analysis is possible with the NCT model, more often the analysis is a recursive process where you move back and forth between noticing, collecting, and thinking (see Friese, 2012, Figure 5.1, p. 106; copied below as Figure 4.1). Indeed, code families are constantly revised and improved as new information is likely to refine the meanings they highlight (Spiro and Vispoel, 1987, as cited in Fuentes, 2006, p. 110). As a result of this recursive strategy the final codebook contained 194 individual codes spread across 14 code families.

**Figure 4.1: The process of computer-aided qualitative data analysis**



Source: Friese (2012, Figure 5.1, p. 102)

The nature of the coding aided the development of a multi-layered understanding about the nature of the data and the connectivity between the themes and categories established by the deductive approach, leading to a complex analytical framework that has permitted a more systematic and rigorous investigation. To a large extent, the theoretical framework presented in Chapter 1, Chapter 2, and Chapter 3, was the result of reflecting

on and understanding interview data not only in terms of participants' views but also within the broader context of social theory. The participants' experiences of credit use challenged the literature and their experiences of personal indebtedness revealed dominant discourses and their analysis thus presented exciting intellectual opportunities. Hence, by incorporating a deductive and inductive framework a higher level of abstraction was achieved. In order to think about how all of these codes fit together, the *network view* function in ATLAS-ti was used to visualise these ideas and to create relations between them. This visualisation process offered a different angle on the data and enabled higher-level patterns, relevant to answering the research questions, to be observed (Chapter 8 presents the results of this analysis).

The data analysis process, the coding framework, and the visualisation of patterns and relationships found within the data will be brought to life in the following four chapters, and the data presented and how it illuminates the research questions will vindicate the approach taken.

#### **4.13 Chapter summary**

In this chapter the rationale for the methodological position has been outlined, and a detailed justification for the selection of semi-structured interviews as an appropriate technique for generating data has been presented. Following on, a discussion of the ethical considerations the fieldwork created was provided and a description of the data analysis framework was introduced. Overall, the chapter established the medium through which the data used to answer the research questions could be collected and will be judged, and it is to the data that we now turn in Chapters 5, 6, and 7. The three empirical chapters are structured both horizontally and vertically. The horizontal axis of the three chapters will focus on each of the three dimensions that symbolise the credit and debt realms: credit use (Chapter 5); falling-into-debt (Chapter 6); and managing debt (Chapter 7). The vertical axis of each chapter is concerned with the overarching themes that can be detected as operating within the three domains. These correspond with how the structures of the three domains affect the participants' identities; in particular the economic, cultural, and social factors that help construct the self.

## **CHAPTER 5**

### **Using Credit: Identity Construction in Neoliberal Society**

*That's what credit is: it's about buying things you can't readily afford with your own income; so out living your means essentially.*  
James

#### **5.1 Introduction**

This chapter shifts the analytical focus from structural factors and theoretical accounts to experiences of credit use from individual and household perspectives. It seeks to understand how and why people use credit and addresses the second research question documented in the Introduction: how is credit utilised in the construction of identity in the context of classificatory struggles over social positioning? Attention is given to the research participants' retrospective construction of their credit use, because experience of credit use is explored from their indebted position at the time of the interviews. This provides a unique vantage point whereby the participants reflect upon their lives as they have moved through periods of credit use to managing debt enabling a critical comparison of the social, economic, and political structures that fortify these two realms; the accounts thus reflect an iterative process of narrative construction.

In Chapter 3 I argued that inequality feeds the underlying systemic mechanisms that define neoliberalism – the market, the pursuit of private property, the self-governing consumers acting through ideals of self-responsibility and flexibility – and that these mechanisms are constantly in process, constantly amplifying, constantly intensifying. Within this system, inequality provides valuable information about the likely consequences of different courses of action, because it signifies the 'winner' and the 'losers' (Meadowcroft, 2007). It was proposed that amplifying inequality magnifies class processes; distinctions become more prominent because growing inequality accentuates them. In this context, amplifying inequality heightens an individual's awareness of other people's accumulation and display of different forms of capital – whether economic, cultural, and/or social. It was suggested credit emerges as one tool that can be invested to *resist* and *overcome* the relational nature of social ordering instigated by inequality because credit can be *converted* into other forms of capital depending on the individuals' assessment of the particular circumstances of time and space that they are subjected to. In

this framework, it was argued that credit provides the means through which individual ‘agents can stand back from their milieu, reflect critically on their habitus, and act to transform it’ (Sayer, 2004, as cited in Bottero 2010, p. 11).

According to Bourdieu (1984, p. 223), different ‘worlds’ – house, furnishing of house or garden, car, holiday resort, and clothes – provide ‘the small number of distinctive features which, functioning as a system of differences... allow the most fundamental social differences to be expressed’. Indeed, all of these worlds – or as we will come to view them in neoliberal vernacular as ‘markets’ – ‘offer well-nigh inexhaustible possibilities for the pursuit of distinction’ (*ibid*, p. 223). The main issue is not merely whether individuals symbolise an already existing ‘life’ through their cultural and social activities because this has already been documented by social researchers (for example, Bourdieu, 1984; Holt, 1998; Bernthal et al., 2005; Bennett et al., 2009). The key issue is whether, and to what extent, individuals utilise credit to construct and symbolise an altogether different ‘life’, and by proxy an expedient social position. The key focus of this chapter is not to outline all of the property, goods, and/or activities the participants have used credit for, but instead to illuminate the theoretical contradictions presented in the previous chapters. The aim of this chapter is to determine whether credit facilitates a reflexive consideration of social position and when used reveals attempts to overcome the relational ordering instigated by inequality.

The following sections of this chapter will explore each of the ‘worlds’ Bourdieu documented and reveal how credit is used by the participants in the pursuit of distinctions, and that these acquired distinctions signify an altogether different – economic, cultural and social – ‘life’ than the one permissible if credit were unavailable.

## 5.2 Credit and housing

*My home is very important.  
Jane*

In Chapter 3 it was documented one of the elements of an ontologically secure individual is the development of relatively secure environments of day-to-day life (Giddens, 1991), one of which is the home environment (Croft, 2012). Empirical research has extensively explored the relationship between the home environment and ontological security. Dupuis and Thorns (1998) for instance place considerable emphasis on the material environment in achieving ontological security, yet they go on to elaborate, ‘environments can only be a source of security, or a site through which ontological security

can be attained, through the meanings attached to them' (p. 30). Taking up this theme, Kinnvall (2006) suggests the emotional set of meanings attached to the home are to do with permanence and continuity, and resultantly ontological security is maintained when the home provides a site of stability in the social and material environment (as cited in Croft, 2012, p. 226). These types of conclusions began to focus attention on the role of *home ownership* in establishing ontological security because of its potential to provide a site of constancy, permanence and protection to the individual in a society embodied by instability and insecurity (Atkinson and Blandy, 2007). Some of the participants do point to the role of home ownership in providing them with a secure environment. After being asked if he viewed his house as an investment, Graham, a 46-year-old programmer, responded:

It was more of a home. It's the second house that I've bought with my wife... We've never really bought a house looking from an investment point of view but just because we wanted the stability and we liked it at the time and we just wanted to stay there.

In a similar fashion, after being asked if the home is a key part of her security and something that is important to her future, Jane, a 53-year-old cleaner with a Bachelor's degree in design, responded: 'My home is very important. To me it is everything... I'm a homebird really, I like my home, cause I've always looked to make it nice. I would just be happy to be at home'. The stability and security that comes from home ownership is aided, in part, by the time dimension fixed to the mortgage agreement that is generally instrumental to its acquisition. In Chapter 1, I showed how credit became the link between the vision of a property owning society and its material reality; indeed, 'person's acquire assets with borrowed funds or by running a financial surplus' (BoE, 1977, p. 29). It was documented in Chapter 3 that a home represents an individuals' wealth and becomes an expression of their economic position. In obtaining a home with credit, an individuals' occupation – and by proxy income – is quite important in delineating the amount of credit one can access, and also the size and location of a house that one can purchase. Thus, in a sociality constructed through a neoliberal politico-economic rationality, home ownership has become the obverse of renting, which is deemed to indicate servitude, uncertainty, and low status (Hiscock, Kearns , MacIntyre, and Ellaway, 2001), partly because renting signifies an inferior economic position.

Out of the participants in this study there is: *one* homeowner (Thomas, who has now cleared his mortgage); *eight* homeowners with a mortgage (Graham; Erika and Paul; Anne; Heather; David; Jane; Joanne and Martin; and Karen; however, Alan, John, and George have all owned properties with a mortgage but, for reasons that will become apparent later, have had to sell their homes); *seven* currently renting (James; Alan; Sandy; Justin; Janet; Anthony; and Sean); and *three* live with a homeowner (John; George; and Anita). There are clear divides in the housing status of the participants and this throws up distinctions that, when juxtaposed, provide crucial insights.

For those in the study who purchased a home they have engaged in the most legitimate form of capital acquisition that credit can be utilised to furnish purely because it is the most legitimate form of credit use advocated by neoliberal governmentality (see Chapter 1). Perhaps then it is unsurprising George, a 63-year-old retired social entrepreneur, states, ‘credit... in terms of a mortgage, I didn’t really count the mortgage as credit’. Within Britain the cultural atmosphere established by neoliberal discourse generates strong impressions of home ownership as a sign of personal responsibility, aspiration, and status, and, as a result, becoming a homeowner is ‘about being implicated in a wider market-oriented ideology and experience’ (Atkinson and Blandy, 2007, p. 451) that is viewed as an achievement and a source of pride. Clearly the argument made by Harris, Seldon, and Naylor in 1959 – ‘ownership gives a sense of satisfaction... the pride of proprietorship’ are some of the ‘elemental motives that move men to aspire to ownership’ (p. 110) – has become firmly entrenched in the public conscience. As such, there is a strong symbolic power to home ownership (Atkinson and Blandy, 2007).

Substantiating this point is Sean, a 38-year-old married father of four who lives in social accommodation, who provides a detailed articulation of the differences he sees on the street between owners and non-owners:

[W]e are quite thankful that across the road from us and either side of our house they’re private owners and we are in the middle of sort of like the road, whereas you can probably say is to a nice standard. But then to the other end of the road, to the right you’ve got families that are unemployed who don’t do anything about the gardens, their appearances, their children, and it’s the same at the other end of the road.

Here Sean makes a relational comparison between private homeowners, who he is thankful to be near, and non-homeowners on either side ‘who don’t do anything about their gardens, their appearances, their children’. Implicitly we see how ownership is tied

into notions of inequality as a valuable information source which, in this case, leads to positive judgements of those who hold it and negative judgements of those who do not. Sean indicates a conception that we somehow expect better from those who own their own property – they are regarded as respectful members of society – and Sean is keen to align himself with those classified as owners:

I always have intentions [of buying a property], but again it's costs, it's getting on the property ladder... I don't see-where I am [in debt] I'm ever going to get that anyway... But yeah, in an ideal world I would like to move, more for the children so they can experience the kind of life that I was brought up in... you know overall the family would be better, closer, happier than what we are now.

By suggesting the ‘family would be better, closer, happier’ than they are now, it seems Sean is not only pointing to the stability and security that comes through home ownership, but also to the higher status that results from being classified as a ‘homeowner’. Indeed, as Hiscock et al. (2001) articulate, ‘ontological security is not necessarily to do with tenure itself’, but rather ‘as owner occupation has become the norm, achievement of this status has acquired more importance for a strong sense of... self-worth’ (p. 62) by entering the mainstream and demonstrating ‘personal progress’ (p. 63). Ultimately home ownership is embedded within systems of inequality, providing invaluable information to all individuals about the status of others. The capacity to access enough credit to purchase a property thus signifies the worth that society has awarded the individual to others, and that in itself is sufficient for individuals to conform to its pursuit. In this context the pursuit to become homeowners is more in line with ‘living lives that are outwardly comparative rather than inwardly contented’ (Hiscock et al., 2001, p. 64). It is thus expected, given the enhanced status that home ownership brings, that the *non-homeowning* participants in this study explain how credit was used to improve their credit file and become more appealing to creditors, purely to access further credit for a home. Burton (2008, p. 17) suggests a good credit rating acts as a kind of ‘social capital’ – a reputation – that is a prerequisite to accessing the housing market, which in turn leads to social inclusion. In this context, the non-homeowning participants are aware that the keys to owning a home, both literally and metaphorically, reside with the creditors. Encapsulating this point is James, a 30-year-old network technician cohabiting in rented accommodation with his partner, who after being asked why he started to use credit responded:

James: [W]hen you're growing up you see a lot of like cars, nice cars, nice homes those sort of things is how it started, obviously that's not what I initially got credit for... [T]he reason I first started was... a belief that the better credit rating you have, the more expensive things you are able to buy, the bigger houses you're able to buy... I was of the opinion at the time that the way to make yourself more attractive to creditors was to show your credit worthiness, [then] people will lend you more. So... the initial credit I obtained was to be able to obtain more credit with the ultimate goal to get a really nice house, because unless you're a multi-millionaire you're not going to be able to afford say a £120,000 for a house you need the credit to be able to do so.

Interviewer: So from a very young age credit was always a goal to achieving that?

James: Yeah, Yeah, I like homely things, I like space... I like old things, I like big old stone houses, and I like big old stone fireplaces, things like that are quite expensive. So my idea of a home was somewhere with a nice big garden, big four bedroom house, maybe have a family there, and that was always my thought process... it was always the home life, not the little petty things, like... an expensive TV, expensive jewellery, expensive clothing. I never had an opinion that credit would get me those things because those things were all in reach... for the amount of money that I was planning on earning. But it's the house – the more expensive items of a home which wasn't... I can see the difference in spending £120k on a house and £300k on a house because of size, [and] size is probably how I determine things of wealth.

It is clear James has given deep thought to what credit can bring, and with the phrase 'unless you're a multi-millionaire you're not going to be able to afford a house' he seems to repeat the neoliberal mantra between ownership and credit. Furthermore, James articulates how the environment is very important to him, a consideration influenced by the wealth – the 'nice cars' and the 'big homes' – he observed when he was growing up. Yet the goal of purchasing a 'big old stone house' isn't just driven by these observations, it comes from James' desire to 'over achieve' his own family background:

My mum and dad... have, to an extent, risen out of the working class environment, I wouldn't say their quite at the middle class boundary yet, but I definitely think they're a lot more comfortable than their parents were. So I suppose my mind-set was always to progress on that; my own goal was to always over achieve my mum and dad.

The interesting aspect here is credit was used for material items and objects, in other words objectified cultural capital, in order to prove to his creditors he could be trusted

with larger amounts. Yet, in his attempts to develop his credit rating through using credit James eventually fell into financial difficulties and thus unwittingly his dream of moving into his ‘big old stone house’ has actually been hindered. (We will pick on these themes later in the chapter.)

There is a complex interrelation between space as offering contentment, and space for what it signifies to others, as a form of status in systems of inequality. There is no doubt that access to housing markets is uneven and participation can play a key role in creating and maintaining inequalities. It is clear for the participants who own a property it has enhanced their economic capital stocks, and because ‘capital is a social relation’ (Bourdieu, 1985, p. 107) it produces a positive affect for the bearer in neoliberal sociality because of the importance placed upon it in signifying distinction, freedom, choice, and social inclusion (Preda, 2009). However, through housing markets a social landscape emerges that reflects greater social distance between those who are able to access enough credit for a home and those who are not. Indeed, as Savage, Warde, and Bagnall (2005b) suggest: ‘One’s residence is a crucial, possibly the crucial, identifier of who you are. The sorting processes by which people chose to live in certain places and others leave is at the heart of contemporary battles over social distinction’ (p. 207).

### 5.3 Credit and making the house a home

*[My wife] was an incorrigible house renovator, fixer, improver, and that all cost a lot of money.*  
George

The evidence presented above indicates that property acts as a symbol of achievement, one which instils the owner with a sense of pride and indicates a superior social position to non-owners. Yet, the discrepancy must be drawn that the acquisition of a property on its own enables the achievement of ontological security because, as Dupuis and Thorns (1998, p. 30) revealed earlier, ontological security is ‘actively sought’. The *in motion* pursuit of ontological security to maintain or advance a social position seems to contradict the suggestion that it is permanence and continuity that forms its bedrock because, by their very nature, these attributes signify inaction. Nonetheless, as Hiscock et al. (2001, p. 50) found, in Britain, more than any other European country, there is a ‘restless tendency to move house in order to progress in society and move up the housing ladder’. As such, there seems an underlying precariousness and fragility associated with owning a property; as one would expect to find based on all of the variables discussed up

to this point. Adding to this analysis, Atkinson (2007, p. 452) argues while the home provides ‘a haven from interference in a wider unstable public realm, the home also presents a burden of responsibility – a place to look after, maintain and protect’. Although Sean articulated that his family would be better and happier if they owned their own property, he also indicated there is ‘comfort’ to renting off the Housing Association because ‘if anything goes wrong with the house’ it ‘is fixed, and everything is done, whereas if you buy a house’ the upkeep of it is the owners responsibility. Karen, a 49-year-old lymphedema and holistic therapist, in fact experienced this process first hand and came to realise the transition from social tenant to homeowner can be both transformational and emotion-laden. Provided with the opportunity to purchase her council house at 40 percent of its value Karen could not resist such an appealing proposition. Yet, in discussing how she negotiated the change from being a passive recipient of housing and its upkeep to having to take responsibility for it, Karen reveals:

We just did it. I think we just did it. But if it was an expensive fix we used the credit card instead of... thinking a couple of months down the line we'll look at fixing that. It didn't bother me but I don't think I thought about it very deeply. We just did it. It was just done.

Overall, the responsibilisation of the property’s upkeep, and its development, led to a £53,000 increase in her mortgage in a 4-year-period along with other accumulated credit agreements, highlighting the astuteness of Sean’s observation but also the way credit can emerge to plug the gap and furnish the transition to a ‘responsible’ citizen.

In fact, the process of altering and developing physical surroundings, that Sean alludes to and Karen experienced, is central to the maintenance of ontological security for homeowners; it provides the next step because it fits with the individual’s *in motion* identity construction in systems of amplifying inequality. It is for these reasons that Dupuis and Thorns (1998, p. 30) argue the sense of permanency associated with a home is neither naturally occurring nor instant but is created over time, and is most often conceptualised as ‘making a house into a home’. Taking this argument one step ahead for analytical purposes, once the individual is no longer able to *actively* alter and develop their environment – or in other words ‘make the house a home’ – ontological *insecurity* emerges. For homeowners this process may occur when the individual is no longer able to access credit or their financial surplus is no longer sufficient (a finding that we will explore in depth in Chapter 6 and Chapter 7). Ultimately then the alteration and development of a

property is to guard against property deterioration, or in other words inaction and immobility in identity construction that would signify negative information about one's status to others and counteract the positive status associated with property ownership. For the participants of this study credit was utilised, liberally, as a resource that facilitated the improvement, alteration and development of their surroundings in tune with their sense-of-self and personal progress. Out of the twelve participants who currently own or used to own a property, eleven document their use of credit for property development and renovation. But there is a distinction between the participants use of credit to 'make their house a home'; there are some who do so to preserve social position and others who do so to advance their social position.

After the birth of her second child in the early 1990s Jane, whilst a homemaker, decided to do a home study course in interior design. The choice was inspired by her peers who had encouraged her to be an interior designer, as Jane explains, 'I've got the eye for the interior'. After completing a university course in interior design Jane began a career as a designer. At the time Jane and her husband were planning on purchasing a new property that was in an 'awful' condition. As part of the deal for buying this property Jane would be able to construct the interior to her liking, and Jane has expensive taste:

Jane: I wanted it all new... I wanted it to be nice, I didn't want to go and just get some cheap stuff, I handpicked everything to be the best for the space, we spent a lot of money on the wallpaper – it was expensive – I wanted it to just be right.

Interviewer: Are there types of places where you tend to go and buy the things for your home? Certain shops that you like more than others?

Jane: Oh definitely, I wouldn't go into like Dunelms, or anywhere like that. I'm a snob as well which doesn't help. But you know if you've got an eye for it you want the nice stuff.

It is clear Jane is constructing an environment that parallels her habitus and her dispositions, as she indicates by avoiding certain shops because they do not match her taste. In the end Jane spent 'mega lots' of credit, around £30,000, on making the space 'just right'. When asked if she felt under any pressure to make the home as nice as possible to show off her talents Jane replied, 'I think I have always been the show-off like that'. The renovation of the property with credit enabled Jane to hone her cultural capital and solidify her social position, and also to display her taste in interior design – which underlined her self-perception as a 'snob'. But credit was also essential in helping her

achieve and maintain ontological security – her ‘base’. This account would seem to validate the position of Bernthal et al. (2005) who argue those with high cultural capital are sensitive to distinctions in consumption symbols and use credit to align themselves with others who share a similar social position.

If we analyse two further examples of participants with high cultural capital making their house into a home, we see how the development of the property was conducted in a more reflexive way. Firstly, Anne, a 50-year-old self-employed business trainer and mentor, was asked early in the interview what the area she currently lives in was like, to which she answered: ‘I live in a nice village, yes... it’s a nice area. It’s quite middle-class... I’m very lucky’. Reading such a description would imply Anne is content with her place of residence. Yet, a different story emerges once Anne juxtaposes her perception of her property through the prism of her ex-husband’s property and capital stocks; what emerge are anxieties surrounding her environment and what it represents:

Because I’ve got a small – well, it’s not small. I’ve got a semi-detached three bedroom house in a nice village in a cul-de-sac. It’s hardly small. When [my ex-husband] got remarried he got a big house. It’s one of those executive four bedroom places. [My ex-husband] has a big income and I think I wanted to make sure [my son] wasn’t missing out through my choosing to go self-employed or the marriage breaking down. It was so important that [my son] was oblivious to it really. I don’t want to cry but I wanted him not to feel left out and love his mum really. Yeah, I said to [my son] the other day I was having these nightmares about stuff. He’s 18 so I don’t sort of dump on him. I said I had the feeling that I was a poor relative with dad now having lots of money. His dad has got a big salary, a massive pension and I felt like I was the poor one and so I think I tried to compensate for that. Not compensate but just sort of balance it out. Balance out the standard of living really.

Anne’s perception of her property in light of her ex-husband’s led her to draw upon various credit agreements to develop her home – including for a kitchen, a sofa, soft furnishings, and, more importantly, a cabin in the garden for her son – in order to bridge the gap. The urge to construct a space more aligned with what her son experiences when at his fathers is produced from feelings of anxiety at being viewed as ‘a poor relative’, once again in relation to the status of her ex-husband.

We see striking similarities here with George who upon separating from his wife, in large part due to the credit that had accumulated, explained:

George: I, in my pique, moved out and decided that I had to buy a flat. And at that moment I was still earning £40,000 plus a year so I went out and bought a flat. And I had nothing in it so I furnished and

equipped it all on credit. I had two kids, one 12 and one 15, and they needed somewhere to come to see me. I made all sorts of rationalisations... pride wouldn't allow me to stop and say I can't do this so I carried on... I was still trying to live the same kind of lifestyle but now in a separate location.

Interviewer: And you say kind of lifestyle there, what was it that you were maintaining then?

George: Well, when I bought my grotty flat I was trying to create a home that the kids would be comfortable coming to and would feel okay in. So because they were still living at home I wasn't able to take anything out of the family home so I had to get everything. And instead of doing what a sensible person might have done and go down to the local Sally Army and check out the used sofas the mug went to John Lewis.

Interviewer: And did you feel that it was a case of trying to provide continuity for your children?

George: Yeah. I didn't want them to see a father who was suffering or struggling.

Anne and George's reflexivity was stimulated after they split from their partners, and inequality emerged that signified differences in their respective home environments; ultimately this led both of them to use credit in an attempt to match their ex-partner's home environment and maintain their social position. The unequal distribution of resources and assets that occurs after a relationship breakdown seems to create a suture, an unequal chasm in which invaluable information about each parent's social position emerges, which for Anne and George at least led to the use of credit in an attempt to close.

It must be noted that 'making a house a home' not only emerges in the narratives of homeowners – although it is stronger amongst this group – but also in the practices of the participants who rent. For example, Anita states, 'credit... allows you to better your living environment', to make 'a nice environment for yourself', and to spend 'money on buying more things – soft furnishings, furniture – just to give you the environment that you want'. Altering surroundings invariably transmits knowledge in social space, and many of the non-homeowning participants are aware of these changes and in some instances respond to them. Sean, referencing once again to the homeowners he described earlier in this chapter, states:

Sean: The neighbours have gone out and bought a load of plants and I know I'll be doing that next week but mine will be better.

Interviewer: So do you mean for the garden?

Sean: Hanging baskets probably. Border plants and stuff. And I am proud. I am very proud of my garden. I am very, very proud of it. She's gone and bought whatever but mine will be better next week because that's the way I am.

For Sean the change he observes in his neighbours' garden stimulates a desire to purchase 'better' plants. Sean is in competition with his neighbour, a race in which when they 'forge ahead' he feels he must act to overcome the relational nature of social ordering their consumption simulates. Whether his neighbour is aware of these 'classificatory struggles' is unknown, but in Sean's mind they are.

As we have seen in the two sections above, there are complex interplays between unequal environmental conditions and credit. For the participants in this study achieving ontological security in an environmental context stems, first and foremost, from the status achieved from owning a property – an acquisition that enables the bearer to comply with neoliberal common-sense notions and distinguish themselves from non-owners. Secondly, it stems from their ability to develop their environment in an ongoing process, revealing to others their personal progress and self-worth in systems of distinction. As noted earlier, identity construction must always be in motion, progressing, developing and changing in a system of amplifying inequality. Thus, it is not enough to just be a homeowner to achieve ontological security, but one must act on that environment. The non-homeowners in this study want to comply with these dominant notions to become accepted members of society, but also to pursue their urge to achieve a sense of ontological security in their environment. Development of one's environment not only signifies that one is an active consumer in society, but also that one is progressing and developing as an individual.

It was noted earlier that James had decided the pursuit of further credit for a home is something he aspires to because he 'can see the difference in spending £120k on a house and £300k on a house because of size' and ultimately 'size is probably how [he] determines things of wealth'. When I asked him if that means the surroundings he is in are more important than the things he wears such as clothes or jewellery, James responds: 'Yeah, yeah, those things are immaterial – I've never been one for painting a pretty picture of myself, I am as I am, I've never been one for covering myself in shiny things to give off the *appearance* of affluence, that doesn't bother me'. It is clear James' focus is on

*environmental* practices instead of *bodily* practices in constructing his identity and achieving ontological security. It seems here James has made a distinction between the types of wealth and status he wants to pursue, advance, and project with credit and the types of wealth others may pursue and project. Thus, he is utilising inequality as valuable knowledge and making decisions from that basis. The reason the distinction James makes is discussed here, is due to the notion of ‘painting a pretty picture... to give off the appearance of affluence’, because this highlights the way cultural and lifestyle practices are pursued with credit to advance social positions in systems of amplifying inequality; an observation to which we now turn in the following section.

#### 5.4 Credit and lifestyles

*It's about living a lifestyle that you think you should be having,  
a lot of the time I think, that you haven't got.*  
Anne

The previous sections discussed how the home provides an environment from which identities are constructed and a social position is established and advanced. Yet as Kinnvall (2006) argues, the home ‘is also a place from which one can open the door and go out into the world’ (as cited in Croft, 2012, p. 226). Although our occupational position dictates whether we can access enough credit for a property and of course the location and size of that property, in contemporary society few people are excluded from accessing credit to develop a lifestyle – such body, car, clothes, possessions, choice of holiday, eating and drinking preferences, *et cetera* (Featherstone, 2000, p. 92). Anthony, discussing how credit fits with his occupational mobility, encapsulates these processes:

[M]oving up in the job, opened so many more doors you know, and similarly that opened doors from a social aspect as well cos all of a sudden you're mixing with a total different circle of people... all of a sudden you're moving amongst more affluent people, you were going to different places, you were going to conferences, you were getting invited out to dinners... and then cos you're in that lifestyle you kind of want to support that lifestyle.... Having a wallet full of credit cards it just opens up a whole different world to you... it opened all these doors that had always been closed to you and... allowed us to do things we had never been able to do in the past... [N]obody looked down their nose at you when you walked into Monsoon anymore and that sort of thing you know'.

In the above example we see how Anthony utilises the ‘door’ as a metaphorical device to capture and describe different processes. First, he outlines how his occupational mobility opened up new social spaces that were clearly distinguishable by ‘different... more affluent

people'. Ultimately his relational judgement of these individuals, and how he compared, led him to view credit cards as tools that could help him facilitate the 'lifestyle' he deemed appropriate. Second, how his directional movement through these structures led him to arrive at an enhanced subjective perception of his social position refracted through his interpretation of the spectators gaze: 'nobody looked down their nose at you... anymore'.

This example gives a flavour of the themes that will be expanded upon in greater detail in the following sections. In Chapter 3, I documented one of the five elements of an ontologically secure individual is an ability to reflexively monitor action in circumstances of co-presence, building identity in public space and gaining positive judgement of our identities by others (Giddens, 1991; Croft, 2012). Thus, the following sections are concerned with aspects of identity formation that take place in public space away from the home environment. In particular, we will focus on how credit has been used by the participants to develop educational and professional qualifications, to purchase cars and clothes, to acquire possessions, to purchase holidays, and to eat out at certain restaurants. By focussing on these 'worlds', we can explore how the participants modify aspects of their bodies with credit to display and project a social position in order to achieve ontological security. Researchers have drawn important links between bodies and social positioning. Giddens' (1991), for instance, states, 'fundamental to social life is the positioning of the body in social encounters' (p. xxiv-xxv) because 'the self is... more or less constantly "on display" to others in terms of embodiment' (p. 58). Drawing a similar conclusion Lawler (2008) asserts, 'bodies themselves are saturated with sociality, as we give meaning to some characteristics and not to others' (p. 107). In addition Bennett et al. (2009) acknowledge, 'all bodies carry marks of their experience' and in consequence 'bodily appearance offers an initial orientation in many encounters' by supplying the 'most ubiquitous ways of classifying people' (p. 152). By focusing on how participants draw upon credit to alter the 'characteristics', 'appearance' and 'positioning' of their bodies 'in social encounters', ultimately reveals how they attempt to shift the way other people classify them.

## **5.5 Credit and educational/professional qualifications**

As explained earlier, educational and academic qualifications are part of people's institutionalised cultural capital (Bourdieu, 1986). In contemporary Britain it is clear the links between debt and education have become deeply interrelated. The Coalition

Government further solidified these links by increasing tuition fees up to £9,000 a year from their previous total of £3,600. Of the 21 participants who took part in this study seven have bachelor degrees (James; Graham; Anne; George; Jane; Sandy; and Anita). In this group Jane, Sandy, and Anita facilitated the acquisition of their educational qualifications with credit (student loans and student overdrafts) whereas the other four all benefited from free access to education under Keynesian demand-management. Sandy, a 45-year-old contract monitoring officer, is particularly scathing of this move. In response to a question regarding her first use of credit, Sandy responds:

Yeah, it was forced on me when I became a student... I was forced to take out loans... They'd pay me a lot more money if I wanted to stay home and watch Jeremy Kyle. The moment you want to go out and do something you've got to then take loans out to pay for your rent and loans out to feed your children. Where you could have it for free if you didn't want to do anything... If you want to better yourself then you're going to have to pay it back at some point instead. I thought that was bad really because if you don't want to do anything or try and educate yourself to get a job then they'll pay you to stay at home.

Discourse permeates this account. The shift to a higher education policy that is self-funded invariably leads Sandy to critique the policy because it punishes those who want to 'better themselves' and rewards those who 'don't want to do anything [instead] stay at home and watch Jeremy Kyle'. Sandy believes she should not be punished for being self-responsible. Despite this position, Sandy does at least acknowledge that her degree has been essential in gaining her current £27,000 a year occupational role; a role she describes as a 'good job'. Still, it reveals a system of neoliberal governmentality makes sure that any privilege bestowed upon the individual through their educational development is facilitated through the use of credit and debt.

Anne's experiences are of particular interest here, precisely because it articulates the link between feelings of anxiety and educational/professional development. After being asked if credit had brought her any good things, Anne responded:

It's helped me [with] my self-development really... When you go through self-development stuff you do work on yourself... I think I had so much stuff to sort out. I also had about three or five years of quite intensive therapy when my marriage first broke up to help come to terms with my epilepsy and not being good enough and all that sort of crap. So it all went into that really. And it gives me that ability to have empathy and to share that energy with people. I'm not standing up there going I'm a sick person. I don't tell the full truth that sometimes I couldn't walk without agoraphobia. I say I've suffered with anxiety

and they go what even you? So it can be inspirational as we've all got our role models, haven't we.

Agoraphobia is a social anxiety disorder whereby individuals find it difficult to feel safe in a public space. Some individuals experience the condition so severely the only place they feel safe is the home, and consequently they rarely venture outside (Bienvenu, Onyike, Stein, Chen, Samuels, Nestradt, and Eaton, 2006). In Anne's case, one of the ways she overcame her feelings of anxiety – 'at not feeling good enough and all that sort of crap' – was through educational 'self-development', and credit furnished this process. At the point Anne fell into debt she had spent a 'massive' amount of credit (£20,000) on investment to 'work on' herself. However, as Giddens (1991, p. 45) submits, these activities do not permanently subdue or overcome feelings of anxiety because it is always lurking in conditions which force us to 'experience the self in relation to a world of persons and objects' that continually shift and become reordered. In Anne's case the use of credit to develop institutionalised cultural capital was an ongoing process intended to keep her anxiety at bay.

## 5.6 Credit and cars

*Cars suck me in.  
Justin*

According to Bourdieu (1984, p. 471), despite transformation to the 'nature of conditions', 'the social order is progressively inscribed in people's minds' whereby 'social divisions become principles of division, organizing the image of the social world'. Many of the participants in this study do articulate perceptions of an established social order, yet George articulates it most clearly when he discusses the link between cars and occupational positions. The following is an excerpt from the interview:

George: The things that you think you need and must have, [like a] TAG watch... It's that kind of thing... Ultimately it's about status isn't it, in some way or other? In the days when I had a lot of money I used to think you had to have. The guy who took over from me in the organisation, so he earns my salary and then some, I watch him swan around in his C6 Sportage or whatever and he's doing exactly the same thing. Somehow when you get to be chief executives and things there's a package that goes with it if you're a certain kind of bloke, which I obviously was.

Interviewer: You say the package there. Was that something that was driven by you or do you feel maybe our culture drives the interpretation of what a CEO is?

George: Yeah, I think it's our culture, isn't it, ultimately. It's about the world in which we live and work and symbols that go along with success and mark that to others. But I don't think I was particularly thinking about it, it was just part of me. Part of the world that I was living and working in and I was somebody. You know, for a kid who'd got kicked out of school at 15 and blah, blah, blah. This boy always thinks that he's done good. He's done okay. He's made something of his life. He's achieved something. And having a half decent motor was, or a decent motor [was a reflection of that]. And I see my brother doing exactly the same thing. He's very entrepreneurial and very successful these days. Every two years he changes it for an even grander, even more fancy, totally unnecessary thing, that tells the world that he's got it.

Interviewer: Did it make you happy at the time?

George: That's a silly question. I think that some things that I bought did make me happy for a while, yeah. You should have asked me that 15 years ago and I would have said absolutely with a glow in my eye. Buying a Honda CRV, no problems. Grand.

George implies a specific occupational position translates into goods that symbolically represent that position. At the time George internalised his social position and reflected it through the goods he obtained. In this context, when George suggests, 'I don't think I was particularly thinking about it, it was just part of me', there is an indication that dispositional aspects were driving his consumption, although his upward social mobility clearly influenced his self-perception. Even now George reads his brother's social position through the car he purchases every two years and ties this with notions of 'success' and progression – we see here how changing a cars for more distinct and 'grander' ones becomes a part of the way his brother preserves his position in the social order through projection. This account thus supports Bourdieu's argument that although the nature of social conditions transform over time, the established social order is maintained. In view of this discussion, it is important to consider how cars are utilised by the study's participants to express self-identity and to project a social class position; indeed, to answer the rhetorical question George poses: 'Why do people buy cars'?

Cars traverse economic and cultural boundaries, and thus they not only indicate an individual's objective cultural capital but they also reveal economic capital. The boundaries are not clear cut because, unlike home ownership, cars are not generally so expensive as to

give irrefutable indications of wealth, nor are they cheap enough to allow imitation (Stokes and Hallet, 1992, p. 178). Nonetheless, in a study that obtained in-depth interviews with a sample of car owners and non-car owners, Hiscock, Macintyre, Kearns, and Ellaway (2002, p. 130) found, ‘cars were seen as markers for high status attributes such as having a high income, having an exciting life, and masculinity’, and they provide a ‘good impression on meeting another person’. Some participants have an intuitive awareness of these findings and draw upon it to decide the types of cars they purchase. Anne, for example, explains because she had more work coming in she bought a car, ‘but that’s fine because I need a decent looking car when I go to clients’ places. I can’t go in an old whatever. So then I got the car. Not major, not like a Merc or anything’.

Empirical studies have also explored the role of cars in expressing self-identity (Stokes and Hallet, 1992; Soloman, 1992) and facilitating ontological security (Hiscock et al., 2002). Interesting findings emerge from the participants in this study regarding the fermentation of identity and cars and the way credit underpins it. For instance, in discussing his mind-set as having been ‘credit hungry’, Justin, a 34-year-old recruitment specialist, outlines the reasons for this:

Justin: I would always try and buy something. Always wanted a new car or newer car. There was one point in 2006 when I think I had six cars in the space of so many years, two of which were brand new ones... You’re only talking £14,000, £15,000, £16,000 cars. They weren’t mega... Cars are cool. I’ve always liked new cars because there’s nothing like the feeling when it’s yours and brand new and always having the latest one.

Interviewer: So what is it about a car that lures you in?

Justin: Cars suck me in. They’re just pretty and shiny and kind of cool. It’s new. If you’ve got a new car it’s a reasonably nice looking car. I don’t know. It’s not the envy of it but knowing that you’ve got the newest latest model of something is kind of cool. And cars are just pretty. It’s a nice thing to have in your life... And they reflect your personality. Like clothes reflect your personality, he says sat in Primark. Cars, the choices you make can define who you are I suppose. I find it interesting, which is probably why I pick convertibles for some strange reason.

Interviewer: Why do you think they define you?

Justin: I don’t know... I suppose I see a car as a reflection of me maybe. Before I’d have smaller hot-hatch type cars whereas now it’s more like a nice convertible. Nothing too flashy. I’ve had Peugeots. It’s not exactly Aston Martin. I don’t have the credit or finance to be

able to do that. So that's probably why I always wanted the newest one. I mean, even when I had a brand new one I'd still want another new one. If I could change my car every six months I would. Cars are a weakness. I've wasted money changing cars over. A brand new car and then you change it; you've lost £2,000/£3,000. But it doesn't matter because you just swap it in for the next one.

Justin's detailed discussion of his thoughts and feelings surrounding cars shows how powerfully he sees them as an expression of his identity – of who he is as a person. Indeed, Stokes and Hallet (1992) echo this finding: 'Cars are not merely products like many other goods; nor are they just a mode of transport. Rather, they are often seen as an extension of the person or household who owns them' (p. 171). Yet Justin also makes an interesting concession: 'It's not exactly an Aston Martin. I don't have the credit or finance to be able to do that. So that's probably why I always wanted the newest one'. This reveals Justin's relational judgement of commodities, and shows his awareness that acquisition of goods of higher value are controlled by the maximum credit limit available to that individual based on their current socio-economic position. Justin acknowledges because he cannot afford the top product the market offers he instead 'always wanted the newest one', meaning he could still advance his social position by changing his cars regularly despite not being in a position to purchase the best product the market has to offer. Justin's conveyer belt consumption of cars as they enter the market is a form of market manipulation that enables him to advance his social position by symbolic representation. A new car every six months enabled Justin to develop his objectified cultural capital<sup>16</sup>, and disguise his actual economic capital. Thus, although cars can provide a marker of an individual's economic position, changing cars often and buying the 'latest' model enables people to murky their placement in the social order. As a result of these types of activities Justin says he 'felt successful', that 'life was very good', and that he 'was very happy'.

Expanding upon this point in a little more detail is Anthony, a 49-year-old stock manager, who discusses the way his ability to purchase a better model car directly influenced how he perceived himself in relation to others:

Interviewer: You mentioned you'd changed jobs and things, how did you first perceive those people then? Were they using credit cards?

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<sup>16</sup> As noted in Chapter 3, objectified cultural capital is evident in objects and possessions that are transmissible in their materiality as taste (Bourdieu, 1986).

Anthony: Yeah I kind of suppose you look at it with envious eyes in a lot of ways. Some of them were clearly living beyond their means others had worked hard and were living well within their means and were been very careful over the period of time. And I suppose it was something to aspire to, all of a sudden instead of having a beaten up Astra I turned up in a new Saab that sort of thing you know. And you don't feel as bloody useless as you used to, and it was you used to – you know I used to park as far away as I could from anybody [at work] to avoid them seeing what I was coming in from you know... All of a sudden you do you just feel great about yourself, you know you'd turn up in nice clothes you'd turn up in a nice car, and you'd get out at the supermarket next to somebody in a beaten up Allegro [car] or something daft like that you know, and you do you feel so much better about yourself.

Inequality and the distinction it accentuates permeate Anthony's sense-of-self, and his credit use directly altered this perception in a positive way as he acquired items that facilitated a new and advanced 'positioning' in the social order. Cars provide 'a mobile status symbol' encasing the individual that everyone else can see (Stokes and Hallet, 1992, p. 178), thus influencing intersubjective interactions. As a result of the altered product encasing Anthony he didn't 'feel as bloody useless as' he 'used too' and 'felt so much better about' himself.

It is clear in the discussions here that the car is seen as a status symbol because of the objects 'ability to place people on a number of scales of social positioning' (Stokes and Hallet, 1992, p. 178). The key point to highlight is how the participants internalise these 'scales of social positioning' and acquire cars with credit that allows them to place themselves in a different social position in relation to others. In turn, this positioning reconstructs their sense-of-self and self-worth to society in a positive way. Hiscock et al. (2002, p. 120) point out, 'ontological security can only be maintained when the self is viewed positively in regard to others' and 'cars, like houses, are an expensive household asset' which provide 'similar benefits' (p. 120). Cars are an expression of cultural values, and in a sociality defined by neoliberalism they reflect cultural values of 'individualism, power, freedom, materialism' (Soloman, 1992, p. 166), and, more importantly, ownership. As witnessed thus far, identities relating to ownership are binary – homeowner as opposed to renter, car owner as opposed to public transport user – and those with non-ownership status are tied up with notions of social undesirability, of reliance upon others, and thus challenge ideals of self-responsibility. Indeed, Hiscock and colleagues (2002) explain in their study, non-car owners were 'not valued members of society' (p. 130) because it

reflects inadequate ‘financial circumstances’ that prevent ‘individuals from having a car’ (p. 131).

### 5.7 Credit and clothes

In Chapter 3, evidence was provided that highlighted the relationship between consumption of clothes and class processes. It was documented how clothes, traditionally, symbolised various social, cultural, and economic signifiers about their owners (Finkelstein, 1991), and can operate as ‘condensed class signifiers’ (Skeggs, 2004, p. 101). Studies were documented that revealed the way clothes provide a medium through which the individual is able to present their desired self-image to others (e.g. Galilee, 2002; Archer, 2007). Furthermore, it was documented how clothes come to reflect ‘classed identifications’ (Bottero, 2004, p. 990) that help construct specific cultural markers that are attached to certain individuals and groups. In essence clothes come to represent the most visible form of cultural and social position, and, as such, they form a distinct part of the ‘social order inscribed’ in an individual’s mind. Indeed, as Justin reveals: ‘Things you pick define who you are... And if you are someone that’s rich you’re defined by designer clothes because that’s what you wear. And if you’re not so well off you can’t afford those things’.

Nonetheless, because clothes operate as the most visible form of cultural and social position, some individuals *dis-identify* with the way clothes reveal their social position to others. In this framework the acquisition of clothes that reflect alternative identity placements may enable the individual to distance themselves from the objective perspective of the observer who may, in normal circumstances, confer a particular identity onto us through appearance. The acquisition of clothes that reflect a different cultural and social position with credit enables the individual to ‘borrow’ an identity whilst negotiating the social terrain. Indeed, after being asked whether he felt credit can help skirts the boundaries he identified, Justin responded: ‘Definitely. At 18, 19, early 20s, with some credit best was more amenable. I would wear more designer stuff probably then than now, because now it just seems a waste of resource and debt’.

Earlier it was documented how Anne utilised credit to develop her institutionalised cultural capital, but in addition to this Anne also used credit for clothing, and this had an altogether different purpose:

Interviewer: What type of clothing would you generally spend credit on? Are there any specific shops that you prefer more than others?

Anne: More expensive ones. When I was younger Marks & Spencer was a cheap shop, well it was for me. That was where we bought our staples. So Marks, not necessarily Laura Ashley, it was a bit too yummy mummy, but just nicer clothes really. Nicer finishes.

Interviewer: So there's a fashion that you assume to be good quality?

Anne: Good quality. A bit of quality to it, yes. There's that keeping up elements typifies how I am. You scratch the surface and you go, bloody hell, she's got no money. Like all fur coat and no knickers expression.

As Anne developed her institutionalised cultural capital she began to give material form to her embodied cultural capital<sup>17</sup>; developments that would not have been permissible if credit were unavailable. The two forms of capital accumulation are of course deeply intertwined and stem from Anne's attempt to fight against an impeding anxiety, at 'not feeling good enough and all that sort of crap'.

Although Anne exhibits similar tendencies to those revealed by Bennett et al. (2009, p. 169), who state those with high cultural capital are 'a little more conscious of dress as a statement of personal identity', it is actually those with low cultural capital in this study that exhibit a greater awareness of clothes as expressions of the self, and as tools in the negotiation of class processes situated in amplifying inequality. Indeed, those with little or no other means of displaying wealth, clothes can emerge as a precarious substitute. Sean illustrates how the acquisition of clothes is not just a passive decision but is shaped from, and emerges in, everyday interactions:

Interviewer: Are you very aware of things around you? Of what people have?

Sean: Kind of. It frustrates me I suppose. Not as much now [whilst managing debt] as what it used to do. There's a lad at work, he's only a trainee, he's probably on £19,000 but he's got the latest. This [jacket] came from the catalogue the other week because he's got one of them Super Dry jackets that are hundred something pounds. I got this one [points to his jacket] which was out of the catalogue which was £100. I didn't need it but he had one so I had to go and get one. So I went into work with it and he just said, 'you could have got that from some shop in town for about £35'. I started to tell him about it and he said he'd seen it in a shop in town for £35. And that upset me because I'm better than him. It's kind of weird. An argument took place. It annoyed me

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<sup>17</sup> As noted in Chapter 3, embodied cultural capital refers to embodied attributes – such as accent and demeanour – and the physical presentation of the self – such as clothes – that take time and, indeed, resources to inculcate and assimilate (Bourdieu, 1986; Bennett et al, 2009).

because he still thinks he's got the better jacket. I don't need it. It's forgotten about now.

Interviewer: So you had an argument with him about those jackets. Do you think he used that to try and put you down and say mine is better because I could have got that jacket for £35 at that shop?

Sean: Yeah. And on the day when the jacket came I was as high as a kite. It's weird. I didn't need it. I don't need half the things [such as] 3D TV and DVD player and three laptops and an android tablet.

Interviewer: Are these things you do need? I suppose you can split need into various parts and sometimes things like a coat is needed. You do need clothes and those types of things. Are there things at this moment in time where you feel I do actually need them?

Sean: Yeah, this [jacket] and things like that, even though it's through a catalogue, could have quite happily been spent on a carpet... We could carpet the whole house with the Xbox, the jacket, the laptop.

Interviewer: So you feel the carpet is a real need?

Sean: Yeah.

It is the public nature of consumption and the knowledge that other people will be evaluating him that stimulates Sean's consumption choices surrounding clothes and possessions. Thus, his consumption takes an embodied form as it concerns the self as he moves through public space, instead of the more environmentally based measures distinguished in the previous sections, and to which James attempted to avoid. Where Archer et al. (2007) found individuals in their study utilised branded clothes to construct 'collective classed identities' which created distinctions between 'us' and 'them', here Sean utilises branded clothes to construct an individualised identity that he feels enables him to prove he is 'better' than his work colleague. The fact that his work colleague was able to navigate this show of status by Sean through downgrading his consumption choices reveals the precariousness of utilising clothes as markers to signify aspects of the self. In this context, when Sean purchased the good he was 'high as a kite', but by the time the interaction around the piece had occurred he felt 'annoyed' that it did not carry the meaning he had intended. This is not an isolated incident; it in fact defines Sean's whole consumption activities:

I suppose in a way I am a brand person... I've probably got a £150 pair of trainers on now, that I don't need, that they come from the catalogue probably 3 weeks

ago, but the £30 one wasn't good enough for me because I didn't like them they had to be a higher value. Why? I don't know, it's something that's clocked in my head that I have to have higher value. It's kind of strange, frightening really, it's something that if I could change and I knew how to change then I would change it.

Consequently, Sean has translated his need to 'feel better' and to overcome feelings as though 'I am not good enough' into consumption. The everyday interaction of Sean's account suggests the use of credit is not isolated and fragmented but actually reflects an underlying orientation.

### 5.8 Credit and 'latest' goods

*Credit just meant that we could have better things.*  
*Karen*

It was noted how the underlying systemic mechanism that define neoliberalism are supported by amplifying inequality. Exploring further the concept of the 'market' illuminates this argument. Markets, in their simplest encapsulation, are differences in types of products and services available for consumption. Indeed, as Seldom (1981, p. xxi) argued, markets are the 'only environment' that permits the judgement of commodities and services by comparison with alternatives. Markets are tied to the established social order because they symbolise types of capital and their relative 'weight' within social interactions. Thus, houses, cars, clothes, electrical goods, *et cetera*, are not uniform but are differentiated through markets. Markets are thus the lexical term given to justify a system of inequality. Resultantly, markets are constructed by and through individuals; the property, products, goods, and services, that are sold in markets by competing producers are only fully realised once they are purchased by 'consumers' and incorporated into their stocks of economic, cultural, and/or social capital. The relational aspect of inequality is thus reflected and symbolised by and through markets. As such the 'I want it now' culture is intimately tied to markets, because it signifies whether an individual has the ability to access goods when they emerge onto the 'market'. As Sullivan (2008, p. 48) asks: 'Did you acquire that i-phone when it was new (and expensive), or only later after the price dropped'?

Credit provides a resource that enables individuals to purchase goods as soon as they enter the marketplace (as we saw with Justin and cars earlier), in turn allowing them to gain a symbolic advantage over other consumers who do not have the capacity or will to pursue similar behaviour. For the participants in this study this was indeed the case. For

example, Thomas revealed: 'I'm the world's biggest sucker for the latest version of whatever'. Sean provides another example; at various times throughout the interview he utilises the word 'latest' to describe his consumptive activity. In other words, access to the market at the point innovated goods are disseminated define Sean's sense-of-self: 'I have to have the latest goods'. Ultimately, if the goods he owns are not the 'latest' then they do not 'represent' him. When Lawler (2008, p. 102) suggests, 'reality is seen to inhere in substance (who we are really) rather than in semblance (who we appear to be)', it seems Sean skirts these boundaries. From his viewpoint 'who he really is' is 'what he appears to be', and the goods he acquires, and when he acquires them, are the symbolic representation of this projection. It is clear Sean's dispositions are created from the beat of neoliberal sociality; in fact, he embodies many of the arguments presented up to this point. Bourdieu (1984, p. 160) noted that for those who arrive late to an asset their maybe 'symbolic' consequences. Sean, perhaps unconsciously, avoids these consequences; he believes obtaining the 'latest' goods enables him to forge ahead of other individuals, which in turn symbolises his superior position to them. Ultimately this means Sean is in tune with the things around him, of what others have – his neighbour's hanging baskets or his work colleague's jacket – and he must reflexively consider his own position in response to these external stimuli and take action to overcome the anxiety it creates; he must run 'to keep' his 'distance' and credit fuels his movement, it fuels his identity construction in system of amplifying distinction.

Thomas and Sean are not alone in wanting the 'latest' goods. David also indicates how credit enabled him to purchase the 'latest' goods and possessions, and he offers an interesting reflection on the processes driving his activities:

Well, I think it was basically almost like you could keep up with your friends, neighbours, people you knew. You know, you'd see somebody get some flash thing and you'd think I'd love that. Well I can get that on my credit card. I can go and buy it... If you wanted a new settee or you wanted a TV or something you could go out, pay by card and it would be there probably within a day. It was great. It was a good buzz. It really was... You feel like you aren't having to spend money to buy items to be part of the norm sort of thing. That's what it seemed to be. You could keep up with the Joneses. That's the only way to keep up with the Joneses. And it was; it was the normal thing to do. If so and so had got something nice you thought if I don't get something nice I'm going to be classed as being not as well off as this person. It was hiding the truth that you didn't perhaps earn as much as some people. But as far as I knew they were probably all doing the same as me, using credit to buy nice goods. But it was almost like a status symbol. I've got to get the new TV that's come out on the market or this, that and the other just to prove that I am financially viable... You'd always want

to be one of the people that had the new latest technology at the time. It was almost like having the bragging rights. You'd go in the pub and go I've just got a stereo TV and it plays stereo music and whatever. It was a status symbol. It's unbelievable. When you think of the money you used to spend on absolute tat. It's frightening... But it did feel good at the time. It really did. But it was false. One thing it's taught me, the last 10 years, is take stock of what you've got and a lot of different priorities.

David acknowledges that he could not read the signals other individuals were sending because he could not be sure whether they were obtained by income or credit. Yet, despite this, he still felt compelled to comply in the race in order to 'keep up', to avoid being 'classed' as economically and culturally inferior, and to project a social position that revealed he is 'financially viable'. Thus, David is 'running to keep' his 'distance from those immediately behind', aspiring 'to possess that which the group just ahead already have' (Bourdieu, 1984, p. 157). As David indicates, individuals not only experience the relational effects of amplifying inequality but must also contend with a social position that is never stable but constantly under threat from others within social space, and from various discourses surrounding inequality. Those who are static whilst others are 'moving' may feel a sense of impeding anxiety. Thus, consumption does not always have to involve acquiring the 'latest', because just consuming assists individuals to avoid the 'flawed consumer' label (Bauman, 1998, p. 37). Capturing this link is Janet, a 54-year-old long-term benefit claimant, who when asked what types of things she bought responded:

Janet: When I feel down, like my anxiety was up, I tended to buy things – clothes, handbags, purses – I'd go out and buy something to cheer myself up. But it got to when I was doing it even when I didn't need cheering up... That's maybe what got me into so much debt.

Interviewer: If you took credit away then do you feel you would have been able to shop in those places? Do you feel you would have been able to go and buy those things?

Janet: No. which would have made me feel even worse because I couldn't have bought them. It was making me feel better buying these things.

Janet's ability to draw on credit to just consume goods, regardless of the item, enabled her to fulfil her obligation as a 'consumer' and keep her anxiety at bay. As Giddens (1991, p. 46) explains, identity projection 'is fundamentally a defensive reaction to potential anxiety' and thus 'identification and projection form major means whereby potential spirals of anxiety and hostility are avoided'. In order to counteract feelings of anxiety and to

maintain ontological security, individuals must be set *in motion*. They must become adaptable, changeable, and responsive to the conditions that surround them, to the relational substance of social life, and credit-fuelled consumption was crucial to this. The participants' acquisition of cars, clothes, and possessions provide evidence that they are engaged in classificatory struggles, and it indicates credit is being used in a reflexive way to construct identities in a ceaseless process of protecting and advancing social position.

Having outlined how credit was used to appropriate material goods, the following three sections – entitled 'credit and holidays', 'credit and eating out', and 'credit, friends and family' – remain within the same analytical framework but are concerned with a more explicit *social* orientation underpinning the participants' credit use.

### 5.9 Credit and holidays

Credit was used by 14 participants (67 percent of the sample) to purchase at least one holiday. There were various reasons given for using credit to purchase a holiday including: to have a good time and enjoy life (James; Alan; Anthony; Thomas; George); to 'woo' a partner (John); for convenience (Paul and Erika); to cheer a partner and children up (David; Sandy); to rest from working long hours (Jane); to go traveling around the world before starting adult life (Anita); to see friends (Anthony; Karen); and paying for an anniversary trip (Sean). But social pressure also factors into reasons for purchasing a holiday with credit, as David indicates:

[Y]ou would have the wife come home and say so and so are off for a week wherever and wouldn't it be lovely to get away... Can we go for a holiday for a week? And of course you'd think you're looking after the kid and everything the least I can do is give you a week on holiday. So you'd go and get a holiday and think about how the hell you're going to pay it back another day... I mean, we really did just live for our holidays at one stage. That's all we were doing... We did enjoy our holidays. We really did.

The expense associated with a holiday, the destination, and the frequency at which they occur symbolise an individual's taste and economic capacity; in essence they come to reflect the 'good life'. Thus, although Paul and Erika used credit cards for convenience, credit also enabled holidays in 'Florida, Vegas, Miami, New York, those sorts of places'. Credit enabled George to take his family to France, or to spend £2,000 or £3,000 renting a house to share with his family and sometimes with friends. Credit enabled Jane to pay for holidays to facilitate her 'champagne lifestyle'. Holt (1998), Bernthal et al. (2005), and

Bennett et al. (2009) would argue these holiday preferences reflect dispositional aspects of cultural capital. Nonetheless, there is evidence from the interview data that credit use to purchase holidays involves reflexivity and changing dispositions. For instance, Anthony, a 46-year-old process technician who would be classed with low cultural capital using Holt's (1998) and Bernthal et al.'s (2005) framework, indicates the development of his cultural capital due to credit:

Anthony: [I]ts you know going on holiday to Scotland wandering into a distillery and saying I'll have that, that and that thank you very much and stick it in the cupboard, and you know I didn't smoke, I didn't drink an awful lot, and I suppose the... one vice that I suddenly built myself was shopping, and I collected whisky, still do, bloody expensive. But you know it's nice to be able to do these things.

Interviewer: So what does shopping offer then, you said you built up a bit of a vice for shopping, in what way do you get pleasure out of that?

Anthony: I suppose it's a bit of a drug if I'm honest, it's the ability to go into somewhere pick up what you want and know you can walk out with it.

Anthony acknowledges that his credit use enabled him to overcome material constraint by being able to 'go into somewhere pick up what you want' and 'walk out with it'. This seems to validate Holt's (1998) classification of the consumption habits of those with low cultural capital. However, we see an offshoot of Anthony's use of credit to go on holiday has been the development and refinement of a taste in 'whisky', a 'unique, original' (*ibid*, p. 14) taste, which Holt (1998) argues is the sole preserve of those with high cultural capital. This reveals how Anthony can use credit to overcome low cultural capital by accessing places and tastes that would otherwise be prohibited, and in the process develop an 'individualised subjectivity' (Holt, 1998, p. 21).

Although the participants' justifications for using credit to purchase a holiday are varied, undoubtedly their frequency and location help shape other individuals' perceptions of their social position; something David had clearly considered:

From the outside people looking at us two would probably be thinking, 'look at them two lucky so and so's. They must be earning enough money because they can go off on these nice holidays and the like and they can do this and they can do that'. I suppose it goes back to a status thing. You know, from the outside people thought we were damn lucky that we could have nice holidays and go off when we wanted to. In reality it was far from it. We were just digging a bigger

hole just to say that we could go off on holiday whenever we wanted to instead of knuckling down and saying we can't do this anymore.

When financial difficulties start to arise, the habitual nature of a holiday once or more a year is difficult to break, not only because it would reduce quality of life, but also because of the negative information this would signify to others (an issue we will explore further in Chapter 7).

### 5.10 Credit and eating out

According to Bennett et al. (2009, p. 166) although individuals share a generic involvement in eating out, ‘they do not eat out in the same way’. Instead, ‘eating out exhibits significant differences in participation, knowledge and taste between social groups’ (*ibid*, p.169). Thus, eating out forms one of the elements that signal one’s economic resource and objective cultural class position. Consequently, an inability to eat out, and to eat at a specific type of restaurant, can play into the way individuals feel about themselves. Credit, of course, can help overcome these feelings: ‘Instead of somebody saying do you want to come out tonight and me having to say no I can’t afford it, you could do it’, explains Anthony. Further links between eating out and credit is poignantly revealed by Karen:

Interviewer: In your experience have you found that people are generally unwilling to discuss their financial situation in Britain?

Karen: Yeah, definitely. Oh, God, yeah. I worked in payroll for years as well, so yeah. It's a very taboo subject.

Interviewer: Why do you think that is?

Karen: I don't want people to think I can't afford anything. It's that kind of thing that makes you think, well, I can buy that.

Interviewer: So you felt with credit it gave you a sense you could afford it?

Karen: You could afford it! Not to keep up with the Joneses or anything. Like when we went with Pete and Brenda [pseudonyms] to London, you know, we could eat in a very expensive restaurant but they would do it out of their bonus and their salaries because they're both very well paid. We did it with a credit card or money from a loan or something. But I didn't want them to know that we couldn't necessarily afford to do that. Not that they would think anything less of us for that because that's not the way it was. It was just that we said we'd go and we wanted to sort of be equal – not be equal to them but be able to pay for our own things

without them paying for us. Which they quite happily would have done but we didn't want that because that isn't how, you know... So embarrassment, yeah.

Interviewer: You still wanted to have the same experiences with them as friends?

Karen: Yeah, and do that but you know that there's a price to pay at the end of the day.

We see here a clear attempt made by Karen to display a simulated objective cultural class position to her friends, in particular because they 'didn't want' them 'to know that' they 'couldn't necessarily afford to do that'. But there are four further points to highlight from this passage. First, the term 'you could afford it' shows how credit is a tool that turns the abstract into the material. Second, feelings of 'embarrassment' emerge from the possible occurrence that our friends/family will become aware of how we have advanced our social position; potentially undermining the signals been transmitted. Third, as the reference to 'equality' reveals, credit in this instance allowed the possibility to bypass the effects of economic inequality that existed between Karen and her friends. Other people eating in the restaurant at that specific moment in time would not have been able to differentiate between the economic capacity of Karen and her partner and their friends. Indeed, Karen's friends would also have been unable to make this judgement. Thus, even when economic capital, cultural capital, or social capital are the factors that differentiate between social groups eating out preferences, we see in this case how credit can facilitate the nullification of these acts of distinction. Fourth, 'there is a price to pay' for using credit in this way (a theme we will pick up further in Chapter 7).

Overall, the findings presented in the credit and lifestyles sections above correlate with Bennett et al.'s (2009, p. 169) assertion that 'bodily practices are incorporated into consumption patterns and everyday routines' and 'they contribute to the marking of social position and schemes of social classification'. But what cannot be refuted is the way credit can be utilised to appropriate forms of institutionalised, objective, and/or embodied forms of cultural capital that enable the individual to subvert these processes and project an altered and expedient identity placement.

## 5.11 Credit, friends and family

*I suppose you could say to buy friendships.*  
*John*

According to Bourdieu (1984), ‘many of the expenditures that are called conspicuous are in no way a squandering and, as well as being obligatory elements in a certain style of life, they are very often... an excellent investment in social capital’ (p. 376). Thus, all of the goods and property acquired, and activities undertaken by the participants are an ‘investment in society capital’. Therefore, Karen’s meal with friends in London enables her to maintain social capital with people in a prosperous part of the country and who earn high salaries. Anthony’s attempt to fund a more affluent lifestyle after being promoted at work and subsequently ‘mixing with a totally different circle of people’ is to maintain social capital. There are however countless other examples of participants drawing upon credit to maintain and build social networks and to support family and friends. Participants document using credit to either lend money to family and/or friends, or to buy gifts for them.

For Anne and James this involved taking out additional loans to lend money to their fathers who were in financial difficulties. In a unique experience amongst the participants, Joanne and Martin describe how they travelled the country for over two years searching for the right assistance to help their disabled daughter. To pay for the petrol and treatment that resulted Joanne and Martin would use their credit cards. Furthermore, they both lost a lot of working hours going to hospital and doctor appointments which significantly reduced their income, compounding their reliance on credit further. This is not an isolated incidence either; many families with disabled children find themselves in debt. Contact a Family, a charity that provides advice and support to families with disabled children, conducted a survey of 2,312 parent carers in 2012 and found 29 percent (up 4 percent since 2010) of the respondents have taken out a loan to help with essential costs (Contact a Family, 2012, p. 3).

Using credit to buy gifts for friends and family can increase the number of social interactions that an individual experiences, which, in turn, can result in extending social networks. Anthony, for instance, took his kids to the home games of a Championship football club every week for a full season. Anthony acknowledges, ‘you suddenly feel better in yourself, the kids were going off to school, “oh we’ve done this we’ve done that” and “my dad’s bought me this and my dad’s bought me that”’. More relevantly, Anthony acknowledges that this activity ‘enlarged [his] social circle’ of friends ‘because [he would]

see the same people every week and [he would] get to know people'. Likewise, John says that credit was used to buy a 'good time' partying and clubbing, but he also acknowledges:

I suppose you could say to buy friendships really... As I said, I was pals with a few girls. It was like, 'are we going out tonight'? 'I haven't got any money'. And I'd be, 'don't worry about it I'll get the drinks in', and we had a good time.

But there can be consequences from people's desire to help and reward friends and family with credit. Out of all of the participants it is perhaps Janet who experienced the most difficulties from lending money to friends and family. Janet explains that her friend of 27-years would always ask to borrow money to pay for the gas and electric or to feed the kids. Janet, who describes herself as too 'soft', would subsequently 'lend her it, and then lend her it, and lend her it', but in the end she had lent her friend over a thousand pound but never got anything back. As a result Janet ended up taking out doorstep loans and borrowing money off one of her best friends to cover her own bills. If Janet could change anything she definitely would not lend money, 'even if it meant losing a friend'. Interestingly Janet classifies her friends as either 'good' or 'bad' depending on whether they lend money to her or whether she has to lend money to them:

So that's the only debt I will be in now, borrowing off my friend which is -- he's a good friend, that's what I call a good friend. My other friend's a bad friend and I call him a good friend. I know we are still friends but [name's] a bad friend and [name's] a good friend.

As a result of her experiences, and with the help of StepChange, Janet has 'learnt [her] lesson' and she doesn't lend any money to her – 'bad' – friend anymore. It is clear from these accounts that personal credit relations are ubiquitous in consumer society; they bind family members, friends, customers, and tradesmen in tangled liens of mutual obligation (Finn, 2003).

Having discussed the role of credit across the various 'worlds' that Bourdieu highlighted, we see how crucial it became in the participants' lives. In the final two sections of this chapter I will offer a more detailed conceptualisation of the essence of credit use amongst the participants, and reflect on whether the empirical evidence presented enables us to determine the validity of the argument outlined at the end of Chapter 3.

## 5.12 Credit use as a directional phenomenon

*Credit was beginning to be more an oil of a machine.*  
George

In the previous chapter, Clegg's (1997, p. 29) proposition that identity is 'contingent' and 'achieved', 'in process' and subject to 'transformation', and 'always relational' paralleled the operations of neoliberal ideology, which is also in process, buttressed by constant change, transformative restructuring and adaptations (Peck, 2013). It is clear from the interview data that credit use facilitates a directional orientation to identity formation, mirroring the structural operations of the rationality that supports and embeds it. Indeed, all of the participants in this study describe the directional nature of their lives at the point they were using credit. Directionality refers to the search for ontological security within a system of distinction. A changing and expanding system of distinction means the 'lasting experience of social position' (Bourdieu, 1990, p. 131, as cited in Sweetman, 2003, p. 541) that constructs the habitus is under threat and the individual is compelled to maintain it; this is why ontological security is an 'in motion' process (Dupuis and Thorns, 1998, p. 30) to maintain and/or advance a social position. Revealing the infusion of a directional orientation, identity formation and credit most poetically is Justin, who utilises a metaphor he relates to:

Interviewer: You mentioned a butterfly then. I don't know what you may mean by that?

Justin: Butterflies spend their lives dancing from one flower to the next. They have their fill and then, oh, there's something prettier over there and it'll go and deal with that thing and then that one. They just never stay in one place for too long... I couldn't stick to just one thing all the time, all the day. I couldn't do that. So I am a butterfly.

When using credit the participants did not intend for their identities to reach an 'end point', because their orientation was to constantly work on them, develop them, and project them in the shifting terrain of social space. To illustrate this point, Justin, when discussing his nine-year-period of credit use, states:

Back then it was more just living life than questioning where I was financially. I had no, I suppose, long term plan or long term goal... you just kind of I suppose exist as opposed to having an end goal and a focus and stuff... You kind of live in the moment.

Some of the participants describe their period of credit use as living ‘day-by-day’. This should not be mistaken for an assumption that paying for essential items was challenging, but instead because credit was readily available life was enjoyable and worries and concerns of everyday life were avoided. Anthony explains:

It was so much more living day-by-day and enjoying life... it was too easy to just do what you wanted to do, and as I said tomorrow didn't matter we are doing this now we will worry about tomorrow when it turns up.

Credit permitted the participants to insert more ‘everyday reflexivity’ and action into their lives, which subsequently become incorporated into their directional identity construction. As indicated throughout this chapter, for the participants in this study this meant utilising credit to acquire economic, cultural, and/or social capital in an attempt to advance their social position. Thus, many of the participants’ narratives, referencing the directional nature of credit use and how this fit with their identity formation, are littered with semantics such as ‘worked-up’, ‘progressing’, ‘self-development’, and ‘better myself’.

In recognising a directional orientation the individuals are reflecting on their place within a historically contingent cultural environment. The ‘I want it now’ culture that Leigh-Pemberton so astutely observed in the early 1990s is clearly evident in the participants’ accounts. Justin, for instance, states he is not a ‘compulsive’ shopper ‘but if I see it I have to have it there and then. If it’s pretty and shiny the urge is so strong’. Reflecting similar experiences, Anne tries to capture her mind-set when she was using credit: ‘Shiny object, want it. I’ll just buy that dress now. I’ll just go on that training course... and then delay’. The delay element in Anne’s narrative signifies a detachment from the accumulation of credit that emerges through these types of credit practices; a process evident in all of the participants’ accounts of their credit use<sup>18</sup>. For the participants their credit use spanned many years of their life (see Table 5.1). There were only three of the 21 participants (includes two couples) that had used credit for less than ten years – the lowest being Anita at four years – before falling-into-debt and starting a debt management plan (DMP) to facilitate debt repayment. Indeed, ten of the participants (including one couple) had used credit for over 20 years of their life, with Thomas representing the longest credit user of all of the study’s participants at 45 years before seeking assistance from StepChange.

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<sup>18</sup> Although it was noted earlier that there is a restless tendency of people in Britain to move up the housing ladder, unsecured credit use is more prominent in fuelling the participants’ directional identity construction.

**Table 5.1: Breakdown of participants' credit use**

	Participants (Pseudonym)	Age	Year Started	Age Started	Duration (Years)
1	James	30	2001	18	9
2	John	51	1982	20	24
3	Graham	46	2006	39	6
4	Alan	69	Early 1980s	36	27
5	Erika and Paul	58    69	Late 1980s	32    43	18
6	Anne	50	1985	22	27
7	Thomas	72	1966	35	45
8	Heather	45	1990	22	20
9	George	63	Early 1970s	20	35
10	David	46	1986	19	16
11	Jane	53	1990s	30-ish	20
12	Sandy	45	2004	36	4
13	Joanne and Martin	46    62	1985	18    34	24
14	Justin	34	1997	18	9
15	Janet	54	Early 1990s	31	20
16	Anita	32	1999	18	10
17	Anthony	49	1990	26	15
18	Karen	49	2001	39	11
19	Sean	38	1993	18	19

Totals:	18-29	0	Before 1980	2	18-29	11	Under 10	3
	30-39	4	1980-1990	7	30-38	9	10-20	7
	40-49	8	1990-2000	6	40-49	1	Over 20	9
	50-59	4	2000-2010	4	50-59	0	Average	19
	60+	5			60+	0		

Thus, unsecured credit use began at the early stages of the participants' adult life, with *eleven* of them starting to use credit between the ages of 18-29 and a further *nine* between the ages of 30-38. These findings indicate credit use is a rite of passage into adulthood and persists for large parts of the individuals' life. For the participants in this study, directional use of credit led to a *gradual* accumulation over a period of time, in the majority of cases over many years. Sean sums this process up:

[I]t's not just built up over a small period of time; it's a long, long, long time. I don't think I would have seen if I hadn't of been pointed in that direction of StepChange, I wouldn't be where I am today I would still be applying, I'd still be wanting everything under the sun.

The 'I want it now' culture embeds a specific type of engagement with the social world in those who are seduced by it.

However, by the time the interviews took place the participants were generally hostile to the ‘I want it now’ culture. George for instance asks: ‘Instead of the immediacy of I want it and I’ve got to have it now what’s wrong with waiting three months and putting some money aside?’ In a managing debt context – to be discussed in Chapter 7 – we will see how the participants have moved away from this disposition and taken steps to alter their interactions with the public sphere, with shops and shopping centres, with the goods and services they are exposed to, and with the individuals they meet in everyday life. However, in the final section below, we will explore how the reflexive process of using credit to advance social position in response to unequal social conditions actually transformed the participants’ dispositions and sense-of-self.

### 5.13 Changing dispositions and credit

*I think credit just made me less conscious of money.  
Karen*

Credit can dis-embed the subjects’ perception of their social position and reconfigure it in an altered way; this is both *real* and *simulated*. Real because credit users are able to alter their material reality – for instance the velocity of circulation and quantity of possessions, goods, and services they acquire – and simulated because through acquiring these tangible things the symbolic representation of identity is altered. In turn, a different set of signals are transmitted through social interactions: consequently, credit users come to feel and think differently about social processes and others feel and think differently about them.

Bernthal et al. (2005) are correct to argue credit awakens people’s capacity to symbolise materially aspect of their identities that lay in dispositions. However, Bernthal et al.’s methodological and theoretical framework is too quick to reduce individuals’ credit use to the content of their social location, and consequently they do not take account of how credit can be used as a tool that enables individuals to stand back from their situation, reflect upon their habitus, and take action to counteract its effects or indeed to overcome them. Through this process credit facilitates the creation of new dispositions because credit use awakens aspects of the self that would otherwise lay dormant, and it is this action that transforms the individuals’ sense-of-self and their place within the established social order. Many of the participants articulate the way credit altered their sense-of-self and their dispositions. An illustrative example is Sean, who after being asked if his life would be any different if credit were unavailable replied:

My God, if that was not available I'd be an absolutely different person. I'd probably carry on being the way I was brought up. I would have a lot more value for myself, acceptance for myself. I would appreciate things a lot more; like I don't appreciate my new coat that I bought last week. I didn't need it. If credit wasn't available and everything was bought through hard work or chores or whatever it may be, you're always going to feel a massive sense of engagement with it and reward because you've earned that. You've earned the right to have that. So, yeah, completely different. Without a shadow of a doubt. I wouldn't be where I am now.

Credit has had a profound impact on Sean's life: he indicates that credit has not only shaped the direction of his life, but it has transformed his values, his self-worth, and his identity. Sean is not alone; all of the participants' lives have been influenced and shaped by credit. In another example, David explains:

Obviously you thought the bank must think highly of you because they're not going to give you this money if they didn't think you were okay. You thought you're part of the elite at the time. That's the only way to think about it.

The fact that David, a truck driver with a secondary education, felt part of the elite indicates credit's capacity to alter the link between social location and lifestyle. Indeed, the notion that the use of credit can subvert the class system and create feelings of superiority in its users points directly to the reason why credit is so popular amongst the participants of this study and why its allure as a resource is so compelling. 'It became such an integral part of everything that we did', as Karen echoes. Credit enables individuals to 'stand back from their milieu, reflect critically on their habitus, and act to transform it', and this directional orientation becomes habitual; credit constructs a 'reflexive habitus' (Sweetman, 2003, p. 546) as individuals seek ontological security by maintaining a 'lasting experience of social position' (Bourdieu, 1990, p. 131, as cited in Sweetman, 2003, p. 546). It is this conceptualisation that explains why George concludes credit use is 'habit forming and its dependency', and he has clearly reflected on this greatly:

George: I think ultimately the creditors are no better than the average drug pusher. Yeah, of course it's to increase our consumption and they make money out of doing it. So faster, bigger, better, quicker, hotter, colder, whatever. And that's been a huge part of the UK's economy. The growth of credit has fuelled a significant part of where we've been and where we've gone to. And now the chickens are coming home to roost. And I'm sure in your travels I'm not the only one who's been through this kind of game... The problem is we are as we are and we live in the world that we live

in. Although I'd like to think that I might do things differently, and most probably would given the experiences I've had, there's a bit of me that also thinks it's all part of the game. And the average junkie doesn't think about these things either. The drug is offered, you shoot up a bit and usually you've got to do it three, four, five times before you actually get properly hooked. And it's too easy. I think the problem for me was it was a doddle. Fill in a bit of paper, sign there, right, £10,000 no problems. American Express Gold Card, no problems Sir, away you go. It was just way too easy. And nobody ever checked.

Interviewer: So it can form a dependency and that allows you to build a lifestyle?

George: I don't think there's any argument about that. I think that's exactly what it does. It suits the banks and it suits business. It's capitalism son, it's capitalism.

Although Bennett et al. (2009, p. 11) argue, 'we cannot easily "stand back" from our cultural frames to allow a dispassionate evaluation of them', this chapter has sought to argue that credit is a tool that permits the individual to 'stand back' from their 'cultural frames', to evaluate them, and to act upon them. Consequently, credit alters and undermines the established social order by allowing the individual to alter their place within society. These alterations misty the social order that is 'inscribed in peoples minds' (Bourdieu, 1984, p. 471). I argued in Chapter 3 that individuals continuously access and accumulate different forms of capital, whether economic, cultural, and/or social, which become transmitted within social space. Any individual observer at a specific moment in time and space is, generally, unable to distinguish whether the type of capital an individual has accessed and displayed was procured through a 'financial surplus' or through 'borrowed funds'. The strength of credit is that no-one knows who is using it and, consequently, the link between social position and cultural consumption/taste is hidden, weakened, and in some instance overcome. Hence, class, and the freedom or constraint it places upon people, appears to be weaker, and as some have argued irrelevant<sup>19</sup>, because individuals find it difficult to recognise or explain why an individual's social position does not filter through into specific consumptive processes that reflect that social position. That credit proliferated from the 1980s at the same time arguments emerged suggesting Britain is a classless society are not coincidental, but in fact share a deep correlation. It was

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<sup>19</sup> E.g. Crook, Pakulski, and Waters, 1992; Pahl, 1993; Lash and Urry, 1994; Pakulski and Waters, 1996; Clark and Lipset, 1996.

documented in Chapter 3 that Sullivan (2008) argued the use of credit creates fuzzy class boundaries, and it is clear that this is indeed the case.

### 5.14 Chapter summary

In contemporary Britain there is an intimate connection between credit, access and accumulation of capital(s), and the pursuit to achieve ontological security. As observed in this chapter, this is due to the amplifying inequality that embodies contemporary sociality, which creates anxieties that challenge an individual's sense-of-self and social position. Inequality is revealed through economic, cultural, social, and symbolic means. The way in which the participants 'saw' inequality, 'saw' the differentiation surrounding them, determined the type of capital they accessed, because this was the type of inequality they were trying to subvert in the eyes of others. The directionality of credit use within the participants' lives was ultimately tied to, and bound up with, capital acquisition and accumulation that facilitated the construction of *environmental* and/or *bodily* aspects of self-identity in an attempt to achieve ontological security within unequal social conditions. Credit use enabled the participants to traverse hierachal boundaries because it facilitated reflexivity in the construction and explicit expression of their identities. Credit provided the participants with the opportunity 'to overcome the denigration and delegitimising associated with their class positioning' (Skeggs, 1997, p. 95). Fundamentally then credit use reflected a *dis-identification* with their social position. In this framework, credit enables 'appropriate value allocations' to 'be calibrated in order that distance can be drawn and misrecognition made' with others and by others (Skeggs, 2004, p. 101), from which the specific class processes in operation can be bypassed or navigated. Over time, credit use became an 'in progress' socialisation process for the participants that fermented new dispositions about their place within the social world that would otherwise have been impossible without the ready availability of credit.

In summary, the use of credit provides a tool that enables the individual to act out and form an identity through the *appropriation and accumulation of value*, and in relation to the class mechanisms they are exposed to within a neoliberal social formation. The behaviour of individuals who use credit to accumulate capital should not be viewed as irrational or irresponsible, but rather as an expression of social wants in conjunction with prevailing discourses regarding *legitimate* social norms and values (Roberts, 2013). Indeed, as Bourdieu (1984, p. 160) astutely observed, the 'dialectic of downclassing and upclassing'

is in fact ‘predisposed to function... as an ideological mechanism, whose effects conservative’ – or in other words neoliberal – ‘discourse strives to intensify’. Hence the processes outlined in this chapter, and throughout the thesis, are not unintended, but instead reflect the aim of those who invest in neoliberal politico-economic discourse and those who support the proliferation of credit as a profit-making enterprise in its own right. Neoliberalism encompasses a discourse that embeds its notions of value within relational practices in order to encourage individuals to appropriate value that is beneficial to the economic system, all the while portraying this value accumulation as though it arises in the individual themselves. Nonetheless, participants in this study come to articulate the role credit plays in contemporary sociality, precisely because they have experienced first-hand the reasons supplanting its use. Ultimately this knowledge and awareness is enhanced from the participants’ trajectory through debt structures that provide a different window into their previous behaviour and the tool that facilitated it. As David noted, ‘it’s frightening the money we wasted on absolute tat’, and as Karen revealed, ‘there is a price to pay at the end of the day’. Credit alters dispositions but awareness of these established dispositions only surfaces once they can no longer be nurtured; the point at which an individual falls-into-debt. It is to this period of time in the participants’ narratives that we turn to in the following chapter.

## CHAPTER 6

### Falling-into-Debt: Ontological Insecurity and Identity Deconstruction

*We were just falling deeper and deeper into debt.*  
David

#### 6.1 Introduction

In the previous chapter, credit use at the individual level was explored. The findings strongly indicated the use of credit by the participants to acquire economic, cultural, and social capital to project an improved and expedient social class position to others, and thus achieve feelings of ontological security in relational systems of distinction. It was documented how the participants describe the directional nature of their lives at the point they were using credit, which ultimately led to the gradual accumulation of credit over a period of time, and in the majority of cases over many years.

This chapter shifts to the consequences of credit accumulation and default. It seeks to understand how the inability to service credit begins to challenge the economic, cultural and social capital it had initially been used to create. The chapter explores the series of experiences the participants are forced to go through as they move from the ‘metaphorical top’ – their credit-induced social position – to the ‘metaphorical bottom’ (Berenthal et al., 2005, p. 137) of the established social order. In attempting to capture the *depth* of feeling the participants’ experience, the following analysis by Drew (2006) proves compelling:

Consider the power of *up* and *down* on our consciousness; doing better in the world is *rising*, doing worse is *falling*... [S]uch spatial/orientational metaphors provide a language resource for translating... emotions in ways we can describe, and in ways which can be understood [by others]. (p. 72)

This chapter will thus use the term ‘falling-into-debt’ to capture an identity that is under threat and one encompassed by the breakdown of ontological security. This chapter will reveal that ‘falling-into-debt’ is an experience characterised by feelings of fear, shame, and stigma, and that these are the emotional responses that debt collection practices and forms of governmentality intend to produce. It will argue that by analysing the process of ‘falling-into-debt’ and how debt structures infiltrate the subjective, we learn a great deal about when identities are deemed to have gone ‘wrong’ or become ‘deficient’.

Consequently, by inference, this analysis will tell us about what the ‘right’ identities are held to be like in contemporary neoliberal sociality (Lawler, 2008).

## 6.2 Conceptualising ontological insecurity

*It went from have some money to give us some money.*  
Anthony

As noted in Chapter 3, there are four components to ontological security. First, the ontologically secure individual develops secure environments from which predictable habits and routines are maintained and that form the basis of self-identity. Second, these habits and routines are ‘made to happen’ by reflexive behaviour that is purposeful and intentional, thus, it is identity formation that is ‘in motion’, directional, and ‘actively sought’ against the existential threats that bombard it (Dupuis and Thorns, 1998, p. 30). Third, directional identity formation is undertaken intersubjectively (relationally) and involves the positive judgement of our identities by others. Fourth, self-identity is encased in a ‘protective cocoon’ of trust relations (Giddens, 1991, p. 40).

Ontological security is defined by its opposite: *ontological insecurity*. Taken together they form the double aspects of the human condition, two existential mind-sets that are juxtaposed with one another to define the whole. According to Croft (2012), the term *ontological insecurity* originated:

[T]o understand how some individuals at times struggle with a full sense of the self; how they may narrate their lives in terms of the ‘failure’ to perform normal routines, of deep anxiety, how they may reflexively produce coping mechanisms, and how these feelings and behaviours have a deep impact upon their sense of worth and integrity. (p. 220)

Thus, an *ontologically insecure* individual feels threatened by their everyday experiences, lacks a coherent sense-of-self, and is subject to anxiety, fears, dread, and, in some instances, terror (Croft, 2012) at externally impinging events (Giddens, 1991). At this point the individual is experiencing an existential crisis, a ‘critical situation’ that Giddens (1984) classifies as ‘circumstances of radical disjunction of an unpredictable kind’ (p. 61), whereby ‘habitual modes of activity’ are excessively overwhelmed and cannot be countered by the ‘basic security system’ (p. 50). Croft (2012, p.223) states, critical situations are ‘crises’ of a social kind because they represent ‘shocks to established beliefs and ways of doing things’, and are condensed into ‘fundamental moments in time’ requiring a ‘choice about response’. At this stage, life cannot continue as it once did; instead the individuals’ value

system, modes of activity, and sense-of-self are deconstructed, and the only route possible is one that leads to an alternate ontological reality that forces the individual to create new value systems, new modes of activity, and a new sense-of-self.

This chapter will reveal how each one of the four elements that underpin an ontologically secure individual – elements which once facilitated ontological security for the participants through their credit use – are broken down step-by-step as the individual falls-into-debt, leaving at the final stage an individual in the throes of ontological insecurity and at the peak of a critical situation. It will be argued that ontological *insecurity* emerges when the ‘in motion’ biography an individual has constructed unravels, which by implication means a directional identity formation ceases to be possible; when the normal routines of daily life become ‘radically disrupted’ (Giddens, 1984, p. 167); and when control over one’s actions, or personal responsibility to pursue norms and values that underpin ones identity, end.

### 6.3 ‘Uncontrollable circumstances’ - from credit use to falling-into-debt

*[I]t was purely just a spend, consolidate, spend, consolidate cycle.*  
Karen

The fall-into-debt is often triggered by an unforeseen change in circumstance, or what McCormack (2014, p. 270) refers to as ‘uncontrollable circumstances’. In January 2014, StepChange surveyed 1,104 clients who started a DMP with the charity in 2013, and asked them the reason for falling-into-debt. In order of frequency, the reasons included: unemployment/redundancy (23.4%); reduced income (16.4%); lack of budgeting (13.5%); injury/illness (11.3%); separation/divorce (10.0%); used credit for living expenses (5.4%); increased priority expenditure (3.5%); irregular income (3.1%); reduced benefits (2.7%); failed business (2.1%) (StepChange Debt Charity, 2013, p. 38). Similar to these findings, participants here note various ‘uncontrollable circumstances’ as the trigger for their own financial troubles, including: relationship breakdown (John; George; Sandy; Anita); forced-retirement (Alan; Thomas); retirement due to ill-health (Paul and Erika; George); a reduction in income or a change of job (James; Graham; Anne; Jane; Joanne and Martin; Justin); changes in benefit payments (Heather; Janet; Sean); and an unexpected child (David).

However, although these ‘uncontrollable circumstances’ may prove the final trigger that pushed the participants into an unmanageable financial situation, they are not the underlying factors or conditions that facilitated the use of credit in the first place. As

documented in Chapter 5, this thesis places greater emphasis on a different set of structural conditions that facilitate excess credit accumulation. In particular, it was argued the underlying mechanism is the way amplifying inequality compels individuals to alter their own social position through identity construction. Furthermore, it was clearly demonstrated in Chapter 5 that the build-up of credit generally cultivates over a long period-of-time, and therefore the movement between a manageable and unmanageable financial situation can also take many years to develop. Indeed, as David states, ‘the wife went on maternity leave and I suppose that just exacerbated a really dire situation as it was’. Similarly, as Jane explains:

We knew we were overstretching things before I left work, we were maxing ourselves out to the limit and we really should be seriously paying stuff back. We were paying minimum payments on things but we were still having the lifestyle as well. And when I was made redundant... we carried on living the £5000 a month lifestyle instead of the £2500. [We were] paying off the minimum amounts on the credit cards and using them for shopping.

What Jane is referring to here is a very common process that indicates how credit is accumulated. To elaborate, on various occasions when the participants in this study felt an increasing pressure on their finances they went to their banks to ask for assistance, and at this point the banks promote credit as a solution. David illustrates this point:

We sat down with one of their financial advisors and he said everything looks fine, we haven't got any concerns and we can help you. So we thought they're the people in the banking, the money side, they know what they're doing. They wouldn't lend to somebody if they didn't know what they were doing. So it was constantly, well, we can give you a loan to clear this, to clear that, to clear your loan with us and it will be better interest so you'll be better off... We went to them three times saying we think we have a problem and three times they said you haven't got a problem.

Subsequently, an individual may start with a credit card; they may then obtain a second one to pay off the first; maybe another one to pay off the second; then perhaps a personal loan to pay off all three; and finally a consolidation loan to pay off the credit cards, overdrafts and loans that have accumulated. Bernthal et al. (2005, p. 139) refer to this as ‘shuffling practices’, whereby an individual requests ‘additional credit... once their credit limit has been reached rather than having to face being “maxed out” on their credit agreements and risk the possibility of having to scale back their consumption’. Indeed, illustrating this position is Alan who notes, ‘I suppose when the limits got up to a certain

point I would apply for another one'. All of the participants viewed the consolidation of their credit agreement(s) as a 'clean slate', and would then continue with the same credit-induced habits and routines. Although 'in hindsight' David acknowledges 'what a ridiculous thing to do', it is common throughout all of the participants' accounts and underpins the process that leads to credit accumulation.

Accordingly, the process has a more systematic underpinning because, as various participants document, at no point do the banks or financial institutions advise the individual concerned to 'cut up your credit cards' or change your spending habits and patterns. Thus, the directionality of identity formation is promoted by 'revolving credit' (Griffiths, 2008, p. 187), which in other words means the promotion of credit as a solution to accumulating debt. Walker et al. (2014, p. 5) argue there is a specific 'economic and political impulse toward social practices that discipline subjects into specific modes of engagement with their credit'. These social practices are utilised by creditors as techniques aimed to induce conduct that forge specific ways of dealing with credit. In particular, this process is implicated in the attempt to create 'specific types of economic subjects', a group referred to as 'responsibilised revolving debtors' (Walker et al., 2014, p. 10) that rely on a continuous supply of credit and, by implication, provide a continuous stream of profit to credit lenders because they do not pay off their credit balances. The spend, consolidate, spend, consolidate cycle that the participants reference is the materialisation of these systemic process, and these systemic process are encouraged through a 'form of economic management' that sustains individuals 'as revolving debtors' (Walker et al., 2014, p. 5). As Sandy elaborates: 'You don't just stop with the one line, that's the thing. You make it to become unmanageable. You keep doing it until you can't do it anymore and then it all comes crashing down'. The 'crashing down' part Sandy describes is the point when the minimum payment(s) can no longer be paid and this is generally 'caused' by the occurrence of an 'uncontrollable circumstance'. Yet the emergence of this is merely the mechanism that moves an individual from a 'just sustainable' situation to an 'unsustainable' situation (Walker et al., 2014, p. 7).

All of the participants describe this point as the start of a new phase in their experiences because access to credit is either severely restricted or is stopped all together. A situation recognised by Justin: 'My credit line had stopped... I had spent it all'. As documented earlier, credit establishes habitual modes of activity due to its availability, flow and use over long periods of time. Consequently, the inability to access further credit creates the conditions for 'a process of insecutitization' (Croft, 2012, p. 229) that

eventually leads to ‘existential crises’. Denied further access to credit they feel ‘frustrated’, ‘embarrassed’, ‘angry’, ‘depressed’, ‘poor’, ‘rejected’, ‘unworthy’ and ‘second class’ (Jennett, Brostoff, Malheiros, and Sasse, 2012, p. 552, italics in original). From this point the creditors start to elicit the payment for the full balance of the debt and the structures of debt begin to materialise in the private domain. This is the most lucrative period for the producers of consumer credit, because now maximum value is extracted from the credit agreements they have sold.

The resultant existential crises surrounding descent into debt followed a certain sequence of stages. The sequence is clearly a regressive one, and the move to what Bernthal et al. (2005, p. 132) call the ‘debtor’s prison’, where the individual becomes locked behind invisible bars that structure social relations, was traumatic for all of the participants involved. The focus of this chapter is on the sequence of stages that impact on the individuals’ identity, and subsequently their social position, once structures of debt surface in the individuals’ private domain. But what are the stages of identity deconstruction in matters of credit and debt, where an individual moves from a position of ontological *security* in one’s identity and social position, to one of ontological *insecurity*? How do they arrive at a ‘critical situation’, the crisis point when life cannot continue as it once did?

#### **6.4 The emergence of structures of debt: the ‘door’**

*You used to dread the postman coming to the door every day.*  
Anthony

The ontological security of home ownership, and wider security founded upon credit use, becomes disrupted once the structures of debt infiltrate the home via the ‘door’; at this stage anxieties amplify. Whereas at the time of credit use the ‘door’ reflected a mechanism through which credit is promoted, as well as the entryway individuals exited to experience what contemporary capitalism offered, the period of falling-into-debt signifies a transmogrification in the individuals’ perceptions, symbolised through reference to the ‘door’, as a new set of structures take hold. Capturing this Anita states:

Whereas the banks were quite happy to give you that credit beforehand and sort of go through it they weren’t happy with helping you out... [They] close all of the doors that were once open and that was a horrible situation to be in. No one was willing to listen or help in any way, shape or form.

The door becomes a paradox. On the one hand, the door is a form of protection shielding the individual from the consequences of their previous actions. As George explains, 'I was keeping the wolf from the door by doing what most people who end up in my kind of mess do which is you rob Peter to pay Paul'. The door acts as a barrier to the individuals' domestic space – still filled with the consumption markers of a past credit-fuelled lifestyle – protecting them from a new set of daunting legal structures. Yet, on the other hand, the door becomes a thing of fear because it represents the likely path to a world perceived to be incomprehensible and intimidating. 'You used to dread the postman coming up to the door everyday', explains Anthony. He fears very real threats such as the delivery of a county court judgement (CCJ) or bailiffs trying to gain entry: 'You're expecting a court order or whatever through the door every minute or somebody banging on the door saying give us your money'. All of a sudden the world out there, which initially was drawing the individual out, becomes an altered world trying to get in.

At this transitional stage, the door symbolises the point ontological security begins to break down. Highlighting this transition is Alan who, after being made redundant at the age of 68 could no longer keep up with his credit repayments and subsequently began falling-into-debt, describes the impact letters from creditors had on his wellbeing:

Alan: [T]hey kept on writing to me... and the letters would come in. I mean, they'd send a letter dated, say 28th January and the next one would be dated 29th January... The letters would just continually come in. It just used to blow my mind.

Interviewer: Were you ever fearful of the consequences?

Alan: I had no idea where it was going. I had absolutely no idea at all. All I knew was it was going to be detrimental towards myself... I hadn't got the foggiest idea of what would happen but I just knew that something would happen... It definitely had an emotional and physical impact on me. I mean, I was just frightened of opening anything up or doing anything wondering when the next person was going to come in.

Giddens (1984, p. 63) states, 'the disruption and the deliberately sustained attack upon the ordinary routines of life produce a high degree of anxiety'. Alan is aware that consequences would ensue because of the 'sustained attack' by creditors, but the lack of knowledge of what these would be created a deep anxiety that had major implication for his ability to maintain normal day-to-day routines and habits. The letters delivered

signified ‘danger’, and the way they are presented can play a key part in the individuals approach to them. Indeed as Erika elucidates:

[W]e would pay the urgent things coming in, such as the red bills... [O]nce the red bill came in that would go to the top of the pile, and we used to have them all in a stack, and they would be in order of colour, and we would always pay the one that was on the top.

In countering those threats and trying to create distance from them participants ‘wouldn’t open the letters’, would ‘hide them’, or chuck them ‘in the bin’. The participants are trying to maintain their ontological security by continuing with normal routines, and ignoring the encroaching debt problem through detachment and denial. Indeed, after asking James how he responded and tried to manage the difficulties he had in meeting the payments to his creditors he responded, ‘I don’t think I did to be honest with you, I hid behind it’. Similarly, John was able to detach himself from the letters, a ‘little bit like... an ostrich’, because he lived at his partner’s house and ‘all the problems were at home’, at the house he was renting out. At this point John notes he ‘didn’t think anything more of it’, the detachment enabled him to continue to function, to continue to live ‘off the credit cards’, and it was only ‘further down the line’ that he began thinking ‘about bailiffs and things like that’.

However, the obverse of the day-to-day actions that sustained ontological security is an intuitive sense of ontological insecurity; the chaos stimulated by anxieties that become so overwhelming that they challenge the individuals’ coherent sense-of-self (Giddens, 1991). It is the creeping nature of debt collection, the accumulation of letters that enter the private domain through the door, and the escalation of language by creditors that can facilitate the transition from ontological security to ontological insecurity. Anita illustrates this point well and documents how she became increasingly aware of the problems with her finances:

It was just uncomfortable. Very uncomfortable knowing that you couldn’t pay off your financial obligations and that it had accrued to an extent where you couldn’t control it anymore. It was uncomfortable, stressful. Getting those letters in the post and just dreading them and knowing that you can only put them off for so long... So that’s what I remember the most about it, at that particular time, and just being aware... I’d hit one of the limits. So my overdraft was maxed, my credit card was maxed... I was just thinking where do I draw upon money other than a job... And that was very scary. Very, very scary. You realise at that point what your obligations are when you’re taking out credit, you know, the fact that you’ve got to bloody well pay it back and it’s no

minimum payments anymore. Because then they start to threaten you with you've got to pay the whole lot and you're thinking if I can't even meet your minimum payment there's no way I can do that. Like I said, very stressful, very uncomfortable and you just feel like there's no end to it.

Anita was scared because she couldn't meet the demands her creditors were asking of her and was unsure what consequences would follow. Giddens (1991) states anxiety must be distinguished from fear, because anxiety is the response to a perceived threat, whereas fear is a response to a specific threat and therefore has a definite object. Thus, dread operates in the suture between ontological security (protection against existential anxieties) and ontological insecurity (fear of a specific threat, and thus a definite object). But before we go onto outline the specific threats that the participants feared and the implications these had on their sense-of-self, the first consideration is to document the 'definite objects' that evokes these fears in the first place for people falling-into-debt. In cases of personal debt, the definite objects that simulate fear are bailiffs and the legal system they represent.

## 6.5 Bailiffs as the objects of fear

Whereas Bernthal et al. (2005, p. 32) create the metaphorical device of the 'debtors prison' to articulate contemporary experiences of personal debt, in 19th century Britain the debtors' prison was a literal institution. The debtors' prison was an instrument of enforcing civil contracts and, according to Finn (2003, p. 3), 'operated at the extreme end of the spectrum of legal control, functioning as a device of last resort for creditors unable to wrest payments from their customer by mutual agreement'. In the 19th century, debtors' were the largest single group of prisoners in English jails (Burton, 2008, p. 14). Maximum sentence for petty debtors was three months, however, this was based on the stipulation that a sentence could be extended indefinitely if the debtor was unable to pay the jail fees upon release (Burton, 2008). Graeber (2011) documents the fear of the debtors prison came to define sociality, it hung over everyone, because normally everyone was both lender and borrower. By empowering bailiffs to seize a person's body for their debt, 'civil law substituted persons for things in market exchange, allowing the human body to serve as collateral for goods obtained not through productive labour and the cash nexus but rather through the operation of consumer credit' (Finn, 2003, p. 10); thus, 'the failure to obligate vital liens of personal credit was a matter of great consequence' (*ibid*, p. 2).

Although formal abolition of imprisonment for debt became established in common law in 1869 (Finn, 2003), the spectre of prison remains, moreover the – dreaded – figure of the bailiff remains as is evident in comments from Paul and Justin:

Paul: [I]t's the indignity of having the fear of going to court and thinking what's going to happen, will they send me to prison, you know for fraud, will they said me to prison because I owe money. It's a lot that goes around... You feel that all these things are at the back of your mind.

Justin: I think when you get into debt... it was scary but I was young and I didn't really care. I was like put me in prison then. But that's the thing, it's the what are you going to do about it? In the old, old days you'd get put in prison for debt. Now, what are you going to do? You're going to send the bailiffs round my house.

Both participants initially thought they could be put in prison for their debts, and Jason's fear of bailiffs stems from their ability to take one's property and possessions. Although execution against the body is no longer legally available to creditors as a substitute for debt, execution against property and assets is. When property and assets have been key markers of identity seizing them is akin to stripping down the layers of identity and compromising one's liberty. It signifies abject failure and configures the debtor as a 'flawed consumer' (Bauman, 1998, p. 38). In a neoliberal context characterised by market fundamentalism and consumerism it is a humiliating experience. As a result, bailiffs represent a threat to status and social position, and they stimulate fear precisely for those reasons.

Although bailiffs can be instructed by the court to remove goods from a property after an individual has failed to make a payment on a County Court Judgement, the process is rarely utilised by creditors. Indeed, Edwards (2003, p. 32) found that 'non-priority creditors' take the view 'that "informal" pressure on individuals' to make a payment 'is more effective than court action'. Nevertheless, creditors often place on their correspondence that a 'representative' or 'debt collector' will be sent to the property, and although they have no legal powers to take goods or payments, they are often taken to be bailiffs, and thus become imbued with powers they do not possess. Creditors use this misclassification to construe specific possibilities in the minds of those in debt and enhance their advantage of extracting payments. Erika and Paul document these processes and outline the impact they had on them:

Erika: To suddenly have a £300 bill drop on your door step, it's like ah my god where am I going to get that from... It's a very feary, feary thing, because it's not said in so many words, it's the way what they do say is implemented.

Interviewer: Oh, so they twist their words in a way?

Paul: Yeah, they twist it extremely well too. Not putting themselves in what I would call a libel situation, it's the... way they implement the situation by saying 'this could happen', so you can't say 'well you said', they say 'no, no, I didn't [say that], I said it could happen, I'm not saying it will'. But the way they word it and twist it leaves you with a lot of fear. You suddenly think, I can't live with this, and I can see to a certain degree why people do take a handful of pills or do drastic things... it's just the fear.

As noted earlier, one of the four elements of an ontologically secure individual is a self-identity encased in a 'protective cocoon' of trust relations (Giddens, 1991, p. 40). According to Croft (2012, p. 229), 'a process of insecuritization strips away the social and collective elements so that an institution once respected becomes hostile and negative'. For the participants in this study it is banks and financial institutions, who were once respected but have since become hostile through their 'deliberately sustained attack' (Giddens, 1984, p. 63), that trigger the breakdown in the 'protective cocoon' of trust relations. As David acknowledges:

A few of the creditors actually wrote to me saying... try using CCCS [StepChange] because they're a charity and they don't charge a fee. It would be better for you. And of course at that time I didn't believe a word that anybody said to me from the banking side.

David has a deep sense of being tricked and misled by creditors, and now views them as deceitful and untrustworthy; a common theme in the interviews and one found in other studies (Jennett et al., 2012; Poster, 2013; McCormack, 2014). Indeed, Poster (2013, p. 225) suggests individuals 'are victims of many kinds of deception' by credit providers as their 'workers "trick" them with their words, or omit crucial information' about their practices and wider legal issues.

## 6.6 Identity deconstruction – falling-into-debt and existential threats

*All the threatening part of it was bad.*  
*Alan*

Having outlined the fear articulated by the participants as they began falling-into-debt we now turn to the way in which the more specific threats impact upon them. Indeed, four specific threats materialise when an individual falls-into-debt, including: threats to occupation and livelihood; threats to the home (and thus economic capital); threats to possessions (and thus aspects of cultural capital); and threats to relationships (and thus social capital). Here we explore in more detail threats to the home, possessions, and relationships in order to maintain cohesion, and to articulate how threats to an individual's capital stocks are a key factor in the onset of ontological insecurity, precisely because they attack the individuals' – credit facilitated – identity.

### 6.7 Threat to the home

As outlined in Chapter 5, in a sociality constructed through a neoliberal politico-economic rationality home ownership has been imbued with new meaning as the site which provides permanence, continuity and protection in the social and material environment. Buying a home evokes feelings of self-worth and personal progress precisely because it signifies the positive status of 'homeowner', as opposed to the uncertainty and low status that can be associated with renting (Hiscock et al., 2001). Consequently, home ownership can be a foundation for ontological security, and so the threat to property that materialises when an individual falls-into-debt is associated with the onset of ontological insecurity.

All of the participants who currently own or have owned a property express fear that their house was under threat due to falling-into-debt. Paul and Erika describe their fears and the strain they were placed under as the stability of their home began to shudder:

Interviewer: What were the types of things you would fear?

Erika: It's losing your house.

Paul: Losing your home really. Or the embarrassment of it going to court and it being in the paper that you know you owed debt, and bailiffs coming and starting to take your stuff away. Yes, there is a lot of fear there.

Interviewer: Do you think that was legitimate fear, did you think that could happen?

Paul: Yeah, oh yeah, it could.

Erika: Oh yeah, yeah there was a serious problem, that it was *going* to happen.

Paul: That becomes a *real* reality, and you think god this could happen, it's not it might, it's this *could* happen and it *will* happen if I don't do something about it... Yes. It's like a huge stick they keep battering you with.

Erika: Very much so. They're sort of like the grim reaper knocking on your door one night and saying we have come to take this away. You know you've got a month and you are going to have to be out of your house. It's a very feary, feary thing.

The fear that Paul and Erika had related to the growing burden their unsecured credit placed on their disposable income. To elaborate, the accumulation of credit expands the minimum payments on the credit agreement(s)<sup>20</sup>. In some cases, and at certain points, the interest added onto the credit agreement is higher than the monthly minimum payment, so even when the minimum payment is being paid the debt still increases, which in turn expands the minimum payment, and so on. Thus, a point is reached when debts are increasing in a self-perpetuating cycle even when credit is not being used. Ultimately this leads to the reduction of disposable income, which can eventually cut into monies required to pay priority expenditure (such as mortgage/rent, gas and electricity, water, TV licence, *et cetera*). Unable to keep-up with financial commitments may eventually lead to default(s). The creeping pressure of increasing minimum payments is the way that unsecured credit can *unofficially* place the property at risk.

Repossession of a property is a real possibility, and thus Erika and Paul's fears are valid. However, the threat does not just materialise because of defaults on secured debts, such as a mortgage or secured loan, rather unsecured debts can also end in repossession of a property. This is the way that unsecured credit can *officially* place the property at risk. David articulates the point he found out about the accumulated unsecured credit balance and the thoughts that were stimulated as response:

We'd run up debts of close on £60,000. We just couldn't understand where the hell this money had gone. How had we got into such a state? I've got to admit I broke down in tears. I was devastated. I thought I'd let the family down. I had no

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<sup>20</sup> The minimum payment is generally a percentage of the total balance.

idea what the procedure was. I thought we're going to lose the house and everything... I thought... we were going to get bangs on the door from bailiffs and they were going to come into the house and then take the house off us... All I wanted to do was keep a roof over our heads... [I]t gave me a hell of a culture shock. It was almost like... we'd had the rug pulled out from under us by the bank and then what went on after that was unbelievable.

The thought of losing his home had a major impact on David: his comments – ‘how have we got into this state?’, ‘devastated’, ‘let the family down’, ‘keep a roof over our head’ – project a feeling that he regards the house as a source of stability and protection for his family, and because it is under threat he becomes seriously concerned about their security. Once again we see in this account how the ‘door’ emerges as the symbolic point between the two opposing existential mind-sets of ontological security and ontological insecurity, with bailiffs representing the physical manifestation of the transition between these two ontologies.

At the point the individual takes out unsecured credit the consideration that upon default a creditor could pursue a collection procedure of County Court Judgment (CCJ) along with a Charging Order against the property, and an Order of Sale (repossession order) if the individual defaults on this court agreement, would have never occurred to them<sup>21</sup>. Indeed, when discussing the consequences for defaulting on her unsecured credit agreements Karen concluded: ‘The worse they can do is take me to court... maybe it's a bad attitude, I don't know, but yeah they can take me to court, yeah they can put me on a bad credit rating but they can't shoot me, at the end of the day’. Karen’s real worry ‘was what would happen if I miss a mortgage payment... that would mean we would then have a problem with the mortgage and risk losing our home, and... that's serious territory’. Here the thought never occurred to Karen that her unsecured debts could risk creating the same fate; her only concern, like that of Paul and Erika, was the consequences of missed payments on her mortgage. However, Joanne and Martin experienced the risk of the *official* collection process first-hand: ‘They kept threatening to put a charge on the house... for a very small amount of money’. When asked if this made them feel it was a real possibility they could lose their property, Joanne responded:

Yeah. They were horrid, they really were. I think that was the worst point. Because I really thought we're going to get a charge on the house and there's

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<sup>21</sup> A CCJ and Charging Order can be issued if a debtor defaults on an unsecured debt; a Charging Order secures a debt against a property; if default occurs on a Charging Order, a creditor can apply to the court for an Order of Sale, which, if issued by the court, forces the sale of a property so the equity is used to clear the debt.

nothing I can do. But it never happened. It was like £2,000 or something, that's all it was over.

Until recently a Charging Order could only be pursued if an individual defaulted on a CCJ agreement. However, a law change by the Coalition Government in 2012 now means creditors can apply for a Charging Order at the same time they instruct the court to administer a CCJ; making it easier for creditors to secure debts against individuals' homes and pursue repossession through an Order of Sale if default occurs. In 2013, there were 667,168 County Court Judgements, 47,769 Charging Orders, and 222 Order of Sales issued, representing a slight decrease on the 2012 figures<sup>22</sup> (StepChange Debt Charity, 2015, online).

As documented earlier, one of the four elements of an ontologically secure individual is the development of secure environments from which predictable habits and routines are maintained and that form the basis of self-identity. Although an Order of Sale is very rare (in 2013 just 0.47% of Charging Orders got to this stage) the fact that this prospect even exists can cause fear for homeowners; this is because a threat to property is a threat to the substance of ontological security and the foundations of self-identity for homeowners in a neoliberal social formation. Janet Ford and colleagues, Sarah Nettleton and Roger Burrows (2001), extensively document the process of repossession and the consequences for individuals and families who have had their homes repossessed. These include negative changes: in quality of life; in social status and identity; in personal and family relationships; in future aspirations; and in health and well-being, specifically the onset of stress-related illnesses (p. 109). More recently, Ross and Squires (2011) revealed those at risk of losing their home internalise the situation as a personal failure, while McCormack (2014) suggests losing a home is a deeply embarrassing and stigmatising experience. Consequently, the loss of a home, or even the threat of loss, is a major step towards *ontological insecurity*.

Out of all of the participants in this study, George experienced the threat to his property most acutely. In picking up his story just after he missed a payment and the infiltration of letters into his private domain had occurred, George explains:

George: [T]hen I did what most people do I guess, you know, you begin to tell quickly which are the nasty letters and you don't bother opening them and you put your head in the sand, quite a lot of the

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<sup>22</sup> In 2012, there were 897,719 County Courts Judgements, 59,468 Charging Orders, and 273 Order of Sales issued.

time not all of the time. And then when letters started to come saying court date and blah, blah, blah, I realised that the game was up. Then I started to look around as to how the hell do I get out of this? What can I do? The terror, you cannot believe. Because these companies at that point, they are so aggressive. I mean, the letters that would come were terrifying. The phone calls. The threats. They want their money and they want it now. I understand where they're coming from but there's not much point in screaming at me because I don't have it.

Interviewer: Were you worried about the consequences then?

George: Oh, of course I was. I was terrified of being taken to court and all the rest of it and then I would end up with absolutely nothing and could be out on the street.

Interviewer: So it was a fear that perhaps everything you'd built up could come crumbling down?

George: Yeah. It was what little I had left would be lost, disintegrated, what have you.

Interviewer: So were you aware of the court process at the time? Did you have a clear idea that if this occurred the consequences would be this?

George: No. It was the total unknown and the total fear that everything would be lost.

Although George does not make explicit reference to bailiffs they penetrate this narrative. The feeling of 'terror' described by George highlights the impact the infiltration of debt can have. In this example, 'terror' stemmed from his overwhelming fear of losing his assets and with it his status, his identity, and everything he had 'built up'. As a successful social entrepreneur who felt he had 'done good' and 'made something of his life', the downward mobility that falling-into-debt created was a particularly acute experience for George because the fall was greater than that experienced by other individuals.

In 2005, and despite the impact the thought of losing his property evoked, George had to sell his flat 'because it was all beginning to get totally out of hand'. In fact, out of the participants in this study, John, Alan, and George have all lost their status as homeowners as a result of their debts. The reason does not stem from repossession but due to their attempts to liquefy the asset in order to repay large parts of their accumulated credit that had overwhelmed them by its scale. In this context the accumulation of unsecured credit to acquire objective and embodied forms of cultural capital – cars, clothes, possessions, soft furnishings, eating out, leisure activities, and holidays – has

ultimately led to the loss of the home, a key asset in their economic capital stocks. Subsequently, this reveals how credit practices can span both economic and cultural forms of capital, where the individual trades one for the other. This is also a finding noted by Bernthal and colleagues:

[E]ven though credit... practices can directly add to one's store of cultural capital, they also draw on one's store of economic capital. Thus, credit... practices span both cultural and economic forms of capital, allowing the user to temporarily trade one for the other. Credit... practices that diminish economic capital severely enough will, however, ultimately result in movement toward a qualitatively different lifestyle space... [Consequently] the very act of acquiring the markers of a given consumption-defined lifestyle can trigger rapid debt accumulation and a proportionate loss of mobility within the marketplace. (2005, p. 137, 143)

John recognises this process: 'Technically you could say I did lose my house over it [debt] because I had to sell my house to, at the time, bring down what I owed'. John now compares his housing status to that of his other 'mates' who have 'got nice big houses', and concludes, 'it's not an ideal situation to be in' and 'technically I missed out... I could have had the nice house and things like that if I'd been sensible'. Although John asserts that he 'wouldn't change anything really because it's decisions that [he] made', it is clear the unequal status he now faces in comparison to his friends, who are signifying a superior social status due to their ownership of a house, is something he has given consideration to after falling-into-debt; indeed, inequality provides valuable information about the likely consequences of different courses of action (Meadowcroft, 2007).

#### **6.7.1 Threat to the home – a renter's perspective**

Some of the renters in the study use their non-homeowner status to curtail the impact of the threats they faced. After having mentioned that it was 'scary' at the time, Anita was asked what she was fearful of:

I don't know what the fear factor was because I didn't have a house that they could take away. And, yeah, I had standard stuff but to me it was just like belongings that people could take away. So if someone took it away it would have been fine and I wouldn't have been that bothered about it.

The implication in Anita's account is that risk in matters of personal indebtedness regard threats to the home, and because this threat doesn't apply she struggles to determine

what her fears were (we will pick up on this theme below). Justin makes a similar rationalisation:

I've always had the, what's the worst that can happen? You go bankrupt and that's it. I mean, now seven years down the line that could not happen. I would not want that to happen. But I still have in the back of my head I don't own a house so ultimately what really can you take from me? My credit score. Okay. That would be painful.

Interestingly, it is the negative impact on his credit score that Justin fears. Asked why this would be painful Justin responds: 'That really would be. If I lost the company and my credit file and all that kind of stuff and my car wasn't paid off at that point then you really would be right back at the start'. After falling-into-debt Justin put considerable emphasis on improving his credit score, which, in turn, enabled him to build and grow his business. Conversely, if his credit score became impaired he would find it difficult to access business loans and overdrafts thus hindering his business. Justin now sees the deep connections between finance, his business, and his personal development: 'It [credit] is a vehicle to grow my business and that in turn would make me grow. So, yeah, you do need finance if you want to grow'. Justin fears losing his credit score along with his car because this would put him 'right back at the start'. In this context, the directional nature of identity formation and the way credit underpins that process for the participants indicates that they are building, not towards something, but just through acquisition and accumulation. As Savage et al. (2005a, p. 43) reveal 'inequalities are not static, but are cumulative', involving the 'relentless accumulation' of capitals, assets and rewards over time. To seize goods – whether a car, electronic possessions, jewellery, clothes – or to hinder an individual's credit file, the official reflection of one's ability to accumulate capitals with credit and successfully pay back the money, is to reduce an individual 'right back to the start'; the point their directional identity formation began. Symbolically, this implies an individual's social position falls on the scale that constructs the established social order. Materially, this means an individual's body is de-accumulated of capitals and assets that underpin their identity, and thus the layers of their identity are stripped down and become visible to others.

## 6.8 Threat to possessions

*You think you are going to lose everything.  
Anthony*

Chapter 5 documented the positioning of the body is fundamental to social life (Giddens, 1991). Bodies are saturated with sociality and provide an initial orientation in many encounters by providing a ubiquitous means to classify people (Lawler, 2008; Bennett et al., 2009). In this section importance will be placed upon threats to possessions, because, due to the power bailiffs have to seize them, it is this aspect of the individual's stocks of cultural capital that are most at risk from their fall-into-debt. The impact debt has on other forms of cultural capital will be explored in greater detail in Chapter 7 when identity reconstruction is examined.

Where the distinction between homeowners and renters breaks down relates to threats to possession because all individuals who fall-into-debt are exposed to this threat. To substantiate this point, David, a homeowner, states, 'the wife was... convinced that we were going to get a knock on the door and somebody was going to take our belongings away', and similarly Janet, a social housing tenant, reveals, 'I used to get letters saying that they were going to send bailiffs... to take your furniture and that away... and that made my anxiety, depression, worse'. Anthony further details the anxiety that emerges from a threat to possessions and the impact it had on his sense-of-self:

Anthony: We just couldn't see a way out... you used to dread the postman coming to the door every day.

Interviewer: What did you think could be the consequences then at the time?

Anthony: Well you just sit here, look around and you think you are going to lose everything.

Interviewer: So you thought someone could actually come and actually take things from you?

Anthony: Yeah come and strip stuff away from you, and in essence that wouldn't have bothered us so much because realistically it wasn't ours because we hadn't paid for it you know. I suppose it's the shame of it if anything, it is that you feel bloody worthless, you feel useless, you feel like you let people down, and that was the hardest bit; having to go and tell people that this is the situation, this is what we've done, this is the position we have gotten ourselves in.

If we recall from Chapter 5, Anthony articulated the way his ability to purchase a better model car with credit directly influenced how he perceived himself in relation to others. Anthony stated how purchasing a new Saab meant he didn't 'feel as bloody useless as [he] used to', and how he would 'get out at the supermarket next to somebody in a beaten up Allegro [car]... and... feel so much better about' himself. Inequality and the distinction it accentuates permeate Anthony sense-of-self, and his credit use directly altered this perception in a positive way as he acquired items that provided a new and advanced placement in the social order. However, a paradox has occurred for Anthony due to excessive credit accumulation and subsequent descent into debt. The altered social 'position' that Anthony and his partner had 'gotten ourselves in' led to feelings of being 'bloody worthless', and of 'shame' that they had 'let people down', and it was this feeling that created 'a real shock to the system'.

### 6.9 Debt stigma and its emotional effect – shame

*It's very easy to sit there and blame people; I've had so much of that.*  
Anthony

Giddens (1991) states feelings of guilt and shame stem from fear about exposure of the self to others. Nevertheless, Giddens (1991, p. 65) makes an important distinction between the two: guilt derives from 'feelings of wrongdoing' or 'transgression', while shame relates 'to the integrity of the self'. The participants in this study felt both guilt and shame as a result of falling-into-debt. For Graham he didn't talk to anyone about his finances, and from this point he goes on to articulate why he feels guilty about his debts:

[I]t's almost like a sign of weakness. You don't say I've got myself into this financial mess. You don't talk about it openly. Because I do feel guilty and I remember when I spoke to StepChange for the first time I got really upset. I've not been teary for two or three years but on the phone to the lady, I can't remember her name, I suddenly felt myself going. And it was a guilt thing. It was almost like, Jesus, what have I done? And because I was openly talking to someone about it, it was all that worry and guilt just coming out. But, no, not a word. I wouldn't speak to anyone at all.

Graham felt guilt in an acute way once the misdemeanours, he feels he committed, became exposed to others. Nonetheless, in the context of self-identity shame is important 'because it is essentially anxiety about the adequacy of the narrative by means of which the individual sustains a coherent biography' and 'it is stimulated by experiences in which feelings of inadequacy or humiliation are provoked' (Giddens, 1991, p. 65). These

experiences often focus ‘on that “visible” aspect of the self, the body’ (Giddens, 1991, p. 66). Thus, visibility of the body in circumstances that carry stigma is felt acutely by the individual as shame.

In the Introduction to this chapter I suggested stigma is mobilised as a form of neoliberal governmentality. ‘Stigma’, write Cohen-Cole and Duygan-Bump (2008, p. 4), ‘derives from opinions and perceptions of individuals in a given society about certain behaviors’. Erving Goffman (1963, p. 13), providing a little more substance to this definition, states ‘stigma’ refers ‘to an attribute that is deeply discrediting’. Loic Waquant (2008) proposes the term ‘heightened stigmatization’ as a conceptual tool that captures forms of symbolic and material violence affected by neoliberal social and economic discourse in daily life and public dialogue (as cited in Tyler, 2013). In an analysis based on the 2011 riots in Britain but one that is equally relevant here, Imogen Tyler (2013, 2.1) draws upon the concept ‘heightened stigmatization’ to reveal how the riots were ‘mediated, imagined and “made” in public’ through terms such ‘scum’ and ‘the underclass’. In turn, Tyler (2013) emphasises these labels are used to do ‘ideological work’ (4.3), such as justifying the ‘shift from protective liberal forms of welfare to penal welfare regimes’ (2.1). What Tyler (2013b, online) references here is the way stigma is mobilised as a form of governmentality, which in its operation classifies certain groups of people and their identities/practices as shameful, with the intention of ‘nudging’ behaviour in desirable ways and/or to justify specific politico-economic objectives. One consequence of the use of ‘stigma as a form of governance’ is the reproduction and entrenchment of inequalities and there legitimisation in popular consciousness (Tyler, 2013b, online). Drawing on the work of Raymond Williams (1960), Tyler (2013, 8.4) states the concern is not to engage in an examination of the ‘objective conditions’ of a group but to examine ‘the political formula’ that is conjured and promoted to explain the behaviour of an ‘imagined’ mass and what ‘ideological work’ this formula is doing. In Chapter 7 we will explore the ‘ideological work’ the stigmatisation of debt is doing. Here, it is important to explore why those in debt are stigmatised.

Debt threatens property and possessions, the mechanisms that underpin notions of self-responsibility by neoliberal governance, and this is one factor as to why debt is also a stigmatised space. According to Giddens (1991), when the ‘hidden traits’ underpinning the ‘narrative of the self’ are exposed, they permit insight into ‘the nature of the narrative of self-identity’ (p. 67). When property and/or possessions are repossessed it exposes the ‘hidden trait’ underpinning their acquisition and this permits others an insight into ‘the

nature of the narrative of self-identity' (Giddens, 1991, p. 67). Repossession indicates one's wealth is constructed not through income but debt, and this 'compromises the narrative of the self' (Giddens, 1991, p. 67). As documented earlier, one of the four elements of an ontologically secure individual is the intersubjective formation of identity that leads to behaviours and actions that the individual perceives as positive because others judge our identity in a positive way. Falling-into-debt creates a threatened identity because it presents a probable situation in which the 'hidden trait' of credit use is exposed, revealing the true nature of the self or, in other words, the self that 'I am' rather than the self that 'I want to be'. Katz (1990) provides a compelling analysis of how this process works:

A loss of control over one's identity may seem irremediable when injury has been inflicted on one's public image; image or reputation is social and, therefore, outside one's personal control. The experience of public degradation carries the fear of bearing the stigma of disgrace eternally. (p. 24)

The attendance of a bailiff at one's property is hard to explain away. Instead it is a visual representation to others that one is failing financially. More concerning it throws all of the capital one has accumulated into disrepute as the foundations that built it are open to observation, and judgement, by others. At this point these individuals become negative signifiers of inequality, the representation of how not to live one's life, of how not to use credit, and – as the argument documented by Meadowcroft (2007) and Hayek (1960) suggest – they provide valuable information to other individuals. This was a deep concern of George:

George: I didn't want [my children] to see a father who was suffering or struggling. I don't know that I would have any means of doing it differently now. I mean, the funny thing is of course I get into all of this shit and it is a nightmare. The early stages of really losing the plot are just unbelievable... I think it was more shame and loss of face with my family and friends that was my underlying anxiety... I was overwhelmed by the scale of what I'd got myself into anyway.

Interviewer: Was it the public nature of that that caused concern? The fact that the courts are a public institution?

George: No. I think it was more shame and loss of face with my family and friends that was my underlying anxiety... But it wasn't so much the court thing I don't think, or my own self-esteem. It was about me and it was about me failing. I'd had years of being very successful

and being entrepreneurial and creating things and look at the idiot now.

Interviewer: Is that how you saw the situation, as a failure?

George: Oh, absolutely. How else can you see it? It was my doing in great part. I created this mess.

According to Lawler (2008, p. 144), ‘when identity is seen to “fail”... we see most clearly the social values that dictate how an identity ought to be’. Thus, the positive ideals neoliberalism promotes – the pursuit of private property, and the self-governing consumers acting with self-responsibility and flexibility – become inverted in situations of indebtedness. Here, the individual is labelled irresponsible, feckless, undisciplined and immoral (Walker, 2011) for abusing the opportunity they have been afforded through greater access to credit. As Heather acknowledges, ‘the only thing we had to lose was the house, which would affect the children, and also the whole kind of like what people would say and all the rest of it’. Even after the well-publicised financial crisis that placed a greater spotlight on structural factors behind the causes of debt, the stigma surrounding debt and the blame placed on individuals for falling-into-debt has intensified. The stigmatised *irresponsible debtor* still holds the ‘same beliefs about identity’ as those whom Goffman calls the ‘normals’ (1963, p. 15) – in neoliberal jargon the *financially responsible*. However, Goffman (1963) notes:

The standards he[/she] has incorporated from the wider society equip him[/her] to be intimately alive to what others see as his[/her] failing, inevitably causing him[/her], if only for moments, to agree that he[/she] does indeed fall short of what he[/her] really ought to be. Shame becomes a central possibility. (p. 7).

In these situations, ‘shame links directly to feelings of ontological insecurity’ (Giddens, 1991, p. 65) because it involves social pressures that construct the self in an altered way and which place the individual in spaces of social unacceptability; a position that the individual internalises in a negative way. Consequently, in a cultural and ideological atmosphere that promotes issues of morality as the causes of debt (see Chapter 2), and labels people who fall-into-debt as irresponsible, immoral and feckless debtors, it is unsurprising individuals internalise this line of reasoning and perceive their own predicament within the frame of language they are subjected to. Thus, as Edwards (2003) illustrates: ‘Many people with debt problems feel ashamed and embarrassed, and they

often think that when they seek advice they will be judged. They often feel it is their fault for not being able to manage their money effectively' (p. 48). In picking up Anita's story from earlier, it now becomes clear what exactly she was fearful of, illustrating the processes discussed above very clearly:

I don't know what the fear factor was because I didn't have a house that they could take away. And, yeah, I had standard stuff but to me it was just like belongings that people could take away. So if someone took it away it would have been fine and I wouldn't have been that bothered about it. But I think it's a sense of responsibility because once you know you've got a responsibility and you're unable to meet it then people look at you differently, and treat you differently, and they speak to you differently. Like the people on the phones, when you're speaking with the banks and stuff... [T]here was one bank I went into and I was just treated absolutely horrifically... So I'm not sure what I was scared of but I think it was probably the kudos and the stigma attached with it and also the shame. I think you just don't think you're ever going to be in a [debt] situation [but] when you've got to consider that, it's a big eye opener.

According to McCormack (2014, p. 264), 'those carrying stigma are often treated differently, facing disrespect and discrimination'. Thus, what Anita recognises is her identity shift from a credit user, and thus an individual who is successfully *pursuing* the norms of the dominant ideology and culture, to a debtor, and thus an individual who is now operating in *opposition* to these dominant norms. Poster (2013, p. 216) reveals that debt collectors, or 'emotional hitmen' as she refers to them, actually draw on a 'pre-existing set of social norms' regarding 'immoralities' to affect the individual, one of which is the attempt to humiliate the customer for falling-into-debt in order to generate 'shame' and fear. Walker et al. (2013, p. 8) refer to these tactics as a kind of 'mental warfare' because 'shame and fear are weapons mobilised' to induce individuals to repay balances once they fall into financial difficulties, thus enhancing the 'organisations competitiveness in the marketplace'. As a result, Anita feels the weight of the cultural and ideological atmosphere through feelings of shame, because the cultural and ideological atmosphere attempts to induce these feelings in the subject for transgressing a dominant notion of responsibility: repaying debt. The dissonance between Anita's self-concept as a responsible citizen and her inability to act according to this value creates a personal dilemma (McCormack, 2014). For Anita, the possibility of being viewed as irresponsible – and thus in conflict with one of the dominant ideals that neoliberalism promotes – is enough to create fear. According to Giddens (1991):

At fateful moments, the individual is likely to recognise that she is faced with an altered set of risks and possibilities. In such circumstances, she is called on to question routinised habits... even sometimes those most closely integrated with self-identity'. (p. 131)

Consequently, Anita begins to question the very ideals and norms she has been pursuing and those that are aligned with her identity, precisely because of the suture that opens between the two once the mechanism that enables their pursuit can no longer be accessed.

Subsequently, the threat to property and/or possessions and the inability to maintain similar habits and routines that support ones self-identity and social position, invariably places strains on existing social relationships, particularly those with whom we live our lives.

### 6.10 Threat to relationships

*It created so many fights, arguments, stress, [and] pressure.*  
Joanne

Tension can emerge in relationships when the acquisition of economic and cultural capital that credit facilitated is no longer possible. Stress can emerge when lifestyles facilitated by credit are interrupted, and the once smooth flow of habits and routines are disrupted. At this point the individual's ability to do things, their movements and mobility, is restricted, and everything becomes constricting. As a result, an individual's relationships are affected because their capital acquisition and accumulation is affected. As Bourdieu (1984, p. 107) documents 'capital is a social relation', an 'energy' that produces effects relationally, therefore the threat to capital and the inability to continue its accumulation strains social relations.

For participants who used credit along with their partners, 'arguments' and 'fights' would arise over issues that were all of a sudden a 'major incident', whereas previously they were minor. Graham explains: 'At the time we were really down. We were arguing a lot. It was about worries and especially at the time when we were making payments and they were putting more on interest back on'. For those who kept their credit use and its accumulation from their partners, the exposure of their activities can facilitate a negative spiral in relations as mistrust emerges. Thomas, capturing the experiences of other participants, explains: 'The wife didn't really know and had no idea. It all came as a bit of a shock... Obviously the wife was very worried about it as well... [she] was a lot more upset

about it than I was; a lot more'. Giddens states 'shame and trust are very closely bound up with one another, since an experience of shame may threaten or destroy trust' (p. 66). The emergence of shame tied to excessive credit, the inability to maintain a lifestyle, and the threats that emerge place stress and pressure on relationships and challenge trust. The conditions that once supported the establishment of the relationship over time have shifted, and couples must readapt their relationships to these new conditions. The effects on relationships will be explored in greater detail in Chapter 7 because it is here the long term impacts of managing debt on relationships becomes clearer.

### 6.11 Identity breakdown - the final collapse of identity

*It [debt] just became all consuming.  
Karen*

As a result of the 'sustained attack' by creditors, which effectively intensified the fear that bailiffs may arrive at any time and inflict severe injury on economic and cultural capital stocks, the participants in this study experienced very specific emotions that facilitated the breakdown of their identity. At this stage, ontological insecurity begins to reach a heightened phase that eventually results in the emergence of a 'critical situation'. Here feelings of being worried, frightened, desperate, and devastated are common place throughout the interviews. After asking each of the participants 'what was your state of mind like at that time just prior to seeking help?' these are some of the responses:

Graham: Really worried. Just couldn't sleep. Just angry more than anything that we'd got ourselves into this situation. Frustrated. Yeah, just a bit down. Depressed about it all. I couldn't see a way out. I didn't know where to turn. And I think my wife was the same. And, again, I think we were both under siege mode. Just what are we going to do? Just couldn't figure out what to do... at the time we were really down. We were arguing a lot.

Alan: Completely shot away. Completely and absolutely gone... Just completely frightened about things.

Erika: We were desperate, we were desperate. It was a case of what are we going to have to eat, there is nothing in the cupboard, and we would just end up with a slice of bread or something, wouldn't we.

Paul: Yes, the situation did get rather dire.... the situation does get to the stage... where you forfeit important things for something else. Just to say, well I've got to pay this bill, so we... won't bother with that.

Jane:            Absolutely devastated, oh I was in a state, because I just couldn't see a way out of it.

According to Brown (2000, p. 64), it is 'the exposure of discontinuity' that 'renders the individual highly emotionally vulnerable'. For the participants in this study when credit stopped the mechanism that sustained habits and routines was absent. Couple this with the emergence of structures of debt into the domestic sphere and the cacophony has the effect of creating a 'loss of control'. This loss of control stems, on the one hand, from the inability of the individual to do the things they want to do, to engage in the directional formation of their identities, and, on the other hand, to affect the outcome of their actions – the direction of their life is placed in the creditors hands. As documented earlier, one of the four elements composing the ontological secure individual is the ability to engage in the directional formation of identity and to actively seek ontological security in the face of existential threats that bombard it. For contemporary individuals the inability to form their identities and actively seek ontological security in line with their judgments regarding external social relations is the final but most important part in the breakdown of their self-identity. Illustrating this point is Anita, who after being asked the same question as those above responded:

Anita:            Stressed. Completely stressed. Completely negative. Completely at a place where you don't expect to find yourself at all. Just completely at a loss. Really needed help to manage and control the situation and just couldn't see any way out of it... It knocked me for six... [I]t was just... a very bad situation which had climaxed to a point where you're forced to take a look at your own life and make some serious damn changes.

Interviewer: So was that the period of your life you felt you started to lose control?

Anita:            Lost it. Completely lost control, lost myself, my sense-of-myself, who I was, what I wanted to be, my future. I couldn't see a future. It was completely the crux point of my entire life so far. Just questioning yourself about why you allowed that to happen. Because I can be my worse critic, like anyone can be, and it was just getting to grips with that whole thing. In terms of moving forward it's not just a case of sitting.

The strength of feeling expressed by the participants, especially Anita, is compelling. Their fall-into-debt, that represents movement from ontological security to ontological insecurity, from contentment to discontent in one's identity and social position, is now

complete. At this stage the individual feels threatened by their everyday experiences (Croft, 2012) and has ‘lost their sense-of-self’, of ‘who they are’, and of ‘what they want to be’. It is at this point that the individual has arrived at a ‘critical situation’, a period that Giddens (1984, p. 61) classifies as ‘circumstances of radical disjunction’, whereby ‘habitual modes of activity’ are excessively overwhelmed and cannot be countered by the ‘basic security system’.

## 6.12 Crisis point

*It was horrible, it was a bloody nightmare.*  
David

Falling-into-debt eventually reaches an end point, the ‘metaphorical bottom’ (Berenthal et al., 2005, p. 137), a point when things can no longer carry on as they are, a ‘crunch time’ as Anita, David, and Justin refer to it. Many of the participants articulate this crisis point. James explains, ‘I was obviously at my lowest point at that time, I would have done anything just to get rid of it’. Similarly Anne states, ‘I was in a bad way. End of tether, yeah. I wanted a lifeline I think. I had a minor breakdown and it’s almost like emotionally you hit rock bottom’. Heather describes the time as a ‘breaking point... I needed help... my only option I think was asking someone for help, and I hated doing that, absolutely hated that’. As these accounts reveal, the impact of unmanageable debt can be enormous. These accounts are by no means isolated, researchers have documented how, prior to seeking advice, individuals say they could not cope with their finances and were feeling in crisis (see Edwards, 2003).

Critical situations are ‘crises’ of a social kind because they represent ‘shocks to established beliefs and ways of doing things’, and are condensed into ‘fundamental moments in time’ requiring a ‘choice about response’ (Croft, 2012, p. 223). When a crisis point occurs two responses are available: the individual either seeks help or alternatively takes other measures to end the ‘nightmare’. As Anne alludes to, ‘when you’re right in the shit you just see shit... I was at my rock bottom thinking about suicide’. Anne is not alone in thinking about suicide as a result of debt. A quantitative study of 7461 respondents in England conducted by Meltzer and colleagues, found ‘those in debt were twice as likely to think about suicide after controlling for sociodemographic, economic, social and lifestyle factors’ (Meltzer, Bebbington, Brugha, Jenkins, McManus, and Dennis, 2011, p. 771). In fact, Sean’s personal experience of a friend committing suicide as a result of debt is one of the reasons he sought help for his own debt problems:

My friend from my last job before, he hung himself because of it, because of how much debt, yeah... He did have a gambling problem but he hung himself. I mean he was on good money but he'd got debt, he had doorstep loans, through online debt companies, you know borrowed money payday loans, he was behind with his rent, it all got too much for him. And that's what people do. That was an eye-opener, you know I mean I wouldn't hang myself, but it just shows what debt can do, it can get you, it can get to grips with you... It's scary. It is one of the scariest places to be unless you know how to get out of it, and you can do something about stopping it, it's a very, very dark place to be... I thought I need to do something about it.

It is interesting the semantics Sean uses to try to articulate the ontology of debt. According to Drew (2006, p. 72), 'by translating' an 'emotional state into... spatial terms' the individual constructs 'a version of the rationality' of their experience so that it is understandable to others; a spatial reference is used to describe an emotional and physical transformation. Thus, to use the phrase a 'very dark place' insinuates something underground or below and thus the fall-into-debt has already taken place. Sean articulates this transformation spatially but the term reveals that he is experiencing a critical emotional situation. The fear he felt and the emotional state this placed him in was enough to stimulate him into action. Indeed, the fear that all of the participants experienced became so overwhelming that life could not continue as it once did, and they took steps to begin managing the debt and the situation it placed them in.

### 6.13 From falling-into-debt to managing debt

*Taking control of ourselves again rather than the situation controlling us.*  
Anthony

All of the participants in this study experienced a transitional period where their fall-into-debt turned into a desire to manage the situation, to take control once again instead of the situation controlling them. For Anita the transition started one day when she just 'left' her 'job' and 'everything' behind, and returned home to where her family lived. In describing how she felt at the time and the reasons she took that action Anita explains:

Anita:      That's the point where it was like, yeah, I need to get a grip of this. I need to just draw myself in and just sort myself out. And basically just thinking that I've just got to get back together and just make sure I can move forward from this... I just wanted to move forward with my life and the finances, it was a case of getting to grips with that and that was my main focus at that stage, to get that sorted.

Interviewer: So that was a key thing that started to become more prominent in your mind-set?

Anita: Yes. So everything else was immaterial. I needed to move forward with a clean slate and the only way I could do that was by sorting this out and managing it.

For Justin its involved ‘lying on the carpet’ going through his finances and just ‘writhing in frustration of why am I having to do this. This is painful’. Likewise, Erika and Paul discuss, ‘floating around the edges for a bit’ but when ‘the dark came’ they sat down one Sunday afternoon to discuss the situation and realised they ‘have got a problem’. They didn’t want to ‘brush it under the carpet’, and instead they took a symbolic step to dealing with their debt problems:

Paul: We got to a stage with these credit cards... it was my, [laughs] my moment of madness. I went down to the garage here and I had a little enamel bowl and I brought it up from the garage and put it in the kitchen, put some white spirits in it, I took my wallet out and all of my credit cards went in, the whole lot, and I said ‘Erika, you got any credit cards’, and she said ‘yeah’, and I said ‘give them here’, so I chucked them all in...

Erika: ... And we burnt the whole lot...

Paul: ... and we burnt the whole lot in one go. And then I said ‘now we can’t use them anymore’.

Erika: Because we realised we had a problem, and we realised that if we had the cards that it was making them worse. And the only way we could see to stop using them...

Paul: Was to get rid of them and then we could just concentrate on paying off what we owed... I don’t regret doing it. I think it was one of the wisest things I ever did.

By burning the credit cards, Paul and Erika were ready to transition their mind-set from one structured by credit use, to one structured by debt management. It was at this point they started searching for debt advice.

Anne also spent a couple of weekends not getting dressed, letting the post pile up and not opening it, acknowledging, ‘to the outside world everything looked okay’. But one Sunday, in her nighty for the whole day, Anne thought ‘just sit down and open the bloody things up. I just thought, right, let’s face it. I put them all on the table and I’d got a pile... I started to add it up’. Afterwards Anne searched ‘help on debt management’ on Google,

and, after speaking with one company who seemed pushy and unprofessional, she explains in a comforting way ‘then I found StepChange, yeah’. Anthony adds to this by stating the point he found StepChange ‘was kind of a eureka moment if you like, you know actually taking control of ourselves again rather than the situation controlling us’. Actually, all of the participants in this study sought help with StepChange; this was their ‘response’ to the ‘critical situation’ they faced. No doubt, this is a similar theme for the other 1,400 people who seek help from StepChange every single day of the week (StepChange Debt Charity, 2013, p. 1), or the other 1.7 million people who seek debt advice every year (Bell, 2011, p. 37).

#### 6.14 Debt balance realisation

*£40,000? Holy shit!  
Justin*

StepChange Debt Charity follows a specific procedure for the people that contact them. The first point of contact for the debtor is with the ‘Helpline’ department (a poignant name). At this point the advisor informs the participants not to ‘panic’ and not to get ‘stressed out’, and reassures them ‘we’re sure we can help’. The next step is to gather details of income including benefits and pensions, household bills such as mortgage/rent, food, and utilities, the value of assets owned such as a home or car, and, more importantly, the number of unsecured credits, balances owed to them, and monthly payments expected. Table 6.1 provides a breakdown of the participants’ details including the year and age they approached StepChange, the total balance of their accumulated unsecured credit, and the number of creditors this figure is spread across.

As Table 6.1 demonstrates, the total accumulated unsecured credit amongst the participants (at the point they contacted StepChange) is £821,473 spread across 176 creditors, which averages at £43,235 per participant spread across an average of 9 creditors<sup>23</sup>. Graham is the participant with both the highest accumulated unsecured credit balance (£105,000) and the highest number of creditors (20). On the other end of the spectrum is Anita who had both the lowest accumulated amount of unsecured credit (£11,000), and, along with Heather, the least number of creditors (4). The age group most

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<sup>23</sup> At the time of writing, the policy of StepChange is to assist their clients solely with unsecured debts. Although StepChange will provide advice to clients on secured debt arrears, such as a mortgage or hire purchase agreement, they take the position that any arrangement must be agreed between the client and their lender for fear that if a reduced payment is administered by StepChange it could ultimately place the client’s asset(s) at risk.

commonly associated with an individual's fall-into-debt is 40-49 with eight participants, followed by the 50-59 age group with five participants. This is in contrast to the finding presented in Chapter 5 that the 18-29 age group are most commonly associated with starting to use credit with eleven participants, followed by the 30-39 age group with nine participants. The significance of this finding is that credit use and its accumulation amongst the participants occurred in the early to mid-stages of adulthood, and the point at which the payments become burdensome developed by middle age.

**Table 6.1: Breakdown of participants' details upon contacting StepChange**

	Pseudonym	Year when DMP started	Age when DMP started	Accumulated Unsecured Credit (£)	Total Unsecured Credit Agreements
1	James	2010	27	31,000	9
2	John	2006	44	72,000	11
3	Graham	2012	45	105,000	20
4	Alan	2007	63	25,000	8
5	Erika and Paul	2005	50 61	34,000	11
6	Anne	2012	49	30,000	10
7	Thomas	2011	70	24,000	7
8	Heather	2010	42	16,000	4
9	George	2005	55	84,473	11
10	David	2002	35	60,000	5
11	Jane	2010	50	50,000	10
12	Sandy	2008	40	29,000	5
13	Joanne and Martin	2009	42 58	50,000	7
14	Justin	2006	27	40,500	7
15	Janet	2010	51	15,000	8
16	Anita	2009	28	11,000	4
17	Anthony	2005	41	81,000	16
18	Karen	2012	48	37,500	7
19	Sean	2012	37	26,000	16

Totals:	Pre-2005	1	18-29	3	Total	821,473	Total	176
	2005-2008	6	30-39	2	Average	43,235	Average	9
	2008-2011	7	40-49	8				
	After 2011	5	50-59	5				
			60+	3				

The moment StepChange add together the unsecured creditor balances and inform their clients of the accumulated debt seems to be a central moment in their personal trajectories. Indeed, eleven out of the 21 participants (John; Graham; Erika and Paul; Anne; Thomas; David; Justin; Janet; Anthony; Karen; and Sean) reveal their absolute 'shock' at their total debt balance; they could not believe they had accumulated so much debt. Both

John and Anthony describe the moment as like 'Jesus Christ', and Justin as 'holy shit'. Erika said finding out they owed £34,000 'scared us' to which Paul adds he thought, 'my god I owe over thirty-thousand pounds, that's more than my mortgage! It's like someone just hit you with a sledge hammer. David said, 'it was frightening' and, as documented early, at this stage he 'broke down into tears' because he was 'devastated'. While Janet explains it was 'horrendous' when she found out, a feeling she has never felt before and one she does not 'know the words to describe'. Anthony and Karen provide explanations for these responses:

Anthony: [A]s you're going on and you're living the life you don't really think about what it's costing you, I certainly didn't it didn't occur to me that every time I went to Wembley arena or wherever... it's not just the 60, 70 quid for the ticket it's the interest on top of that, you know you don't look at it in purely sensible terms your just out there living the life. Which is great while you can do it, but when it catches up with you and you finally tally it up [and see] exactly what it means to you, its erm, yeah, it's a bit of a different story to say the least.

Karen: [B]ecause I paid it in dribs and drabs and bits and pieces I don't think I paid attention to what I was doing. But it was only afterwards when I added it up.... That's when it hit me and I thought, Christ Almighty. I've just spent all that money and it never even dawned on me that it would amount to that much money... I think if someone said to you, you can have £3,000 but it's going to take you 40 years to pay it back you'd be an idiot if you said I'll take that then. You would think, no. And I don't think that sinks in because you're just paying it month on month on month. They don't put 'if you pay your minimum payment it will take you 40 years to pay this bill off'.

Karen's observation is particularly astute: for a credit card bearing average interest, it would take 25 years and 4 months to repay if only the minimum payment was being made each month (The Money Charity, 2015, online).

Overall, the similarity of the participants' experiences tell us something about the way creditor practices not only normalise credit use but also mask the accumulated figure by only ever expecting a minimum or monthly payment towards the balance. These accounts also lend further weight to the notion of directional identity formation: paying in 'drips and drabs', being unaware how much the accumulated credit is, and showing total shock at this figure, only highlights how successful credit providers are at masking the amount of credit people are borrowing in their daily lives. 'You don't really think about it',

as John states, ‘the figures are not real it is only when they are accumulated’. But more importantly it masks how much interest being paid for the privilege of using credit. In the interview accounts there are multiple occasions when the participants do finally reveal their awareness at the amplified interest they are paying, but of course it is too late:

David: I will hold my hands up and say yes fundamentally it was our fault because we wanted stuff that we physically couldn’t afford and a lifestyle we couldn’t afford. But then I also say I hold Lloyds TSB to blame because we went to them three times saying we think we have a problem and three times they said you haven’t got a problem. And as I said, we weren’t that stupid and we knew that if the bank said no you believed them. Obviously nowadays you realise that all their into doing is they wanted to sell you products because they made extra money out of you.

Alan: If [the payment] misses the deadline... it’s more interest that’s being piled on to it. It’s just a way for them to print more money. If you’re down they’re going to kick you down and make certain you stay down.

Justin: It’s just ridiculous. And that you pay more interest the more in debt you are and the more difficult it is the more they’re able to rape your wallet. So they’re a nightmare.

The individual has now become privy to the real reasons behind the extension of credit. Seeing the total accumulated balance is to observe these processes, and that is why it is such a ‘big shock’. It is this awareness that leads the participants to reflect on what credit gave to them, of the security that it helped them achieve and maintain. As a result, Anita is clear that her credit use lulled her ‘into a false sense of security’, and meant she had so ‘many changes in [her] life’ because of it. As Anita indicates the way credit is lent and expected to be repaid, and the way it is used by individuals, ultimately ‘lulls’ all borrowers into a ‘false sense of security’.

When the total accumulated credit balance is presented it triggers a shift in the participants’ mind-set from one characterised by credit use and spending to one in which debt repayment becomes predominate. At this stage, all of the elements that made up the individuals’ sense-of-self when they were using credit – the secure environment, the habits and routines that emerge from the formation of identity, the intersubjective relations, and the protective cocoon of trust relations – are redundant, and the individual must reconstruct their identities. This means reconstructing *all* of the components that enable them to achieve ontological security. The participants’ responses to the impact debt

repayment has on their lives offers a unique vantage point into the operations of forms of neoliberal governmentality, precisely because by being ‘in debt’ the participants are now operating on the discourse’s outermost fringes, unable or unwilling to use credit and stigmatised by the label ‘debtor’. It is to these issues that we turn in Chapter 7.

### 6.15 Chapter summary

The chapter has been concerned with the consequences of a continuous ‘vicious cycle’ – as Sean calls it – of systemic credit lending, subjective credit use to navigate structures of inequality, and revolving debts which are accrued through spend and consolidate. Spend. And consolidate. All of which are intended to create a prolonged and pervasive extraction of profit. In doing so the participants have revealed the series of experiences they were forced to go through as they moved from the credit realm to the debt realm.

Undoubtedly, the ontology of falling-into-debt is one of insecurity. As we have seen in this chapter, at the point the individual can no longer access credit due to defaulted agreements a sequence of stages is instigated. To begin, the sustained attack by creditors upon the participants’ ordinary routines produces high degrees of anxiety. Here the door – the gateway through which these attacks emerge – symbolises the point that ontological security begins to breakdown. Participant accounts reveal how they felt that they were at risk of losing their home and possessions. These threats impacted on their social relationships, and began to ‘strip away’ the socialised processes that underpinned their self-identity (Giddens, 1991). Bailiffs emerged as the ‘definite objects’ that evoke these fears, because of the perception that they are able to seize their possessions. Moreover, a visit from a bailiff is a visual representation to others that the capital one has accumulated is illegitimate, because it reveals the mechanism through which that capital is acquired. Such exposure produces feelings of shame and humiliation, a feeling that stems from the individuals new undesirable social positon that can signify information to others about how not to live one’s life.

At this stage of the process the restrictions placed on economic capital by debt repayment and the retraction of credit use from day-to-day activities has fundamental consequences for the individual’s ability to maintain consumption and capital accumulation that underpin their identities, and as such they experience significant downward mobility. Thus, a ‘threatened identity’ becomes a ‘failed identity’, because the

individual is now operating on the obverse of the dominant ideals of neoliberalism, and they represent the irresponsible, the frivolous, and the undisciplined. Consequently, ontological insecurity reaches a heightened phase that eventually results in a ‘critical situation’ – a point-in-time when life cannot continue as it once did. Here, the participants, locked behind invisible bars that structure debt relations, must reconstruct their value systems, their modes of activity, and their sense-of-self; in other words, they must construct a new ontological basis for feelings of security and self-worth in one’s social position; to which we turn in the following chapter.

## CHAPTER 7

### **Managing Debt: Identity Reconstruction within Structures of Debt**

*Credit is freedom. Debt is a cage.  
There's just no key to debt, there's really not.  
The only way to break out is to manage it, and manage it quickly.  
Only then can you start to move on.*  
James

#### **7.1 Introduction**

The previous chapter documented how the fall-into-debt resulted in the disintegration of ontological security for the participants in this study. This ‘fall’ represented a rupture to the pattern of the participants’ lives: partly because credit was no longer freely available in the directional construction of identity; partly because of the exposure to changing semantics that followed the debt collection process; but mainly because the participants experienced major threats to the capitals that construct their sense-of-self and their social position. The conceptualisation was left at the ‘metaphorical bottom’, the ‘crisis point’ that compelled the participants to seek help, which they found by contacting StepChange Debt Charity.

This chapter continues the investigation from the point the participants contacted StepChange, and focusses attention on their experiences of managing debt. The context of managing debt involves severe restrictions on access to credit and the payment of disposable income to creditors in order to clear outstanding debt. As a result, debt management means living with the impact of ‘severely diminished stores of economic capital’ (Berenthal, et al., 2005, p. 137). The restraints placed upon economic capital by debt management challenge every aspect of the participants’ lives, including the deterioration of their economic, cultural, and social capital stocks. This chapter is concerned with the impact managing debt has on the participants’ identity and social position, and the strategies or responses they adopt to cope with and, in some instances, overcome these impacts. This chapter is concerned with three questions. (I) What impact(s) does debt management and repayment have on individuals’ stocks of capital? (II) How do participants negotiate and respond to the impact on their stocks of capital? (III) How do participants

reformulate their identity, and the values that underpin it, within the constraints placed upon them?

Before these questions can be tackled the structural context that surrounds the participants' debt repayment will be outlined. Following on, the presentation of findings on identity reconstruction will be split under the different forms of capital – 'economic', 'cultural', and 'social'. Initially the impacts of debt repayment on each will be documented, before the participants' responses to their deteriorating stocks of capital – and by inference their changing identity and social position – are outlined and explored. The chapter will conclude by arguing certain debt repayment practices and modes of neoliberal governmentality shape the identity reconstruction documented in this chapter. In particular, this chapter will argue the participants come to internalise a 'responsibilisation of debt' discourse (Walker et al., 2012, p. 54), which submits that debt should be repaid in full, meaning the subsequent reconstruction of their lives is conducted to make sure they submit to it. In this sense, the reconstruction of the participants' identities is produced from the effects of their indebted classification, and through this reconstruction they are maintained as subjects of value (Tyler, 2013).

## 7.2 The impact of StepChange Debt Charity

*They took the worry out of it for us.  
Erika*

After contacting the 'Helpline' department and after being informed of the accumulated debt balance, the advisors at StepChange send the client's details through to a department called 'Debt Advice'. At this stage the advisor calculates a monthly surplus from the client's income and expenditure. The final surplus is used to determine the length of time it would take to repay the accumulated unsecured creditors in full. They weigh this timescale against other factors, such as whether the individual owns any assets and if any change in circumstance is expected in the foreseeable future. After this consideration the advisor may recommend one of the following options depending on the individuals' circumstances: an administration order; bankruptcy; debt relief order (DRO); debt management plan (DMP); equity release; individual voluntary arrangement (IVA); settlement offers; or a temporary repayment plan. All of the participants involved in this study decided to undertake a DMP to repay their debts. It must be noted, in some instances a DMP is not the most favourable solution for debt repayment. In Alan's case bankruptcy would be the most suitable option as he has no assets (i.e. home or car) and

his repayment time is significant. In Jane's case an individual voluntary arrangement (IVA) would have been more suitable as the equity in her property is lower than her debts, her repayment time is over ten years, and her monthly surplus is over £100; an IVA would have meant significant debt relief and a repayment time of just five years. Likewise, an IVA would have also been more suitable for George, David, Sandy, and Sean. The reason why these options were not pursued will become apparent by the end of this chapter.

A DMP is a debt solution that takes into consideration the individual's income and priority expenditure before offering the budget surplus on a monthly basis to the creditors as a repayment to reduce, and eventually clear, the *total* amount of debt. The creditors do not have to accept this payment, which is often substantially lower than the monthly amount the participants should legally be paying them. However, the creditors generally accept the assessment made by StepChange and agree to the payment offered. As a result, the impact of StepChange on the participants' lives is immediate and it is positive. For example, Anne stated, 'having StepChange there gave me that lifeline of thinking, ah, there is a way out of this. I can still pay things back'. Likewise, Anthony articulates how StepChange alleviated the pressure from him:

It was a huge kind of weight off your shoulders. Real relief, realise of tension and stress and all the rest of it, to know you can suddenly turn round and say yeah you've done something instead of just letting it lurch into oblivion.

The proactive element of contacting StepChange and being gradually moved through their procedures is a key turning point for all of the participants in this study. The budgeting strategy they employ and how they're able to deter creditors from following through on threats made to their clients' property and possessions changes the contours of the participants' lives. Let's briefly outline each in turn.

### **7.2.1 Budgeting**

Budgeting – often for the first time – provides the participants with a sense of control over their finances. In this regard, one cannot undervalue the huge impact budgeting has on the participants' life. It is the absolute cornerstone of the debt management plan and provides structure and routine. Anne, for example, states budgeting provides her with 'security' and stops her from going 'into free-fall'. In a similar vein, Joanne states that although 'money is tight', she finds budgeting 'quite liberating because you try and account for everything'; a situation she feels is 'a better way to be'. George

states budgeting is ‘apart of my life now’, and something he has ‘learnt and taken inside’ himself. As a result, George goes onto stress, ‘the one thing I will absolutely continue to do – come what may – is budget’.

### **7.2.2 *Property and possessions secured***

It was documented in the previous chapter how the threat of repossession is closely associated with the onset of ontological *insecurity* and the breakdown of identity. Consequently, for those who have experienced this situation directly, the first step to rebuilding ontological security involves the diffusion of threats of repossession to home and/or possessions. Arguably, this outcome is perhaps the greatest comfort that StepChange provide. For instance, Janet explained that creditors have now stopped sending her threatening letters since she contacted StepChange; an outcome that makes her feel more ‘secure’:

I know now that I’ve got a house there with furniture in and I know they can’t take it away from me because they are getting paid. Even though it’s bit by bit, it’s not as much as what they wanted but there still getting paid and it’s getting paid off.

Although StepChange cannot legally stop creditors from pursuing CCJs or Charging Orders, and in cases of county court default the attendance of bailiffs at their clients’ home, being on a DMP with the charity infers a status in the creditors’ eyes that they are being correctly advised on debt repayment, reducing the likelihood of repossession. Years of mediating between creditors and clients, with tens of thousands of successful DMPs as a result, mean creditors trust the service StepChange provides, which subsequently benefits all those who now use the service. Indeed, as Joanna Elson (2011) from the Money Advice Trust also acknowledges, ‘long experience’ providing debt advice means it can be ‘delivered in the right way’ which in turn ‘can provide sustainable solutions for existing debt problems, act as an educative process preventing future such problems and give people more confidence to manage their finances, alleviating stress and reducing other health risks’ (p. 44).

### 7.3 Managing debt

*The biggest goal is being able to... wave a bit of paper in the air that says zero.*  
Anthony

The discussion above provides the context for exploring the details of debt management for the participants. Table 7.1 provides a breakdown of the details of each participant's DMP. As Table 7.1 details, the *current* total unsecured debt amongst the participants is £489,507, averaging at £25,764 per participant. This means at the time of interview, the participants had repaid a combined total of £331,966 to their creditors, averaging at £17,472 each. However, a finer grained analysis reveals a different picture. For instance, Graham still has the highest accumulated unsecured debt balance (£90,000) and also happens to pay the most towards his debts (£930 per month); whereas Anita has the lowest balance (£1,680); and Anthony has cleared the most debt out of any of the participants (£77,920).

**Table 7.1: Breakdown of participants' Debt Management Plans**

	Participant	Debt Now (£)	Monthly Payment (£)	Debt Free Year	Debt Free Age	DMP Duration (Years)
1	James	12,000	483	2015	32	5
2	John	32,000	750	2017	55	11
3	Graham	90,000	930	2021	53	9
4	Alan	23,000	45	2055	111	48
5	Erika and Paul	22,000	80	2036	81 92	31
6	Anne	29,000	147	2030	67	18
7	Thomas	20,000	151	2024	83	13
8	Heather	9,247	190	2017	49	7
9	George	35,000	442	2023	73	18
10	David	33,000	546	2017	50	15
11	Jane	42,500	250	2027	67	17
12	Sandy	19,000	100	2029	61	21
13	Joanne and Martin	17,500	848	2014	47 63	5
14	Justin	28,257	155	2028	49	22
15	Janet	9,800	176	2017	58	7
16	Anita	1,680	280	2014	33	5
17	Anthony	3,080	440	2014	50	9
18	Karen	32,000	796	2016	52	4
19	Sean	24,000	124	2029	54	17

Totals:	Total	489,507	Under 125	4	By 2018	9	18-29	0	Under 10	8
	Average	25,763	125-300	7	By 2023	1	30-39	2	10-20	7
			300+	8	By 2028	3	40-49	3	Over 20	4
					After 2028	6	50-59	8	Average	15
							60+	8		

The average DMP length for these participants is 15 years, higher than the 12 year average estimated by the Ministry of Justice (Gibbons, 2011). Based on the current repayment figures, eight of the DMPs will be finished in 10 years or under and seven will take between 10 and 20 years. But spare a thought for the four participants who currently have DMPs with a repayment period over 20 years, in particular Alan who currently has to wait 43 years until he is debt free. At this time Alan will be 111-years-old and, sadly, he may never experience a time when he is debt free again. The logic of these timescales must be brought into question when the available evidence suggests that due to the 'lengthy' period of DMPs 'many are not sustained' beyond 36-months of repayment (Gibbons, 2011, p. 54); a point we will pick-up again later in the chapter.

**Table 7.2: Participants' age at different stages of their credit and debt journeys**

	Participant	Age when started to use credit		Age when DMP started		Predicted debt free age	
1	James	18		27		32	
2	John	20		44		55	
3	Graham	39		45		53	
4	Alan	36		63		111	
5	Erika and Paul	32	43	50	61	81	92
6	Anne	22		49		67	
7	Thomas	35		70		83	
8	Heather	22		42		49	
9	George	20		55		73	
10	David	19		35		50	
11	Jane	30		50		67	
12	Sandy	36		40		61	
13	Joanne and Martin	18	34	42	58	47	63
14	Justin	18		27		49	
15	Janet	31		51		58	
16	Anita	18		28		33	
17	Anthony	26		41		50	
18	Karen	39		48		52	
19	Sean	18		37		54	

Totals:	18-29	11	18-29	3	18-29	0
	30-38	9	30-39	2	30-39	2
	40-49	1	40-49	8	40-49	3
	50-59	0	50-59	5	50-59	8
	60+	0	60+	3	60+	8

The time duration of a DMP points to a more important observation: there are only two participants (James and Anita) who will have repaid their debt in their thirties; the rest

of the participants will be in the latter stages of their lives. This scenario indicates a stark contrast to the most common age groups associated with lifestyles characterised by ‘credit use’ and ‘falling-into-debt’ documented in the previous chapters and reproduced in Table 7.2 above. Thus, credit use and debt repayment span the participants’ life, with the early stages of adulthood linked to credit use and accumulation, and the later stages of adulthood associated with its repayment. These findings point to age being a crucial factor in determining where an individual falls on the credit-debt axis. Although the small sample of this study inhibits more definitive statements on this matter, other research supports the view that credit use and debt are processes that have the potential to span an individual’s life (see O’Loughlin and Szmigin, 2006; Marron, 2007). Indeed, as Lazzarato (2011) submits: “‘Indebted man’ is subject to a creditor-debtor power relation accompanying him throughout his life’ (p. 32).

#### 7.4 The destinational context of managing debt

*It's only this debt that's made me think, crap, actually think long term.*  
Justin

For the participants in this study the DMP end date is a point in time that now structures the daily context of their lives, and as such it symbolises a profound transitional period the participants have undergone. The procedures, policies, and advice surrounding a DMP encourages individuals to shift their mind-set to one in which the main objective becomes to clear the *total* debt, and thus to reach the goal of being debt free. In other words, debt – for the participants in this study at least – is *destinational*; it extends their perspective and individuals begin to manage their lives today for a future date. On the obverse, the directional identity formation that symbolised their credit-fuelled lifestyle has fractured. To recap, directional identity construction refers to the search for ontological security within a system of amplifying inequality. It involves two key processes: (I) a short-term, temporal, mind-set with no focus or long-term plan; (II) acquiring property, goods or activities to maintain or advance a social position.

Partly capturing this transition is Thomas, who having described the days of using credit as ‘living payday-to-payday’, now describes his current indebted position as being ‘completely separate because I don’t live day-by-day now’. Yet, Erika and Paul capture the essence of a destinational mind-set more acutely:

Paul:           When we get rid of the DMP we owe nobody nothing, and we are never going to owe people again.

Erika: That's our ultimate isn't it?

Paul: Yeah, that's the ultimate aim. And we will get there; it's just going to take a little longer than we want. But we've got to the stage now where we have accepted it; it's not as long as it was when we first started which was 47 years, it's now down to about 8 years.

Interviewer: So now the day-by-day has turned into a goal which is to become debt free?

Paul: Yes, yes, it gives you that incentive to keep going, and if you can start to see it chip away like we have, I would say it gives you a more positive attitude... It gives you that goal because you know as each month goes on you're getting a step closer to that finishing line. It's a great feeling, but you've got to make sacrifices and be prepared to stick with them.

Erika: And we have made some sacrifices haven't we?

Paul: Yes, we have made some sacrifices, but you've got to say okay it's for my long term future rather than tomorrow, its further ahead than that, and if you can look further ahead its half the battle. But as I say the hardest part I would say for anybody is been able to accept your problem, and then talk about it to the important people who can help, and then be positive and say I'm not going to go off that track, I'm going to stay on that track I don't care what it is I'm not going to be knocked off either side, I'm going to be determined. As I said in the beginning you can't go forwards looking back, so you've got to keep looking forward, and saying OK let's keep moving and you will get there, it's hard, but you will get there. We feel that we are starting to see a little bit of light at the end of that dark tunnel, and it's surprising how much that gives you a lift.

As an unsecured debt is cleared it gives Erika and Paul a 'huge boost' and symbolises they are making the right decisions and moving in the right direction. But as the account above also indicates, a *destinational* mind-set creates altered ways of living and transformed ways of approaching life. For Erika and Paul this transition involved 'sacrifices' that enabled them to stay on the right 'track'. In essence, Erika and Paul are contextualising changes to their identities that are in response to managing and repaying debt, which places constraints upon their economic capital. A process that all of the participants in this study experienced, and a process which forms the central basis of this chapter.

## 7.5 Identity reconstruction

Debt repayment means living with the impact of ‘severely diminished stores of economic capital’ (Bernthal, et al., 2005, p. 137). The restraints placed upon economic capital by debt management challenge every aspect of the participants’ lives, including their economic, cultural, and social capital stocks. As a result, the participants must reconstruct their identities, and with it new value structures that enable them to achieve ontological security, within these financial constraints. This process is transformative, but often it is also traumatic, as Anita explains:

I actually went into therapy for a little while to deal with a few things. I was speaking to a counsellor about a few bits and pieces and they were really helpful. It’s not like I was a nutter or anything it was just trying to re-focus a few things. That just really helped, just having that time and space, and no pressures to deal with, whilst I was going through that healing period.

Identity reconstruction is experienced as unique for each of the participants involved in this study, but there are shared themes in their accounts.

### 7.5.1 Triptych responses to the impact of debt

Generally, the participants express the devastating impact that debt has had on their lives, and participants can become *detached* from, or *disillusioned* with, the reality that is created from their debt repayment. Alan, who at the age of 69 is facing a further 43 years until he is debt free, embodies the detached response:

It’s something that StepChange are dealing with now and unfortunately, it’s probably bad on my part that, I push it to the back of my brain. I can’t say it’s got nothing to do with me, it has got things to do with me, but it’s not something that is prominent in my mind... I would like to be in that position that I could clear all my debts and get them out of the way. I’d love to be able to. I’d love the debt management people to come to me and say there’s a new law that’s come out and we can get rid of all your credit. But I suppose I’m living in cuckoo land for that... But then when it says this won’t be repaid for x-number of years, which I know is way beyond my life expectancy, then I feel what’s the point?

Whereas Anne, who is facing a further 18 years until she is debt free, embodies the disillusioned response:

In my mind I have a picture that [the days I was using credit] are all nice and shiny and going to buy clothes and have fun and skippy, skippy. But the delaying and living in cloud-cuckoo-land. Whereas the debt, that’s dark; that feels very

dark. It feels like a chain around my legs. I don't like it. I don't like the freedom it's taken away. I don't like the control it's got over me now. I think I'm going to have to be careful that I keep my motivation going. Because gradually you're earning more money and they [StepChange] are going you're not paying this, pay that. Is there a point in me working harder?

The detached or disillusioned response stem from a negative perception of the impact debt repayment is having on their lives. These responses can lead to a reaffirmation of the value systems that prevailed when they were using credit. This involves an attempt to maintain aspects of identity that are now under serious threat: perhaps by going without food; by falsifying the budget to increase funds for non-essential items; by selling goods or items in order to purchase new ones; or, counter-productively, by reverting back to credit.

However, littered throughout the narratives are occasions when the participants take something positive from their experience and they can become *empowered* by the restrictions debt repayment has placed upon them. Anita, who was in the final months of her DMP at the time of interview, encapsulates the empowered response:

Anita: Right now, once I've cleared this up, the world is going to be my oyster. I'll have a clean slate and the way I see it is that I just need to decide which route I'm going to take and move forward from there. I feel like I've got a health stance now. It's the best possible position I could be in to continue my life without this and I can move forward again.

Interviewer: Do you feel you'd have this mind-set now if you didn't have those experiences?

Anita: No way. That's why I won't regret anything that's happened. Even in the sequence that it's happened. It's kind of got me to where I am now and I think I'm the strongest I've ever been. So I don't regret any of it.

This type of response stems from a positive perception of the impact debt repayment is having on their lives. The response stems from emergent values that are dialectically opposed to the 'I want it now' disposition, the pursuit of neoliberal common-sense notions, and the keeping up with the Joneses elements that symbolised their mind-set when using credit.

Nevertheless, the detached, disillusioned, or empowered responses do not reflect a rigid mind-set. Instead they capture ways of being that come and go within individuals over-time, and in different contexts. The participants traverse these different responses and may on one occasion become detached from their circumstances and on another

become empowered. Graham, initially articulating a detached response to debt, highlights this point:

Two years ago I didn't even want to look at it. It's a weird turnaround in my head. I was scared of looking at those figures two years ago but now I'm like, okay, it's all open how can I get rid of it? I'm not scared of looking at the problem anymore, which is an interesting turnaround.

That said the concern of this chapter is identity reconstruction whilst managing debt and thus a thematic interpretation is most appropriate. As Chapter 5 established how the participants developed their stocks of capital by tracing how credit was used to acquire distinctions in the different 'worlds' Bourdieu highlighted, and as Chapter 6 focussed on the threat falling-into-debt enacted on these different 'worlds', this chapter will explore the impacts of debt and the participants' responses under the different forms of capital – 'economic', 'cultural', and 'social' – that underpin their identities. Initially the impacts of debt repayment on each will be documented, before the participants' *detached*, *disillusioned*, or *empowered* responses to their deteriorating stocks of capital – and by inference their changing identity and social position – are outlined and explored.

## 7.6 Impacts of debt management on economic capital

The effect of StepChange is bittersweet. On the one hand, their influence results in abating threats to property and possessions, but, on the other hand, the reality of debt repayment means living with the impact of 'severely diminished stores of economic capital' (Bernthal, et al., 2005, p. 137). Consequently, the adverse effect of the constrained financial reality is the contagion to the maintenance and/or development of other forms of economic capital, including 'saving for the future', paying off a mortgage, or, more simply, from just being able to maintain the home environment in a 'decent' state.

### 7.6.1 Home ownership status under threat

We saw in the previous chapter how John, Alan, and Anthony sold their property to help pay unsecured debts. When an individual falls into financial difficulties it is more common to re-mortgage the property to release capital. Sometimes this results in a mortgage product transfer from repayment to interest only. This was a common theme prior to the financial crisis: indeed, in May 2007, 34 percent of mortgages taken out were 'interest only' compared to just 12 percent in June 2003; of these 'interest only' mortgages

27 percent did not have a specified repayment plan in place (The Money Charity, 2007, p. 5). Constrained economic capital hinders the possibility of increasing mortgage payments or changing products, reducing the likelihood the mortgage will eventually be repaid.

In Chapter 5 Jane's relationship with her property was explored. The renovation of the property with credit enabled Jane to hone and advance her cultural capital and solidify her social position, but most importantly, to achieve and maintain ontological security: 'To me it is everything... I'm a homebird really'. At the time of interview, Jane was in serious financial difficulties and it is very likely she will have to sell her home. After being asked if she wants the house to sell, Jane admits: 'No! If I'm honest I don't because I'm happy there... I don't want to lose it'. After discussing the possibility of moving in with her parents, it is clear that keeping her property is due to the security it provides her and the identity it supports:

I think that if I'm living somewhere that I like it will probably be OK, as long as I can take my stuff. If my mum said to me tomorrow 'OK have the bedroom and bring all your own stuff'... I would feel better – I've got my bed, I've got my sheets, I've got everything familiar and my stuff, to go in -- Oh I just can't bear the thought of it... I like my home, I do have my base in my home.

Unfortunately, the home is also a form of economic capital, and it becomes a tradable commodity once debt management emerges. As John, Alan, and George experienced, individuals in debt may have to sell, but to move from a homeowner to a renter is something that challenges dominant neoliberal norms and can cause significant damage to one's identity. In Chapter 3 it was documented how Sullivan (2008, p. 48) believed debt can act as a 'contributor to the fuzzy consumption signal', because:

For many... putative wealth in fact conceals indebtedness... Someone living in an exclusive neighbourhood but unable to pay the mortgage may be sending a signal about social class that is incongruous with that person's financial statements at least until the day that the foreclosure sign appears in the front yard. (p. 44)

Jane is now projecting a social class position through her home that is incongruous with her financial position; her home conceals her indebtedness and Jane is aware of this: 'Debt... affects my lifestyle but on the surface it doesn't, people who meet me don't know, I still live in a nice house, I still have my other luxuries and I still can be happy'. Jane is trying to hold onto her home and the identity it supports and projects to others. But the impact of debt repayment means Jane is under serious threat of losing her home.

### **7.6.2 Home deterioration**

Economic capital constructs an individual's surroundings, and so diminished financial resources can lead to a gradual decay of that environment. Many of the participants highlight the impact debt repayment has on their ability to guard against property deterioration. Martin and Joanne discuss what they intend to do once their debt is clear and the £800 monthly repayment is available once again: 'There's a lot that wants doing to the house really... the carpets want doing and things like that... We haven't done anything basically since we've been here'. Likewise, Sean acknowledges: 'I wouldn't say it was minging [but] we need new carpets and to decorate the stairs... The carpets on the stairs came from somebody else. The kids' rooms have only been decorated once in ten years. They all need doing'. In a similar theme, David states his house is 'starting to show its age now. The kitchen is starting to show its age. There's still things there that we'd like to do to that house but we can't physically do'. Yet it is Heather who perhaps suffers from the most adverse effects of debt repayment on her home environment:

Heather: I need things in the house, I need new windows, the windows leak, everything, the house is damp all along the outside wall, if I showed you my cupboards, they're black and they smell just with all this dampness, and to be able to save up and get something done about all of that you know – it would just be jobs that need doing.

Interviewer: And do you think debt is stopping you from being able to do that?

Heather: Oh yes, definitely. Because from our budget whatever we've got spare goes to debt, which is quite right because we owe it, I have to pay it back because I got into that position.

As documented in Chapter 5, the past use of credit to alter and develop environmental surroundings was intended to guard against property deterioration, or in other words, inaction and immobility in identity construction that signifies negative information about status to others. For Joanne and Martin, Sean, Heather, and the other participants, their inability to maintain their home environment signifies this negative information, which becomes an ongoing source of discomfort, and one that can only be fully alleviated when the debt is repaid in full. Below, the participants' *disillusioned* and *empowered* responses to their threatened status as a homeowner and to their deteriorating physical surroundings are explored.

## 7.7 Disillusioned responses to deteriorating economic capital

*I can't believe where I am now.  
Jane*

Living in an environment that is now structured by debt repayment provides scope for reflection. For instance, Jane, after experiencing downward occupational mobility from an interior designer to a cleaner along with the real possibility of losing her home, is now disillusioned with the circumstances she finds herself in:

If I hadn't of used credit I would have probably had my mortgage paid off, I'd have a chunk of that house, you know I'd still probably be heading for the divorce courts and on my own but I would be secure. I can't believe I'm 53 and I've got no money, in fact minus money, and I've worked most of my life, and had a really good job. I can't believe where I am now. I find that shocking, and that's something I say to my daughters, you know don't do what I did, always think. You know all I want is nothing, I don't want minus nothing which is where I am now, nothing is perfect.

A comfortable lifestyle for Jane now is just being able 'to pay the bills' and to start from 'zero'. Jane is also aware that she symbolises the consequences of the course of action that has left her in debt, and she is eager to use her example to deter her daughters from following a similar route. Jane has an intuitive sense of how neoliberals portray the benefits of inequality, and indeed so too does her daughter:

My daughter said the same... she said I've said to [my partner], 'we've got to start to think of our future', and I said, 'yes you don't want to end up like me', and she said 'no disrespect mum but I did say that to him'. She said I've said look at his mum who's on her own, who... has a pension, she's retired now... got a lovely apartment, beautiful grounds, loving her life, so comfortable financially, fantastic, and then there's me, who has got nothing basically, just debt, and she said 'the difference in you and [partner's] mum is just so opposite'. She said 'that's what I said to [partner] just look, you know we've got to be sensible and end up there and not there'... At least she's got some sense, whether they will do it I don't know, because sometimes it almost seems like it's out of your control, doesn't it.

With similar sentiments to Jane, some of the participants specify that they have 'nothing to look forward to', 'nothing to save for because the money is going to things you've already had', and 'nothing to show' for past use of credit. When considering the semantics utilised by governments and the financial sector from the 1980s to promote the positive aspects of credit use – documented in Chapter 1 as a means to 'acquire assets

with borrowed funds' (BoE, 1977, p. 29) – having 'nothing to show' for credit use is the ultimate discontent. The reflection by John in the next quote was shared by a number of the people interviewed:

To the extent that I haven't got anything to show for it really. Okay, they call me gadget man and over the years you get little gadgets. I know this was before mobile phones and things like that. I'd get stuff. I got decent toolkits and things like that but I've got nothing. It's not as if I've got a Ferrari parked outside or I've got a spare house... To this day I don't know what I spent the bloody money on. I've no idea. I've got nothing to show for it. I even had a house. When the Mrs moved out of the house I had the house. I had lodgers in but it got to a stage where I had to sell the house... So, in other words, I could have had the nice house and things like that if I'd been sensible.

What is crucial in this account is the term 'show'; it represents a social consideration because it involves the objective gaze of others in its construct. Although John explains his credit use did lead to some positive status association through his nickname 'gadget man', these acts of consumption were fleeting and have no lasting benefits, and instead he is left with 'nothing'. Consequently, in using the term 'nothing to show for it' the participants are in essence saying they no longer have any positive status association from their credit use; the money has truly been wasted.

## 7.8 Empowered responses to deteriorating economic capital

*What we have got is ours.  
Paul*

After reflecting on the impact debt has had on their economic capital stocks there are participants who reveal a different, more positive, response. David initially described his credit fuelled days as 'keeping up with next door but one', but there is one thing his experiences have taught him: 'Take stock of what you've got'. When asked whether his priorities have changed, David answers:

Basically making sure I keep a roof over our heads, the house is warm and we have food in the cupboards. Those are my priorities now. And obviously the kids. I'd say the family is number one to me and each week I go to work and that's all I work for. When I'm going to work the kids are fine and that's it. Those are my priorities now.

Debt has transformed David's priorities and altered his relationship with his property; it has enabled him to recognise what he has instead of what he wants or can have. The

insinuation is that credit fuels desires to always want more, which, paradoxically, can ultimately lead to losing the things that are important in life.

In picking up the theme from above, Erika and Paul describe their current priorities, and in the process document reduced horizons that they have come to accept:

Paul: The mortgage came first; because we thought as long as we have always got somewhere to live we have got a starting chance to fight them. So the mortgage was and still is today or main priority, and we are now at the stage where next year we pay off the main mortgage as well... and saying that is the biggest hurdle of the lot, because then whatever it is we own it, it's ours, they can't take our house off us, we own it...

Erika: ... And that's a good feeling. It's a really good feeling.

Paul: So yeah you move on. All right we haven't got a lot of luxuries like other people, but then we are happy with what we have got, what we have got we don't have to say we don't really own it, it belongs to somebody else we are just paying rent on it. What we have got is ours, it might not be a Rolls Royce but it's what we are happy with, and we don't owe anybody any money for it, and that's the important thing.

Paul and Erika find huge comfort in knowing they will soon own their house. Also evident is a recognition that, after years of managing debt, their relational judgement is no longer relevant to their own sense-of-self. They have reached a point in life where owning their own property is seen as a significant milestone in its own right, and especially given the threat it was placed under after falling-into-debt. Indeed, participants who have secured their property in the face of the existential threats that placed it at risk find solace in the fact their surroundings are secure, as opposed to the insecurity that Jane feels. Erika and Paul have accepted their identity placement, and they are now content with their position in society. Their experiences have numbed them to the want of anything unattainable as they know where that leads. Thus, their inability to maintain or develop their property is no longer part of their concern; the home is a place to live and to find comfort, not a place to show to others in 'classificatory struggles'.

## 7.9 Impact of debt on cultural capital

All of the participants document changes to their cultural activities as a result of their debt management plan. The limitations placed on the participants' income by the budget and debt repayment leaves small amounts of money for 'sports and hobbies', as

StepChange call them. Some of the participants state they don't go out drinking or for meals as much as they used to, and others, such as Anne, state they 'can't go near a shop' for fear they will spend money. All of these changes invariably point to the deterioration of cultural capital.

Changes to the participants' cultural capital signify an altered social position because they are no longer able to maintain types of cultural capital that symbolised their credit-fuelled lifestyle. This is a situation that the participants are forced to consider and to navigate. The most significant discussion on this topic occurred with George. If we recall from Chapter 5, George placed considerable emphasis in the type of car he owned and what this signified to others about his social position. After being asked whether there are certain things he can no longer do that he used to enjoy, the following discussion took place:

George: Yeah. I have a car which I've had since new which I maintain and look after religiously because I know once it has gone there won't be another one for a while unless my mum dies, for example [and he acquires his inheritance]. And fortunately through StepChange I've been able to build up the amount that I'm allowed to use on transport and maintenance so that's fine. It has no great value anymore but it has a huge intrinsic value for me.

Interviewer: So would you say the way you value things may have changed? Do you see the value in items in what you buy now?

George: I think I'm most probably more thinking in terms of functionality than prestige. That kind of thing. I see adverts for Deitcher cars – I used to work in Romania so I know they come from a brand new Renault factory in Romania. So I see them at £5,000 for a new car and I think okay, you know, it's got four wheels, it'll get you from A to B, [however] everybody will laugh at you because it's a Deitcher. First time I bought a Skoda my daughter cried, 'You're not coming to pick me up at school in that. Everybody will make jokes and laugh'. Tough.

Interviewer: Was that a difficult process to readapt to though?

George: Yes, and I was way too slow at it. That's the problem. If I had got a grip a couple of years before then I wouldn't be quite in the same pickle. But I didn't and I deluded myself.

It is clear George has spent a considerable amount of time reflecting on his changing consumptive habits and what these changes signify about him and his social position. Yet, the revelation that the move to a Skoda made his 'daughter cry', because of detrimental

effects this item revealed about her father's status and by proxy her own status amongst her friends, is profound given the overall nature of this thesis. Indeed, given that George stated after his divorce he bought all his furniture new from John Lewis because he wanted to 'create a home that the kids would be comfortable coming to' and because he 'didn't want [his] children to see a father who was struggling' (see Chapter 5), this response from his daughter would have been extremely difficult for him to hear. The Skoda became the symbolic representation of a father whose status was falling, and it was a fall that was picked up by his daughter in the most salient way. The difficult aspect for George, and for other parents in this study, is their inability to meet the expectations of their children and to provide them with the consumption markers of – what they deem to be – a normal childhood existence. Or, in other words, the markers of a lifestyle they have become accustomed to.

We see here how credit and debt create specific and opposing scenes in the social and physical environment, 'pictures' in time that reflect deep underlying mechanisms that helped create them that others invariably draw information from and make judgements regarding one's social position. Markets are the term given to goods and services that operate on a hierarchical and vertical scale, but are always read as relational and horizontal effects of an individual's social position. Thus, markets are intimately connected to inequality and the cultural categories inequality symbolises. Credit is a mechanism that enables individuals to bypass the operations of the inequality they are subjected to by reaching for and accessing markets that would otherwise lay beyond their economic capacity to access. Debt, on the other hand, reverses this process. The participants are now more likely to either refrain from accessing markets altogether – 'I avoid going to the [shopping] centre', explains Janet – or to access markets below those that their income would in normal circumstances permit – 'I will only buy things now that are in the sale', as Sandy explains, or as Paul acknowledges, 'you look for... the bargains, something that is reduced'. Subsequently, trajectories through lifestyles characterised by credit use and then debt management produce more extreme effects as individuals are propelled across vertical market structures, initially to the lofty heights of advanced market activity, and finally to the shallow depths of diminished market activity – the 'reduced models' – which in turn reveals information to others about social status. In the following section, the participants' *disillusioned*, *detached*, and *empowered* responses to their diminishing stores of cultural capital will be discussed.

## **7.10 Disillusioned response to deteriorating cultural capital**

*I'm aware more of what I can't do.  
Heather*

For the majority, having spent years living with an ‘I want it now, and I can have it now’ mind-set, having to ‘wait’ until funds were available to purchase items, goods, or services is an outcome they found challenging to adapt to. For instance, David states, ‘having to wait’ was a transition that proved to be the ‘biggest change’ and the ‘biggest shock’ for his family: ‘If you wanted something you couldn’t just go and buy it you had to wait till you had the funds available. We couldn’t get what we wanted when we wanted. We had to get what we wanted when we could afford it’. As David indicates, one of the negative effects of the change to a ‘having to wait’ disposition is the impact this has on his children’s own identity formation. David goes onto articulate that he feels his kids have ‘missed out on a hell of a lot’, including school trips and other social activities, and he sometimes feels he has ‘ruined their childhood’ because he hasn’t been able to give his kids ‘what they think is the norm’. Indeed, all of the participants who have children discuss these effects, and often it is a situation they feel guilty about. Heather, for instance, wishes she could take her children on holiday, and says, ‘I will always have guilt because I feel that my kids have missed out on things because of our debt’. Recognising that his children’s friends are going on school trips, Sean says ‘it’s heart breaking’ for his own children because they can’t go. Consequently, he feels he has let them down and worries that because of this they don’t ‘look up to [him] as a father’. These accounts reveal some of the ‘hidden injuries’ of debt (Paton, 2014, p. 185) because they highlight the negative impact it can have on children’s development and personal relationships. The participants in turn reveal a disillusioned response at the way their debt is impacting on their children’s lives and feel a raft of negative emotions as a result.

## **7.11 Detached response to deteriorating cultural capital**

*I can detach myself from it.  
Jane*

A lot of the participants have stories about a shift ‘down market’, or in other words, a shift in consumption practices that symbolise a less desirable social position to others. In many instances this leads to a discussion about the merits of spending more money on an object because of its brand value. For instance, Erika and Paul debate the merits of paying

£30 for a Morphy Richards kettle to one that cost £5, considering how this purchase may be perceived by others and their rationalisation of purchasing the cheaper one:

You are a lot more cautious on how you spend what little bit of money you have got, you think a lot more positively, when people go out and say ,‘Oh that’s a Morphy Richards I will have that’. ‘How much is that?’ ‘Well that’s £30 but yeah it’s a Morphy Richards, what makes that, who makes that then?’ ‘Don’t worry who makes it, it works, it does what I want it, it boils water so I can have a drink, I’m not worried, why pay £40 or £30 when we can boil it for a fiver’. And you think differently like that.

Yet some of the participants are unable to accept the diminished social status their cultural activities reveal and adopt specific tactics to try and maintain the symbols of their previous credit-fuelled lifestyle; as such they are detaching themselves from the reality of their indebted position. As a result of the reduced income and her debt repayments, Jane says she is now running out of ‘so much makeup’ and it would cost a ‘week’s wages to go and buy’ the expensive makes that she is accustomed to. Jane subsequently describes the importance she places on wearing the right makeup and what she would be willing to do to make sure she can access the same brands:

Jane: I’m not going to compromise, I can’t. So I’ll go without.

Interviewer: So it’s a case if you can’t get the ones you want you won’t...

Jane: I will always wear makeup, I’m going through, I’m scattering through old – because I don’t throw stuff away so when it gets to the last bit I chuck it into a box – so I’m going through the last bits of used stuff and eventually I’ll go and replace them, but I can’t afford them, but I will get them because I’ll go without something else, I will go without food if I have to.

The box of makeup is reminder of a previous identity that Jane is clinging on to, a face that she can put on in her public encounters that symbolises a different reality from the one that now exists. Jane is trying to maintain the surface appearance that signifies to others a more advantageous social position, and she would go without food to do it. Jane is unwilling to accept the restrictions her restrained economic capital is placing on her ability to purchase consumption markers, and is detaching from the reality of her debt:

I can keep that quite separate, and if I’m totally honest I forget about it a lot... I can detach myself from it. To me it’s just some bloody number written down somewhere it’s not affecting me, I mean it affects my lifestyle but on the surface it doesn’t, people who meet me don’t know.

Sean experienced a similar alteration to his social position, but uses slightly different tactics to try and maintain it. The following discussion captures the ‘realisation’ that dawned upon Sean after he acquired a reduced model mobile phone and how he responded to this situation:

Sean: [B]ecause things were tight I sold the phone, it was a contract phone [so I] sold the phone, got the money for it, I kept probably a hundred pound out of it, paid the other bills off because I was behind. Then I got a second-hand phone from a second-hand phone shop, and that was initially OK, but then reality hit me that this wasn’t the phone that I should be having because it doesn’t represent me. I have to have the latest gadget, still now as we speak because it doesn’t do what I want it to do and it doesn’t represent me because I haven’t got the latest phone.

Interviewer: By represent what do you mean there?

Sean: Er, ahher, I don’t know, I’ve got to have, I’ve got to have the latest mobile, other than that I don’t know. I’ve just got to have the latest phone – I suppose again because I’m used to having it and I had that and I’ve gone down, I want that back again... Even yesterday [I was] trying to get a mobile phone contract, even though I probably couldn’t afford it but whatever, even though StepChange says you don’t go for more credit, but I still go and apply for that credit because I want that phone back.

Initially Sean recognises that household bills are the priority and takes action to deal with the situation, he then realises that this action invariably signals a diminished social position to others as the phone is no longer the ‘latest’ model that the market offers. As someone who prides himself on being recognised as always owning the ‘latest’ goods (as discussed at length in Chapter 5), accessing them from lower ‘down’ market no longer represents him or the identity he wishes to project. This feeling is felt so strongly that it compels Sean to revert back to credit to resolve the situation, even though this is an action that is prohibited by StepChange and the terms and conditions set out in their debt management plan. This is not the only time Sean has reverted to credit to maintain or enhance his status; he did so on another occasion to purchase a pair of trainers because the lower value ones ‘wasn’t good enough for me... they had to be a higher value’. Illuminating his actions a little more clearly, Sean explains: ‘I don’t want to be seen as where I am at the minute. I want to be seen as someone successful because that’s what I want to be and I will be’. Sean is operating in the suture between a credit-fuelled and a managing debt

lifestyle. Sean started a DMP in 2012 and although he is clear that StepChange have created the structure that will enable him to repay his debt and change his behaviour, he is still caught between the *directional* mind-set of credit use and the *destinational* mind-set of managing debt. The interesting aspect is that Sean knows this is the case: ‘StepChange have done their job, I haven’t done my job’. On various occasions he makes reference to his desire to always have the ‘latest’ goods or ‘higher value’ goods as ‘crazy’, and on one occasion states: ‘it’s something that if I could change and I knew how to change then I would change it’. Sean seems unaware that his desires and wants are stimulated by a socio-economic system that inspires amplifying inequality, and in consequence he is unable to step back and avoid engaging in ‘classificatory struggles’ the system induces. Although Sean is aware of his dispositions, he is unable to break the habits credit has created over many years.

Sean is not the only participant to use credit again whilst on a DMP. Other participants note using credit – such as overdrafts, catalogues, and even credit cards – to buy an oiler for a motorbike and towards a holiday (John); to buy clothes and blinds from the internet (Heather); to invest in a teeth-whitening business venture (Sandy); and to assist with budgeting and to improve credit files (Thomas, Justin). These participants have tried to detach themselves from the pressures of debt repayment by maintaining modes of habit associated with their previous credit-fuelled lives. But the sustainability of this approach is impossible to maintain whilst repaying debt. The notions of freedom and autonomy that signals the mind-set of credit users begins to corrode as the repayment process takes hold, and the culture surrounding it begins to influence the participants’ behaviour. Indeed, John also documents after using credit on an oiler: ‘So the mad impulses haven’t gone but they’re nowhere near as bad as they used to be’. John reflects an observation made by Giddens: ‘Fateful moments by their very nature oblige the individual to change habits and readjust projects’ (1991, p. 132). With that in mind, let’s turn attention to those participants who have altered their habits and readjusted their behaviour to the impacts debt has had on their cultural capital.

## 7.12 Empowered approach to deteriorating cultural capital

*It can only get better. It can’t get any worse now.*  
*David*

If we recall from Chapter 5, David described his ability to purchase goods when they entered the market as making him feel ‘part of the elite’. The subsequent transition to an ‘I

have to wait' disposition was something he found as a 'big shock' trying to adjust to. Yet, David also documents that this transition opened up a space that enabled him to see the difference between a 'necessity' and a luxury:

David: You'd say I'm going to have this TV and if you had a credit card you'd go and buy it. Now, necessity would dictate that you would use what you'd got until that is broken or doesn't work anymore and then you'd have money to replace it. You utilise things. Things don't go out of fashion so quickly. To us then we changed in that we didn't need the top of the range TV... If it's not broke don't go and try and fix it sort of thing.

Interviewer: So that was difficult to adjust to at first but then actually as that's developed you think, 'Well, it's a good thing?'

David: Yeah, it's a good thing. Like I say, okay it was a hell of a learning curve but I think it's stood us in good stead. It's helped us out. Obviously we've got more value of things and our priorities have changed considerably now. So, yeah, it's a weird thing to say but I think they did us a favour. It would just be good not having to pay it all back but, hey, there you go.

There are two interesting themes to emerge from the discussion with David. The first stems from the quote 'things don't go out of fashion so quickly'. It appears David and his family have actively reconfigured their outward perception from one that involved relational judgement and competition – the 'keeping up with next door but one' outlook that signified his credit-fuelled lifestyle – to one that encompasses living within their means. As a result, it is not society that has changed, but David and his family. The second relates to a change in values, to taking care of possessions and having more 'value for things'. Let's deal with each in turn.

### ***7.12.1 Transformation into savvy, astute consumers***

*You're more aware of everything.  
Everything in life becomes a lot more responsible.  
Paul*

As a result of the participants' experiences, many of them explain how they have become more savvy, more conscious, more aware, and more responsible consumers. This involves being more in control over spending habits, consciously avoiding shops, and negotiating and bartering with sales people to make sure the price is as low as possible. Below are some participant comments that reveal these transformations:

- Janet: I'm not buying things that I don't need. Even going to Pound Land... I would pick it up and I would pick something else up till I was spending £10-£15 each time I was going down... But now I'm starting to get control of my mind [I realise] that I don't need these things... I've learnt to manage my money... I don't buy something just for buying sake, even if I am down... which is a big difference. My thinking's different, it's a lot different. Really I'm living a different life to what I was before... My life's a lot better, I'm not cluttering my house up with things I don't need.
- Graham: Two years ago I would never even have thought of asking the question: well, how can I save money on this? It's like silly things. It's like we go into a shop and my wife is actually negotiating... [I]t's like we've suddenly become very canny about money... Yeah, I'm not the same person in my head as I was two or three years ago... It's just making sure that we can always benefit from any transaction we do rather than just accepting it and going, yeah, we'll pay now. It's changed us a hell of a lot, which is interesting.
- Karen: I've learnt that I thought I was being responsible but I was actually being very irresponsible. I thought I knew a lot more than I did. So I've learnt a lot about that fact. And I've learnt that perhaps I was very selfish, very greedy for wanting to have those things straightaway. And I've learnt that I need to have more self-control in myself to stop spending. Not that we went gambling or anything but just in general what you want you can't have. You've got to think about what you want and whether you need it... And if it's something that you want you have to do more to get it.

These accounts enhance the argument that credit normalises excessive consumption, and consumption in markets that would otherwise remain out-of-bounds for individuals with certain amounts of income. Although these transformations symbolise downward mobility in cultural activities, the downshift is actually from the heights of a social position that was fuelled by credit. Correspondingly the downshift is more akin to a social position that is realigned with the individual's economic capital endowments. It reflects the participants' realisation of their position within society, acceptance of it, and then an attempt to make that position work for them. However, this transition is not an easy process. In essence, the participants are now navigating the social world by thinking in a completely different way; a transition John captures: 'It was a big psychological thing as well going from spending all this money'. Indeed, trying to ignore sensory queues that inequality produces is a very challenging process, especially when the participants were so attuned to these queues and made their consumption decisions based upon an evaluation of them. However, unless the participants want their destinational debt free date to move further

and further away, the ability to act on temptations, as was the case when using credit, must now be controlled and subverted.

As a result of this gradual transformation in spending habits, participants develop a strong ‘value of money’. Karen, for example, explains: ‘It was too easy to spend because it wasn’t real money. Now, it’s real money and it’s like why are you spending that? So it’s completely changed the dynamic with money within us and the way that we think about things’. A value of money refers to a reattachment between an individual’s economic capital that is situated in their labour, and the types of consumption this position permits. The participants begin to see money as a ‘resource’, an ‘energy’, that structures the contours of their lives, and ‘appreciate how important it is to lifestyle’ and being ‘able to live’. Collard, Finney, and Davies conducted interviews in 2012 with participants using the services of StepChange and found similar findings. In particular they note, ‘learning the value of money translated into behaviour changes such as a more cautious approach to spending’ (Collard, Finney, and Davies, 2012, p. 23). This emergent ‘value of money’ found amongst individuals using the services of StepChange alters the types of *market spaces* they interact with, which in turn alters self-perceptions. For example, after being asked whether she is more aware of prices and what things cost, Anne admits:

Anne: Oh, God, yeah. When I was married I wouldn’t even go -- I went into Asda once and I left as it was too awful. Now, I go in there all the time. I love Aldi’s actually. So I shop around, yeah.

Interviewer: Do you feel we make judgements about people based on the things they buy, where they shop?

Anne: Yeah, of course we do. Absolutely. I think even though we don’t want to we still do. I go to Aldi now and I’m an Aldi shopper. I go to Waitrose to buy some things and, you know, I like being in there. It’s quite nice. And it’s almost like this is where I belong. I belong in Marks & Spencer and Waitrose and Sainsbury’s not in Asda. And so there’s that pull... [But] I suppose I think I’m a bit more grounded really. I’m more in touch with reality and can see that not everyone has got the money they’re just waiting for it to all blow up like me.

Individuals build self-narratives and utilise markets to live out and consolidate their sense-of-self and to define who they are. Although Anne has made changes to the types of shops she frequents, she still feels she ‘belongs’ to upmarket supermarkets. Now the supermarkets where she consumes create disassociation, not only in how the space is constructed, but also because of the ‘types’ of people that frequent these spaces and that

Anne classifies in relational judgements as different from her. But debt management creates social positions that are qualitatively different from the ones that emerged as a result of credit use because they are played out in different social and market spaces. Anne knows she cannot always shop in ‘Waitrose’ and ‘Sainsbury’s’ despite the ‘pull’ to do so, and has had to realign her economic capital with the markets that serve that economic capital.

Nonetheless, a diminished social position does not automatically mean a lower perception of self, but it is at least a perception that must be reflected upon and negotiated. As Anita describes talking about a new found ‘joy’ shopping in Charity shops:

I know this might sound really sad but one of my colleagues was talking about how she spent the whole year shunning High Street shops for charity shop shopping and I thought I could learn from that. I started finding a new joy in rummaging around charity shops. So I think my priorities have completely changed and I feel like I’m being true to my original philosophies about not needing the material things and the superfluous things in life. It makes me feel like I’m being more honest in terms of what I’m supposed to be and what I’m about rather than just going along with things, which I should never have gone along with.

Anita explains how shopping in charity shops is actually being true to the values she held before she used credit. Ultimately then credit altered her values and attuned them with those promoted by neoliberalism. Indeed, reattaching the value of money with production and in turn to the value of commodities is a significant step to becoming savvy, conscious, aware, consumers. The emergence of this mind-set translates into how items and possessions are cared for; they are not as disposable as they once were.

### **7.12.2 Care over possessions**

Credit is fundamental to the acquisition of property, but due to its role increasing velocities of consumption it can devalue money and possessions. Managing and repaying debt can shift this mind-set. An emergent value of money can translate into a value of possessions, as John indicates:

[T]he things you have got you look after better and you care for, because you think no I’ve had to pay for that and it’s mine so I will look after it. You look at things and you think hang on can I repair that, and you try and repair it, if you can. So it makes you a lot more – it takes a little while – but you eventually become much wiser and a lot more cautious, of what you will and won’t buy. You are not tempted to go round to Curry’s and say, uh that’s a nice new fridge

that's better than the one we have got we will have one, you don't do that... You say hang on a moment do I *need* that?

In turn, greater care is given to their upkeep and their maintenance, and less on the status they symbolise, as Anne informs: 'I can buy a nice pair of boots and get them mended rather than buy a new pair. There's a certain good feeling about that'. The emergence of this disposition is partly due to the squeeze on economic capital, but it also stems from a reflection on contemporary society and a rebuke of the 'I want it now' culture. In a Marxist sense it is akin to the re-establishment of the use-value of possessions as opposed to their sign-value (Baudrillard, 1999). Many of the participants outline a change in their approach to the possessions and goods they own. Often this translates into fixing items that have broken – such as kettles, printers, bikes, *et cetera* – and if the item cannot be fixed then a cheaper 'down-market' model is purchased as a replacement. George illustrates many of the participants' experiences:

[I]f something breaks it breaks and that's it. And if something breaks and I still desperately need it I'll go way down market. So I used to have a very nice MP3 player and then it 'carked' it so I made do with a much reduced model. I still have an MP3 player. And up to a point I'm fine with all of that because I'm slowly getting there and I finally begin to see some light at the end of the tunnel.

Restrictions on the formation of cultural aspects of identity, invariably lead some of the participants to appreciate what they have and to look after the goods and objects that are still in their possessions. But it also leads some of the participants to consider strategies that enable them to once again fuel a 'directional' identity formation.

### **7.12.3 Focus on education and occupation**

*It was 'where can I find the money'.  
Now it's 'how can I earn the money'.  
Anne*

Restrictions on current economic capital due to debt repayment – and subsequently on one's ability to develop economic and cultural capital stocks – leads some of the participants to consider other avenues that will enable them to once again be 'in progress'. In particular, attention shifts to aspects of life that can directly be influenced, notably within occupational and educational fields and thus institutional forms of cultural capital. This finding is significant because it represents not only a strategic response to constrained economic capital, but also an altered approach to identity formation and projection of self.

James articulates a very clear link between the impact of debt management and his motivation to progress and develop. Initially, James describes the early stages of debt management as ‘very restrictive’, not only on physical ‘movements’ but also on ‘thought’ as well, because he couldn’t ‘think about anything else but the amount of money’ he owed. Later on in the interview, James begins to explain how the debt management arrangement ‘enabled’ him to start to ‘think about other things’:

[T]he other things that I was able to think is, OK, so at this stage of my life all I am doing is paying off bad debt, well you don’t want to be in that situation forever, I still wanted that family life. So the only way to do that is to expand on your ability to be able to earn money, the only way you can earn more money is either my winning the lottery or by doing something about your employability, and the only way to do something about your employability is by educating yourself.

James articulates a ‘rational’ response to his debt situation, which ultimately *empowered* him to take steps to improve his employability and earning potential within the labour market:

It [debt] has changed my whole outlook on life because it’s reorganised, and it’s given me more purpose in what I want to achieve and do... So by the fact in how deep and how bad things became its changed my mind set and gave me a motivation to educate myself... and, as a result of that it has enabled me to earn and add £20,000 to my wage.

James is very clear that he wouldn’t be in the position he is now if he hadn’t experienced the ‘constricting’ and ‘restricting’ effects of debt: ‘I think you learn from your lessons’. But he is also keen to stress this response may not be the case for everyone who find themselves in a similar situation, and that it may be a result of his mind-set of wanting to ‘better myself and to not ever getting into that situation again’. James still has the same dreams and goals as he did when he was a child – he still wants the ‘big old stone house’, the holidays, *et cetera* – but what’s changed for James is where the money comes from for him to achieve those things:

[I]t will no longer come from further borrowing it will come from my ability to earn the money... I think the career I am in is going to enable me to achieve everything that I want to achieve. I won’t have to rely on anybody else to achieve what I want to achieve.... because I will be able to afford it through my own hard work rather than somebody else’s.

James now feels ‘pride’ in what he is accomplishing in his career, and the goals he believes it will enable him to achieve. James’ experiences provide an interesting complexion to the impacts of debt, and he is not alone in experiencing an empowered response that facilitates a more robust and committed engagement with the productive sphere. Out of the participants, nine document changes to their approach to work: whether that is an emergent desire to progress occupationally (John; Graham; Sean; Karen); to work overtime for additional income (Sean; David); to ‘progress the business’ and charge clients for services provided (Anne; Justin); or to go for a really big salary because of ‘being used to dealing with big numbers’ that don’t ‘scare... anymore’ (Graham); or just a contentment to be working (Heather; Anita). The focus on occupation and education reveals how the participants reflect on their credit use as a false mobility driver, in some instances, as a ‘double think’ (as Graham explains) that gives the impression one is successful, but which ultimately proves to be false. As Karen noted earlier: ‘I’ve learnt that I thought I was being responsible but I was actually being very irresponsible’.

### **7.13 Talking about debt is taboo – protection of identity**

*Nobody knows our financial situation.  
Karen*

Inequality is a relational process. Up to this point, the chapter has discovered that when an individual experiences deteriorating capital stocks – and thus downward mobility – their responses to a diminished social position are wide-ranging. It may involve an attempt to lessen the negative effects on the outward projection of identity, or to present oneself as transformed. Yet, there is not one example in this study when a participant documents speaking about their situation to a family member or friend in its entirety. Some participants do discuss certain aspects of their situation with close family members and close friends, but in the main the participants document a total silence on the subject<sup>24</sup>. In fact, for some of the participants I was the first person they had ever discussed the situation with in person, and some cite this as the reason why they wanted to take part in the research. It was clear in these encounters and especially after the interview had taken place the *stigma* surrounding debt is something that has an enormous

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<sup>24</sup> In January 2014, StepChange surveyed 1,104 clients who started a DMP with the charity in 2013, and found 33 percent had not told their family and friends about their financial troubles (StepChange Debt Charity, 2013, p. 13).

influence on the way the participants describe their experiences and their past decisions, and ultimately their actions in the present. A process captured in a discussion with James:

James: I didn't discuss it openly. That's the thing with debt it's not exactly something that you wear a t-shirt and say, 'Hey look at me I'm debt ridden, I've got the plague keep away from me'. So you don't [discuss it], it just never comes into context.

Interviewer: What's the reason for that do you think?

James: Because it's personal, it's private, people... at the end of the day although people like to -- that's the reason why, because people like to show their wealth people don't like to show their debt, that's why people buy nice things, people buy nice things to show that they're capable of buying nice things. Even the lowest person doesn't want to show that they've got nothing.

Interviewer: So there appears that there is a sense within Britain that talking about finances is a taboo subject really.

James: Very taboo... people don't like to open up or outwardly show vulnerability, and debt is a massive vulnerability – there's no doubt about it.

On the one hand, it is clear from James' account that talking about accumulated credit and debt disturbs ontological security because it sheds light on an individual's surroundings and on their possessions, and thus the pillars their identity is constructed on. It provides other individuals with 'valuable information' into how that person has built their social position and obtained ontological security, and in many cases it is information that would create a negative reaction; thus, the topic is avoided. But, on the other hand, avoiding discussing the situation can have unintended consequences on the participants' current relationships and their feelings towards them, as social engagements become more difficult to maintain due to restricted economic capital.

Part of the reason why the participants state debt is a taboo topic of conversation also stems from perceptions that they are 'deceiving' their partner or friends (as Jane explains) or that people may 'think that [they] will be stealing money or something' (as Heather fears). It is clear that debt throws up issues of trust, and trust is intimately bound up with responsibility, which of course debt challenges. Thus, the fears outlined by people in debt stem from all of the negative connotations that are evoked by the labels attached to them, and the social position they construct.

## **7.14 Impacts of debt on social capital**

The major consequence of the taboo that prevents people talking about their debt is deteriorating relationships with partners, friends, and sometimes children. Referring back to the client survey conducted by StepChange in 2013, when asked if debt problems had a negative impact on their relationships with friends and family, 37 percent of the sample said they had (StepChange, 2013, p. 13). It was documented in Chapter 6 that falling-into-debt can be a major strain on relationships. As Ford (1991, p. 67) elaborates, individuals ‘become stressful and antagonistic as conflicts and anxieties emerge over how to allocate resources, who should give up what, who is to blame, and what will happen to them’. The conditions that once supported the establishment of relationships over time have shifted and people must readapt to new conditions. The effects on relationships are clearer when viewed from a managing debt viewpoint because here the long term impacts of debt repayment can be observed. In this study, there are seven participants (John; Anne; George; Jane; Sandy; Anita; and Anthony) who – to varying degrees – associate the breakdown of their relationship with partners to their debt situation. Providing more depth, Anthony explains that he and his wife split up in 2011 – 2 years before the interview took place and a whole 5 years after the start of their DMP – and states it was due to ‘the stress and strain’ that the debt placed on them and the ‘resentment’ it created between them due to their altered lifestyles:

Well the biggest change was obviously us splitting up. I mean that, that's eaten away at us for a long time. I've been ill, I had a breakdown in 2005 shortly after all this lot kicked off, and that is a kind of day-to-day battle and she's been ill, we've both been ill, and it's -- a lot of it is as a result of the pressure that these people put on you.

One of the adverse effects of relationship breakdown, as Anthony found out, is the extra expense associated with renting another accommodation, reducing the amount of economic capital that can be spent on debt repayment which invariably extends the destinational debt repayment date.

Moreover, there are nine participants (John; Alan; Erika and Paul; Heather; Anita; Karen; and Sean) whose debt has impacted on their relationship with friends. The following discussion occurred with Erika and Paul, and it encapsulates a lot of the issues that have been discussed in this section:

Interviewer: At the time did you have any concerns about how your lifestyle was going to be impacted or any fears about...

Erika: Actually, we kept it very, very quiet, didn't we, we didn't say anything to anybody. We have not told anybody, neighbours, friends, anything about the situation... We've tried to keep our life as normal as possible.

Paul: Yes, you try and do things as normal as possible. You use things what I call 'tactic plans'. When people say to you, 'well we're going to do something do you fancy coming', and you say, 'erm no I don't think so, it's not my sort of thing', it's a nice way of saying, 'I can't afford it'. You just make an excuse that you don't want to do it, you can't or you're not interested.

Interviewer: Has that been difficult to do?

Erika: It was at first, but now it's so much easier because you say, 'ah no I'm too old for that', and the longer you go on, the excuses become easier and easier. You just say really your entertainment is been at home and watching the Television... because other entertainments like theatres, cinemas, going on holiday, parties, things like that, don't happen anymore.

Interviewer: Have you lost touch with anyone?

Paul: Oh yeah, so many people.

Erika: We have lost touch with loads of people.

Erika and Paul are not alone in creating certain 'tactics' to avoid stating the real reason they are unable to socialise is due to their debt. Heather, for instance, describes being a 'bit more anti-social' because she no longer goes shopping with her friend, and often passes off the opportunity by saying, 'I'm busy or I've got to look after the kids'. Despite an attempt to keep life 'as normal as possible', the restrictions placed on the participants invariably lead to less social engagements like going to theatres, cinemas, shopping, and/or holidays, which then signifies a different identity to the one that predominated in their credit-fuelled lifestyles. Thus, a normal life becomes an altered life. In coping with these changes the participants document a *detached* or *empowered* response.

## 7.15 Detached approach to impact on social capital

*We haven't got a lot of friends.*  
Sean

Broken friendships and relationships can create distress for many individuals and strategies are adopted to cope with this eventuality. In Chapter 5 it was documented how Karen and her partner used credit to overcome the unequal conditions between them and their friends. Later in the interview Karen considers the effects their debt has on these types of engagements:

Nobody really knows that anything has changed. I mean, we still go out for a drink with friends. But friends who we would have gone to London with for the weekend, we don't go as often as we would have done because it was expensive. They've got very good jobs and no children so their disposable income is infinitely higher. When our money is paid off we will have that disposable income so we can then start to enjoy that by going to London for the weekend with our friends. But in the meantime we've just curtailed what we do as it's our money we're spending.

The recognition that 'nobody really knows that anything has changed' suggests that Karen and her partner have attempted to maintain their cultural position despite a lack of credit to facilitate it. However, it seems unlikely in this instance that Karen's friends would not at least consider the reasons as to why Karen and her partner were no longer visiting London and dining at 'expensive restaurants'.

Despite experiencing similar changes to Karen, Paul presents a different outcome regarding his friends and means of dealing with it:

It's a strange scenario but when you sort of don't want to play the party animal with everybody and that, you find people in reality drop you very, very quickly, because you don't serve a use. So yeah, we used to have quite a lot of friends didn't we who we went on holiday with, but they've just drifted away and we never hear from them, and never get in contact with them again, it's just gone, you know. I just look at it and say, my way round it is, well if they're really that fickle who wants them? I don't need people, we have got ourselves, and as long as she is happy and I am happy, you know, I say my company is my dogs and her, and what happens outside of my front door I haven't got the slightest interest in. So yeah, you learn to adapt. You prioritise what is more important. And you think well yes it was nice to go out for meals, it was nice to go for trips out, it was nice to go to the theatre or the cinema, but then you think to yourself is it really that important? No I don't think so.

By prioritising their debt repayment above all else Erika and Paul have become more isolated as a result. It is becoming clearer about the types of 'sacrifices' that Erika and Paul

have made to their lives in order to prioritise debt repayment and to eventually achieve their debt free date. In Paul's account the 'door' emerges once again as a key symbolic distinction. It reflects the 'adaptation' Paul and Erika have undergone to their altered conditions and they now detach themselves from anything that is taking place on the other side, in the public realm that once held so much promise and enjoyment.

The detached approaches adopted here enable the participants to reduce the impact their deteriorating friendships have on their well-being. But these outcomes are born from both a failure to discuss financial circumstances with other people and from attempts to keep life as 'normal' as possible, in the process concealing their indebtedness and protecting their identity (Sullivan, 2008).

### **7.16 Empowered approach to the impact on social capital**

*If we can get through this, then we can get through anything.  
David*

On the rare occasions the participants have discussed their debt situation with friends and/or family they describe a positive reaction that often strengthened their relationships. Alan warmly reflects on his discussions about debt with a 'dear friend' which has ultimately strengthened their friendship – an outcome Alan describes as 'good'. George, who has not discussed the situation with family but has with his friends, describes them as being 'incredibly supportive' and 'very generous' with their own wealth and property whilst he is 'bouncing along the bottom'. After experiencing a total breakdown and moving back home, Anita says she 'had to' tell her family because 'it was a clean slate'. Despite acknowledging that her parents 'were probably hugely disappointed' with her she says they 'just supported me and accepted it', providing her with the 'space to move forward'. Despite splitting up two years ago, Anthony and his partner have 'started putting [themselves] back together'. In an endearing reflection, Anthony discusses the profound effect the debt has had on his relationship with his wife, but goes onto express how it enabled him to see what was important in his life:

[I]t does make you feel great to walk into a shop, or hotel, or wherever it is you know, to be able to just splash the cash and do what you wanted to do, but in actual fact you're hiding what's important, you know you do lose sight of what's important... I don't go out on a Friday night, I don't go to the pub, we have a bottle of wine and we sit together, we argue, we fight, but we tend to work harder together on the things that mean something to us now. So we are looking forward together rather than looking in two different tangents. And that's been really hard to do. I mean bloody hell we've been together since I was

18, its 25 years but its however many years it is that we've actually been together and you're bound to grow apart at one point but the hard part is growing together again...

The ability of neoliberal socio-economic discourse to accentuate distinctions shifts attention from what is truly important in life. Sometimes it takes an event such as falling-into-debt to reconfigure value structures around what matters: loving, honest, and supportive relationships. After describing her transition from credit use to debt management, Anne reaches a similar conclusion to Anthony:

[I]t's almost like living in a drug haze really all the time and not really connecting with the reality of the world isn't it. It's like having a mental breakdown and that makes you realise that what's really bloody important is spending time with my son, my family, cooking a nice meal.

After discussing their situation with friends and family, some of the participants take a more empowered approach to their debt and reflect renewed and enriching relationships as a result. Yet, although some of the participants describe certain benefits from speaking with friends and family about their debt situation, there is still the danger that their circumstances will be viewed negatively – as being dishonest and/or irresponsible – and the participants' feel ostracism is a very real risk.

### 7.17 Responsibilisation of debt

*I just felt responsible for my debts.*  
*Justin*

At the start of this chapter a destinational mind-set was presented. Its context was then elaborated by a detailed articulation of the impact a mind-set that prioritises debt repayment has on the individuals' capital stocks, and subsequently detailed how the participants respond. What has not been considered are the forms of governmentality and discourses that encircle these responses and perhaps offer some grounding as to why they emerge in the first place.

It has been mentioned in this thesis, particularly in Chapter 2, that a dominant discourse argues debt problems are due to the failings of irresponsible, feckless, undisciplined and immoral debtors who have abused the opportunities afforded to them through greater access to credit. What is more, this position has 'been the most publicly visible way in which problem debt and its political and personal solutions have been organized' (Walker, 2012, p. 57). Sam Gregg, an author for the IEA, has explored the

etymology of the word ‘credit’ and traces it back to the Latin word ‘credere’ meaning ‘to believe’ and ‘to trust’ (2009, p. 150). Gregg (2009) subsequently uses this conceptualisation to argue:

[P]roviding people with credit means that you trust and believe in them enough to take a risk on their insight, reliability, honesty, thrift, courage, enterprise and, above all, their prudence: in short, the moral habits without which wealth creation cannot occur in the first place. (p. 151).

Fundamentally you ‘trust’ in the borrower to keep their ‘promise’ and pay the money back (Gregg, 2009, p. 151). We see an attempt here to produce a specific ‘morality’ surrounding debt, a ‘morality of the *promise* (to honor one’s debt’ (Lazzarato, 2011, p. 30). After stating the causes of the crisis was ‘too much borrowing, by individuals, businesses, banks, and, most of all, governments, David Cameron, in his 2011 Conservative Party Leaders speech, picks up on the theme outlined by Gregg, and goes on to propose the ‘solution’ to problem debt:

The only way out of a debt crisis is to deal with your debts. That’s why households are paying down their credit card and store card bills. It means banks getting their books in order. And it means governments – all over the world – cutting spending and living within their means... Dealing with our debts is line one, clause one of our plan for growth... And today, we can choose to be a country that’s back on its feet and striding forward. Paying down our debt and earning a living. (2011, online)

The ‘semantic dance’ - as Whitfield (2011, p. 20) refers to it – that Cameron evokes here inextricably connects government policy for dealing with macro ‘debts’ with a discourse that implicitly advocates the type of approach individuals who have personal ‘debt’ should adopt; the two are entwined in the same narrative. Thus, when Cameron later states, ‘working hard and taking responsibility will be rewarded not punished’, by implication not ‘dealing’ with one’s own debt showed a lack of personal responsibility and should be punished (Whitfield, 2011). Booth, from the IEA, supports this position: ‘The important thing is that those who make the decisions bear the cost when things go wrong: there should be no bail out of borrowers [and] there should be no bail out of shareholders’ (Booth, 2007, as cited in Rosenbleeth, 2008, p. 71). In this context those governing attempt to train ‘the governed to “promise” to honor their debt’ (Lazzarato, 2011, p. 46).

In recent years, Carl Walker has extensively documented these processes, and contends ‘that experiences of personal debt... are intimately associated with neoliberal

rationality and techniques of government' (2011, p. 526). In a move he calls the 'discourse of individual financial responsibility', Walker et al. (2012, p. 49) expose 'the ways in which the indebted and distressed have come to be publicly constituted and acted upon' in contemporary Britain. It is worth quoting Walker et al. (2012) at length here:

[O]ne should be wary of underestimating the importance of discourses of choice, agency and personal empowerment to neoliberal political rationality... A fundamental commitment to the notion of the rational and knowing financial subject has become dominant in the way that we understand people in problem debt as personally responsible for their circumstances rather than as subject to increasingly immiserating economic regimes of practice... [P]ersonal responsibility similarly emerges as a technology of citizenship, as a strategy for the transformation of subjectivity from powerlessness to active citizenship, where people are enabled to make themselves governable by taking personal responsibility for their personal debt. Those in the UK who find themselves in problem debt subsequently find themselves subject to numerous techniques of responsibilisation where they are taught to take responsibility for their poor financial management, their failure to curb their urges toward consumption and the psychological distress that has arisen from their circumstances. (p. 53, 54)

Furthermore, Walker et al. (2012, p. 57) argue this discourse is facilitated by a matrix of actors and agencies: not only the state and free market think-tanks, but also 'social psychologists, third sector and statutory providers of training in financial self-discipline, teachers, the mainstream media and primary care health professionals' (2012, p. 57). This discourse is extremely powerful: it should therefore come as no surprise that many of the participants in this study reveal it in their own accounts:

Karen: I've always taken the responsibility for it [debt], partly because I think I've always felt responsible for spending it.

Graham: It's almost like it's not my fault it's the bank's fault. They shouldn't have given us that money. No, that's crap. We've looked back on it and we don't blame anyone for what we did... You've got to take responsibility for your own action.

Janet: I blame myself for getting into them... I can't blame anybody else but myself, that's the way I think about it.

Anita: The stupid thing is you can't blame anybody else but yourself. So it was just getting to that point and realising that and then moving forward to see how you can sort it out.

The emergence of ‘discourse of individual financial responsibility’ in the participants’ accounts essentially signifies the success of the matrix of actors and agencies who frame personal debt problems as a matter of choice. But, more importantly, this network also produces the “proper” ways to live indebted lives... and the solution to problem debt’ (Walker et al., 2012, p. 57). Consequently, for individuals who fail financially, ‘neoliberal technologies of government are mobilised to allow people to know the reasons for this failure and the conduct required to remedy it’ (*ibid*, p. 57). In order to expose the ‘neoliberal technologies of governments’ that produce the ‘proper ways to live indebted lives and the solution to problem debt’, we must once again turn our attention to the stigma associated with debt, particularly surrounding insolvency.

### ***7.17.1 Stigma and insolvency***

Insolvency, in particular bankruptcy, has long been complicit in the promotion of stigma enveloping debt. Thus, understanding the stigma attached to insolvency requires some historical setting before a contemporary update can be presented. Drawing on a range of evidence, including newspaper articles on personal bankruptcy dating back to 1864, Rafeal Efrat states:

Historically, individuals who file for bankruptcy protection have been viewed harshly by society. The negative perception of bankrupts was manifested in the punitive treatment of them, which included at times forfeiture of all property, relinquishment of spousal consortium, revocation of citizenship, surrendering children as slaves, prohibition from holding public office, imprisonment, and death. Aside from these severe punishments, bankruptcy petitioners were routinely degraded and humiliated in public. At times, bankrupts were forced to sit in public and place baskets over their heads. In other instances, they were required to... wear distinguishing clothes in public, or simply be sold at a public auction to the highest bidder. Degradation and humiliation of bankrupts were reinforced through official contemptuous discourse, which labeled bankrupts as ‘deceivers,’ ‘frauds,’ ‘offenders,’ ‘cheaters,’ and ‘squanderers’. (2006, p. 366).

These social practices were aided by legal standards which reflected ‘social efforts to penalize and shame those in bankruptcy’ (Cohen-Cole and Duygen-Bump, 2008, p. 5); none more so than the traditional practice of placing the bankrupt’s picture in the local newspaper. Attacks on bankrupts have a long historical lineage and as a result bankruptcy has long implied social ostracism and public shaming.

It was noted in Chapter 6 that debt, at the individual level, threatens property, social position and personal responsibility, three core concepts that underpin forms of neoliberalism governmentality, and this is one factor as to why debt is a stigmatised space. Debt, at the macro level, also threatens the functionality of markets, consumption, and, more importantly, ‘profitability’. Thus, debt challenges the central tenants of neoliberal political discourse and the credit induced ‘social structures of accumulation’ that support contemporary forms of profit extraction. As a result, the neoliberal ‘discourse of individual financial responsibility’ is an attempt to produce a normative social influence regarding problem debt. As Booth stated earlier ‘there should be no bailout of borrowers... those who made bad decisions should bear the cost of those decisions’. Following on, the stigma hurled onto anyone who violates this classification is designed to intensify the psychological effects of debt so, firstly, the individual knows and feels they have failed, and, secondly, to make sure they discern that an act of insolvency to deal with the situation is ignominious and may lead to ostracism. According to Lazzarato:

The trust that credit exploits... is limited to a trust in solvency. [It] makes solvency the content and measure of the ethical relationship. The ‘moral’ concepts of good and bad, of trust and distrust, here translate into solvency and insolvency. The ‘moral’ categories by which we take the ‘measure’ of man and his actions are a measure of (the) economic reason (of debt). In capitalism, then, solvency serves as the measure of the ‘morality’ of man. (p. 58)

Consequently, neoliberals view insolvency as resistance to both the dominant discourse of individual financial responsibility and the personal sacrifices required to deal with debt, and thus stigmatise it as morally wrong (Forkert, 2014). In the main this strategy is successful, as various participants illustrate:

Anthony: I remember saying [when I first contacted StepChange] you know I don’t want to do bankruptcy; we got ourselves into this mess we will get ourselves out of it.

Jane: The thought of it [bankruptcy] absolutely appals me, if I’m honest. Like really, really appals me... it just feels wrong, it just feels horrible. I don’t know, the thought of been a bankrupt, I know lots of people do it, but I just can’t bear the thought of that. Because I think again, it’s about relationships and having to say ‘I’m a bankrupt’... I’m scared it would scare him off really. That’s what bothers me.

James: I suppose I'm happy that I've done what I've done to an extent because I suppose one of the things that happens with bankruptcy you are not answerable to your actions so you don't have to pay a lot of the money back... it means that... my conscience is clear because I will pay back everything I was loaned.

What is clear from these accounts is that, 'power and ideology operate through the configuration of specific subjectivities of indebtedness' where 'those who find themselves in the category of problem debtors find themselves subject to techniques of the self that are integrated into specific structures of coercion' (Walker et al., 2012, p. 53). Although the discourse surrounding debt leaves the debtor free to make their own choices, it 'pushes' the debtor to 'act in such a way' to make sure they 'honor' their 'debts' (Lazzarato, 2011, p. 31). Consequently, the participants in this study felt insolvency was not an option to deal with their debt, despite, as noted at the start of this chapter, forms of insolvency being in some of their best interests.

### **7.18 Total debt repayment - destinational mind-set in context**

*Their name says it. Step-by-step you change.*  
Sean

If we trying to determine the types of behaviour the stigma surrounding debt and insolvency procure then George, after many years dealing with creditors and reflecting on systemic processes, provides the answer:

What's it all about? Why do we all have to go through this shit? The loss of that money by the bank is factored into their interest rates. They've got it covered, end of story. I know why. It's because that's the game and the whole system would collapse if you knew you could get away with not paying.

Thus, the predominant discourse and the stigma that emanates from it humiliates and cultivates fear, shame, and guilt within individuals for their financial difficulties, and through these affects it encourages, and in some instances compels, individuals to repay *all* of the money they have borrowed – and the interest that has accumulated on top. David Graeber agrees: 'There is a consensus that no matter what the circumstances behind the causes of debt, the debtor as an individual, has a moral obligation to repay the debt. If not you are guilty a sinner. It has created great moral dilemmas' (BBC Radio 4, 2012). Consequently, those in debt can come to view there circumstances as a sign of personal

failure from which the only true redemption, their only way to becoming active legitimate citizens again, is to take responsibility for their debts and pay it all back:

Justin: I ran the debt up. They were good enough to lend me the money, good enough to sell me it, so I want to pay it off and then I will feel that I have overcome finance, if you like, by paying it off.

Heather: Because from our budget whatever we've got spare goes to debt, which is quite right because we owe it, I have to pay it back because I got into that position.

Anthony: [W]e are getting towards paying off what we have gotten ourselves into, and personally I'd much rather be that than sitting here with a bankruptcy notice over our head.

In Heather's case, she accepts the deterioration of her home environment to make sure she meets this ideal. Thus, the vilification of insolvency in popular representations leads many to conclude debt management is the only viable, and morally acceptable, form of debt repayment. Through this process individuals 'make themselves governable by taking personal responsibility for their personal debt' (Walker et al., 2012, p. 52), which from the outset reflects an attempt by them to *dis-identify* from long run shame and stigma attached to debt and insolvency.

As individuals move towards a desired identity of financial responsibility feelings of pride and accomplishment are stimulated:

George: By last year it was down to £45,185 or thereabouts and this year it's down to just under £35,000... CCCS actually advised me, and have done several times, to declare myself bankrupt but I can't bring myself to do that. I incurred these debts in one way or the other.... So I cut my cloth. I am -- ultimately blowing my own trumpet again, I'm actually quite proud of myself. I didn't take the easy route which would have been to just go on to bankruptcy and slowly I'm getting there.

David: I will feel when I don't owe anybody any money - apart from the mortgage - that I can hold my head up high and say 'I've paid my debts'.

Anita: To be fair, because my goal was to have it paid off by the end of this year, when they said it's going to be October I was absolutely amazed and I was just so chuffed and very proud of the fact that I've made such massive steps in the time that I've been given and the circumstances and the strategy that I've taken. I'm at peace with all of it.

Giddens (1991) provides us with an account of how this emotional response emerges: 'The other side of shame is *pride*: a person who successfully fosters a sense of pride in the self is one who is able psychologically to feel that his biography is justified and unitary' (p. 66). Thus, individuals who have reconstructed a biography that is in alignment with the dominant discourse feel their identity is now justified and unitary, which in turn stimulates feelings of pride. The fact that paying debt off now stimulates positive emotional feelings suggests an altered sensory perception to the one that predominated at the time of credit use, and represents a transformation in the dispositions surrounding the participants' sense-of-self.

These types of responses also impose constraints on structural accounts that attempt to explain personal indebtedness. Nonetheless, the discourse explored in this chapter, and throughout this thesis, creates an altered frame to consider the forms of identity construction and reconstruction observed amongst the participants, which we will reflect upon in the following chapter.

### 7.19 Chapter summary

When credit as an instrument of security is lost as a result of debt a directional-identity formation is fractured, and the participants must adapt to new environmental and social conditions. This chapter has revealed how debt – for the participants in this study at least – is *destinational*; it extends the perspective and the participants begin to manage their lives today for a future date. The chapter went onto detail how debt management is signified by debt repayment, deteriorating stocks of capital, and constrained financial resources, and participants respond in *detached*, *disillusioned*, and *empowered* ways. These responses stem from the individuals' acceptance or rejection of the contours and substance of their diminished social position, and they provide compelling insights into identity reconstruction. Rejecting the impact of managing debt leads individuals to continue with values systems that were once fuelled by credit, and to prioritise status maintenance over debt repayment. Accepting the impact of managing debt enables the participants to rebuild their value systems, to reflect on past behaviour in a positive way, and to pursue new goals and objectives away from those that were once fuelled by credit. The process of managing debt is crucial to a sense of control and thus the sustainability of the individual's emerging ontological security. But observing debt management also uncovers desirable future identities – or identities the participants wish they had adopted

prior to their long journey into the realms of credit and debt – a sense of what the participants want to become when they no longer owe any money.

The relevance of this analysis was illuminated by placing the substance of identity reconstruction within wider modes of neoliberal governmentality that surround those ‘in debt’. It was revealed how neoliberal discourse works to construct a destinational mind-set from which individuals prioritise debt repayment at the expense of capital stocks they had constructed over many years. When viewed through this prism, a negative or positive response to the impacts of debt, and a staunch avoidance of insolvency, become just further mechanisms that enable those invested in neoliberal capitalist modes of production to continue to extract maximum value from the subjects who they have helped become indebted.

## **CHAPTER 8**

### **Reflections and Conclusions**

*The economic and political illusions  
of the last forty years have... fallen away;  
rendering neoliberal policies all the more brutal.  
Lazzarato, 2011, p. 8)*

#### **8.1 Introduction**

The aim of this research was to unpack the complex and interconnected relationships between credit and debt, specific techniques of government, and social class processes over time. It sought to address, and answer, four research questions: (1) How and why did credit proliferate in Britain from the 1980s onwards? (2) How is credit utilised in the construction of identity in the context of classificatory struggles over social positioning? (3) What impacts does debt – including debt collection practices and debt repayment - have on the individuals' identity and social position? (4) What role do forms of governmentality play in this process? In order to answer these question the intimate stories of individuals who were caught in a changing economic, cultural, political, and social environment where credit use and indebtedness have become common place were explored.

Those invested in neoliberal politico-economic discourse have attempted to refashion the causes of the credit crisis to absolve themselves, and their ideology, from any responsibility and place it in other quarters (McCormack, 2014). In particular neoliberals at the Institute of Economic Affairs place considerable attention on individual moral failure and bad decisions as factors that lead to the accumulation of debt (e.g. Booth, 2009; Gregg, 2009), and suggest if borrowers acted with prudence then this will prevent them from becoming overstretched (e.g. Gregg, 2009). Nevertheless, throughout this thesis a counter-argument posits credit use and personal indebtedness as the result of a vast labyrinth of social-political-cultural-economic forces. There is thus a fundamental dispute as to whether debt problems and their solutions lie in the behaviour and choices of individuals, or in the structural formation of society (Orton, 2009). Why is the discourse that prevails at explaining personal indebtedness so crucially important? Well, the prevailing discourse dictates the types of – governmental, charitable, and private sector –

policies that are imagined to deal with individuals in debt, but also it heavily influences how those individuals understand themselves, the strategies they take to reconstruct their identities after falling-into-debt, and the steps they take to get themselves out-of-debt. Hence, the dispute should not be underestimated for it represents the battle of intellectual authority within society and frames the type of ‘cultural and ideological atmosphere’ that engulfs the social landscape, which individuals draw upon to construct their judgements and perceptions about personal indebtedness. Lahire, in light of the dispute noted above and the dominant discourse that prevails, offers the following observation:

One of the great myths of our time is that our ultimate freedom is located in the individual... we make substantial intellectual progress when we give up the illusion that our ‘subjectivity’... or ‘singularity’ is not determined, that we have free will or a ‘personal’ existence on which the social world has no influence. When we take this step, the internal (dispositional) and external (contextual) forces and counter-forces appear to which we are continuously exposed from the day we are born, and which make us feel what we feel, think what we think, and do what we do. (2003, p. 352)

What this observation offers is an entry point through which the central concern of this thesis can be interrogated; namely how we might understand individuals not as blameworthy but as victims of a social-political-cultural-economic system that depends on their debt for its continued growth and wealth (Ritzer, 1995).

This chapter reflects on the findings of this study and presents its conclusions. To do so it is structured in three sections. Section 1 summarises the methodology of the study. Section 2 presents a systemic model of credit and debt summarising the main findings of this study. Consequently these findings challenge neoliberal explanations for credit use and indebtedness. Section 3 reflects on the implications of these findings for policymakers and the authorities.

## **8.2 Methodology – the nature of the findings**

The research comprised archival databases and documents analysis, experiences drawn from working as a debt advisor, and semi-structured in-depth interviews with 21 individuals using the services of StepChange Debt Charity. The interviews were conducted in various locations across England, Scotland and Wales, and took place between January 2013 and May 2013, a period of 6 months. In-depth semi-structured interviews were selected as the primary research methodology because they are well-suited for studies with exploratory objectives (Sullivan, 2001). They also enabled the collection of rich, emic,

and reflective data (Morgan, 1998) that was required to answer this study's research questions. Semi-structured interviews as opposed to unstructured interviews were selected because of the requirement to produce data regarding the participants' experiences of credit use, falling-into-debt, and managing debt that was so integral to answering the research questions. The organisation of the semi-structured interview allowed a narrative to emerge in the participants' construction of their experiences across these domains, and provided a medium for the participant to deconstruct the experiences that were of personal significance to them whilst sticking to the themes this research attempts to address. This format has clearly influenced the development of concepts underpinning this thesis and the presentation of the chapters.

In order to achieve theoretical insights, the coding procedure incorporated a deductive and inductive approach to data analysis. In this context, the analytical process was based on a recursive NCT (Noticing-Collecting-Thinking) approach which enabled a constant comparison of data along with the creation of increasingly complex ways of understanding it. The ethical and political implications of the study were drawn upon to provide the context to explore its potential use as a medium of social justice. The methodology adopted provided rich data to explore the research questions and provided the context for the research findings. In the following section the major findings of this research, in view of the research questions, are to be explored and summarised and their role in informing the conclusions presented.

### **8.3 Major findings**

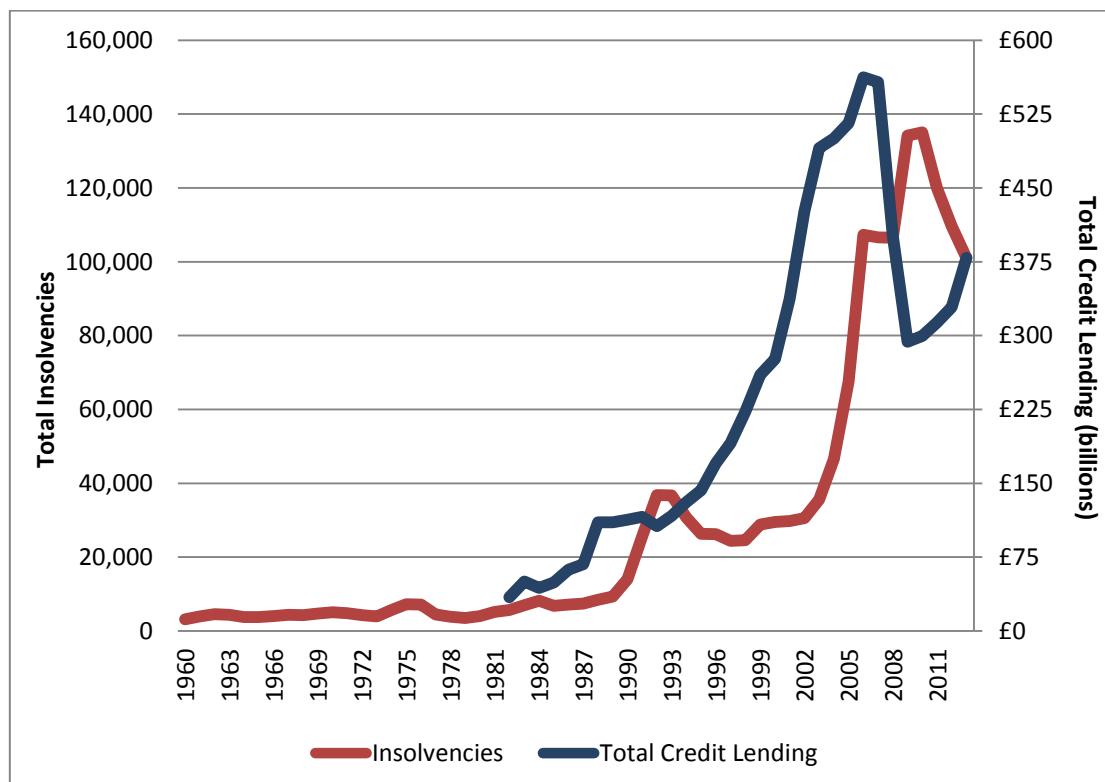
Earlier it was noted that in considering issues of debt we are faced with two contradictory discourses: the first envisions personal debt problems as the fault of the individual – a moral failure – and the other places emphasis on the structural formation of the social-political-cultural-economic system. As a result of the centrality of the former – the rampant individualism at the heart of our culture – few politicians or media commentators link the accumulation of debt and the resultant financial crisis to the long-term growth in inequality under neoliberalism; and often they argue that labour market and welfare reforms, liberalised finance and macroeconomic policies are completely separate economic spheres (Montgomerie, 2010; McCormack, 2014). However, the critical sociological perspective in this thesis has fractured the discourse surrounding the deepening and amplifying inequalities which neoliberal politico-economic policies are

affecting, and that lead to excessive credit use and excessive debt. Gibbons (2011), considering these issues, offers the following observation:

Whether the issue is buying homes, accessing higher education, or developing vocational skills and progressing in employment, the reasons why households are using credit to the extent that they are is not due to ignorance or borrower irresponsibility but because there is a lack of other options available to them to secure desirable life outcomes. Over the course of the past 30 years the state has reduced its responsibilities, while financial services have grown in importance as the tool with which people are expected to manage their own risks. (p. 56)

Consequently, what's been 'shunted out of sight' by neoliberals is 'the fact that everyone is now in debt'; indeed 'one must go into debt to achieve a life that goes in any way beyond sheer survival' (Graeber, 2011, p. 379). As Graph 8.1 illustrates, increases in personal indebtedness and insolvencies are not the result of a diminution of social stigma or a failure of the moral virtues of individuals, but are an outcome of the volumes of credit that is produced, promoted and disseminated in British society.

**Graph 8.1: Total yearly insolvencies against total yearly credit lending (1960-2014)**



Source: Figures on insolvencies are from the Insolvency Service (2015). Figures on credit lending are from Ford (1991, p. 15) and Bank of England website (2014).

The links between macro-economic policies and personal indebtedness have been further established by John Gathergood. Drawing up various data from debt charities and the UK government, Gathergood (2011) found that a 1 percent increase in the unemployment rate is associated with an additional 240,000 debt advice enquires per year, and a 1 percent increase in the average interest rate on a £10,000 loan is associated with an additional 180,000 debt advice queries per year (as cited in McAteer, 2011, p. 46). Thus, it is indisputable that macro-structural processes play a major part in the amount of credit lending that occurs, how it is disseminated and normalised, and the analogous debt that follows. In view of that, Roberts (2013) submits that ‘disaggregating the costs of neoliberal social and economic policies’ is crucial to challenging the:

[R]econsolidation of class and gender based power in the wake of the crisis that seems to be taking place through massive cuts to social spending for the most needy without any significant new financial regulation or tax increases for corporations or the wealthiest sectors of the population. (p. 39)

For that reason a systemic model – born from the subtleties and complexities of the historical account, theoretical discussions and interview data – will now be presented that ‘disaggregates’ the neoliberal discourse surrounding credit and debt in order to lay the foundations for a challenge to its dominating and class based effects.

#### **8.4 Systemic model of credit, debt and neoliberal forms of governmentality**

This section will propose a model that encapsulates the systemic nature of credit and debt within a sociality encompassed by neoliberalism. The model is split into three parts to deal with the systemic processes and their subjective effects in the three different realms explored in this thesis: (1) model of credit; (2) model of falling-into-debt; and (3) model of debt<sup>25</sup>.

##### **8.4.1 Systemic model of credit**

In dealing with the first research question – how and why did credit proliferate from the 1980s? – Chapter 1 sought to discover the policy changes that facilitated the proliferation of credit from the 1980s and the politico-economic rationality driving the implementation of those policies. In this chapter I revealed how a collective of economists,

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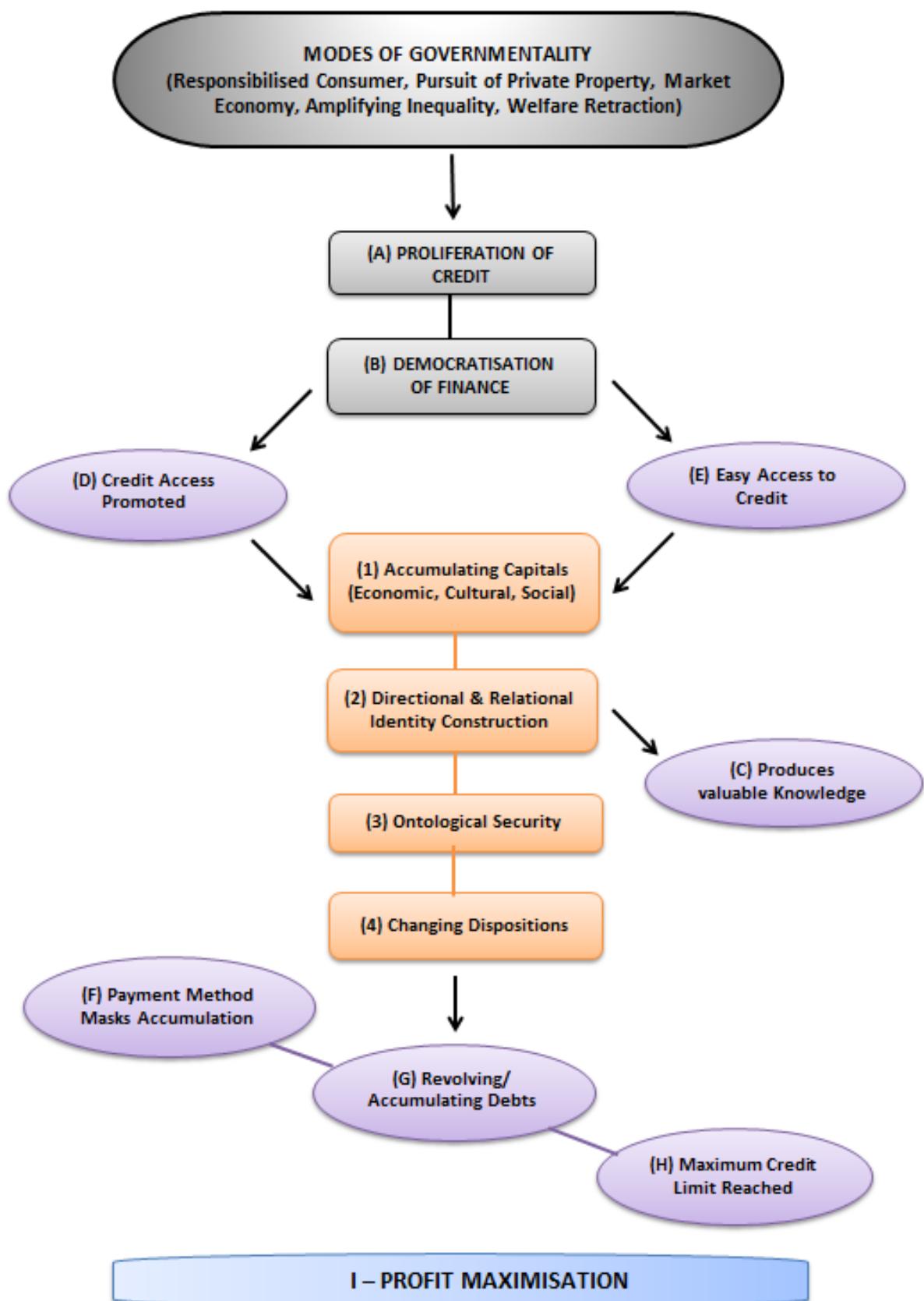
<sup>25</sup> On a technical note, subjective processes in the model will be denoted by numeric symbols, whilst systemic processes will be denoted by alphabetic symbols.

free market think-tanks, and key players in the Conservative Party between the 1950s and 1980s, created and proposed a series of economic and social policies that challenged Keynesian demand-management. Later dubbed neoliberalism, these policies aimed to shift the common-sense notions that underpinned forms of governmentality in post-war Britain, and implant a body of nascent common-sense notions in their place. This involved the responsibilised consumer replacing the producer, the market economy replacing demand-management, and the pursuit of private property replacing nationalisation. It was found that the statement ‘persons acquire assets with borrowed funds’ (BoE, 1977, p. 29) forms this bedrock of these common-sense notions and provides the fusion between an economic rationality founded on open-market operations and a political rationality founded on the consumer. Neoliberalism relies on the proliferation of credit to function, and, as such, these findings help explain why credit is ubiquitous in contemporary Britain (**A** in Model 8.1).

Chapter 2 revealed that to solidify these notions within the social domain a combined assault on welfare and labour markets took place, which had the intended effect of manufacturing a continued process of amplified inequality; deemed a positive foundation for a new social formation (see Hayek, 1960; Meadowcroft, 2007, 2008). As such the chapter outlined the changing macro-systemic social structures neoliberal social-economic policies have constructed. The chapter also found how the growth in credit lending was normalised by the ‘democratisation of finance’ discourse (**B**), which signified that credit was open to all, was a part of contemporary social life, and formed one of the central components of a rational financial strategy. Thus, the first part of the model on credit recognises the modes of governmentality (the market, the pursuit of private property, welfare retraction, the responsibilised consumer, and amplifying inequality) that now structure contemporary sociality and that underpin the proliferation of credit.

Chapter 3 explored the theoretical and political accounts attempting to explain contemporary identity formation within a neoliberal economic, social, and political formation, and sought to determine the extent credit played in its construction. It recognised these accounts emerged against the backdrop of ‘in progress’ structural changes that argued class is no longer a relevant explanatory concept for identity construction. Instead it was postulated consumption is now driving identity formation in contemporary society. Particular attention was given to reflexive individualisation and cultural class analysis and the debate as to whether consumption can be regarded as a

### Model 8.1: Systemic model of credit



reflexive choice decoupled from structural location – proposed by the former – or is more a reflection of dispositions – proposed by the latter. The chapter concluded that there is some validity to both of these positions, but the key is recognising the process that engenders reflexivity.

In Chapter 3, I detailed how Giddens' conceptualisation of ontological security shares similarities with Bourdieu's contention that the habitus, as a durable and relatively stable 'system of dispositions', only develops through 'lasting experience of social position' (Bourdieu, 1990, p. 131, as cited in Sweetman 2003, p. 541). Clearly both theorists suggest that a stable identity is developed over time through stable conditions of existence, wherein the 'lasting experience of social position' creates ontologically secure individuals. What engenders reflexivity is the 'precariousness' of social life triggered by welfare retraction, amplifying inequality, and the ceaseless replacement of old products and goods with new ones that emerge in markets and become realised through individual consumers. The theoretical discussion at the end of Chapter 3 revealed that inequality feeds the underlying systemic mechanisms that define neoliberalism, which are always in progress, constantly amplifying and intensifying. Within this system inequality is intended to produce valuable information (**C**) about the social/physical landscape, and the likely consequences of different courses of action, which individuals are exposed to and internalise. It was proposed that amplifying inequality magnifies class processes; the distinctions Bourdieu (1984) articulates become more noticeable, more poignant, and more relevant because growing inequality accentuates them. In this context, amplifying inequality heightens and intensifies an individual's sensual response to individuals in social space who are accessing and accumulating different forms of capital – whether economic, cultural and/or social – in order to signal and symbolise a specific social position. The resultant internal conception of the social order is not just the result of the individuals' interaction with the socio-physical landscape, but may also involve external feedback provided by the individuals' family, friends, and work colleagues, or by the media (print, television, internet, *et cetera*). These interactions might extend, concur or conflict with the individuals' interpretation of their social position. Based on this internal conception the individual considers their current position against their desired one, and may take action in response.

Drawing upon the interview data, Chapter 5 sought to answer the second research question: how is credit utilised in the construction of identity in the context of classificatory struggles over social positioning? The chapter subsequently revealed that credit is used as a tool to *resist* and *overcome* the relational nature of social ordering

instigated by inequality. This is because credit was converted into other forms of capital – whether economic, cultural and/or social (**1**) – depending on the participants' assessment of 'the particular circumstances of time and space' that they were subjected to (Hayek, 1948, p. 80). In this framework, it was revealed how credit provides the means through which individual 'agents can stand back from their milieu, reflect critically on their habitus, and act to transform it' (Sayer, 2004, as cited in Bottero 2010, p. 11). Credit use enabled the participants to traverse hierachal boundaries because it facilitated reflexivity in the construction and explicit expression of their identities. Markets are intimately connected to inequality and the cultural categories that are constructed in social space. Credit is a mechanism that enables individuals to bypass the operations of inequality they are subjected to by reaching for and accessing markets that would otherwise lay beyond their economic capacity to access. Credit thus provides the individual with the opportunity 'to overcome the denigration and de-legitimising associated with [a] class positioning' (Skeggs, 2004, p. 95). Fundamentally then credit use reflected a *dis-identification* with a social position.

Moving briefly from the discussion of the model, it is important to emphasise this finding is a key development for class analysis. In this context, the research validates Imogen Tyler's (2015) position that the 'most effective forms of class-analysis are concerned not with undertaking classification *per se*, but rather with exposing and critiquing the consequences of classificatory systems and the forms of value, judgements and norms they establish in human societies' (p. 507). This finding – that credit is used to *dis-identify* with a social position and with classificatory systems that circulate – validates the position adopted and offers two further developments. First, by fusing the work of Anthony Giddens and Pierre Bourdieu to provide the theoretical context underpinning credit use and its role in identity formation, the limitations of their theoretical accounts are overcome and their compatibility revealed. Second, by showing how credit is fundamental to cultural practices in contemporary Britain and not merely a reflection of disposition, I not only reveal the limitations in cultural class analysis, but also challenge cultural class theorists to recognise the role of credit in their accounts.

Moving back to the model, the data presented in Chapter 5 indicated that individually determined, credit facilitated, acquisition of capital(s), intensifies directional identity construction (**2**). To recap, directional identity construction refers to the acquisition of goods, property, and/or services that enable the individual to achieve and maintain ontological security within a system of amplifying inequality and distinction (**3**).

This process, of course, is further aided by the constantly shifting social and physical landscape (*the stability of social instability* and insecurity of existence) that encapsulates neoliberal governance and, thus, sociality. The credit-induced actions that propel an individual's social position across hierarchical boundaries are generally momentary and fleeting; nonetheless, over time they do have accumulatory characteristics. First, they involve the accumulation of credit as a financial sum. Second, they involve the accumulation and development of capitals in economic, cultural, and/or social form. Third, the accumulation and development of capitals over time induces the habitus to undergo transformation and in the process creates altering dispositions about the social world and ones place within it (**4**). Therefore, an individual's actual use of credit becomes an 'in progress' socialisation process for their identity formation that ferments the development of new dispositions and beliefs about identity that would otherwise be impossible without the use of credit.

The directional construction of identity, and the accumulation of capitals and credit over time in response to unequal social conditions, is both *encouraged* and *normalised* by four systemic processes surrounding access and repayment of credit. First, the growth in credit lending is normalised by the 'democratisation of finance' discourse. Second, access to credit is promoted to the individual within their private domain (for instance through 'the door') (**D**). Third, access to credit is open and easy and encouraged through incentives (0% interest for a fixed period, promotional offers, vouchers, insurance, *et cetera*) (**E**). Fourth, the awareness of an accumulating balance is displaced through the way in which financial institutions encourage credit to be repaid (i.e. a minimum payment each month is a tool which encourages an accumulatory but detached engagement with credit use) (**F**). Subsequently, for the participants of this study at least, the acquisition of capital(s) with credit ultimately leads to the accumulation of a large total credit balance.

When the individual is feeling the pressure of an ever-increasing minimum payment, credit is promoted as a solution through either/or: greater access to credit; consolidation (whereby repayment is extended over a period of time to reduce the monthly payment); or liquefying proportions of economic assets/property (such as remortgaging or a secured loans). On these occasions the individuals note they were not told to 'cut up credit cards' or stop using them and the accumulation process begins once again as individuals continue to construct their identities directionally with an evolving and increasing body of credit agreements; thus individuals become 'revolving debtors' (**G**) (Walker et al., 2014, p. 2; see also Collard et al., 2012).

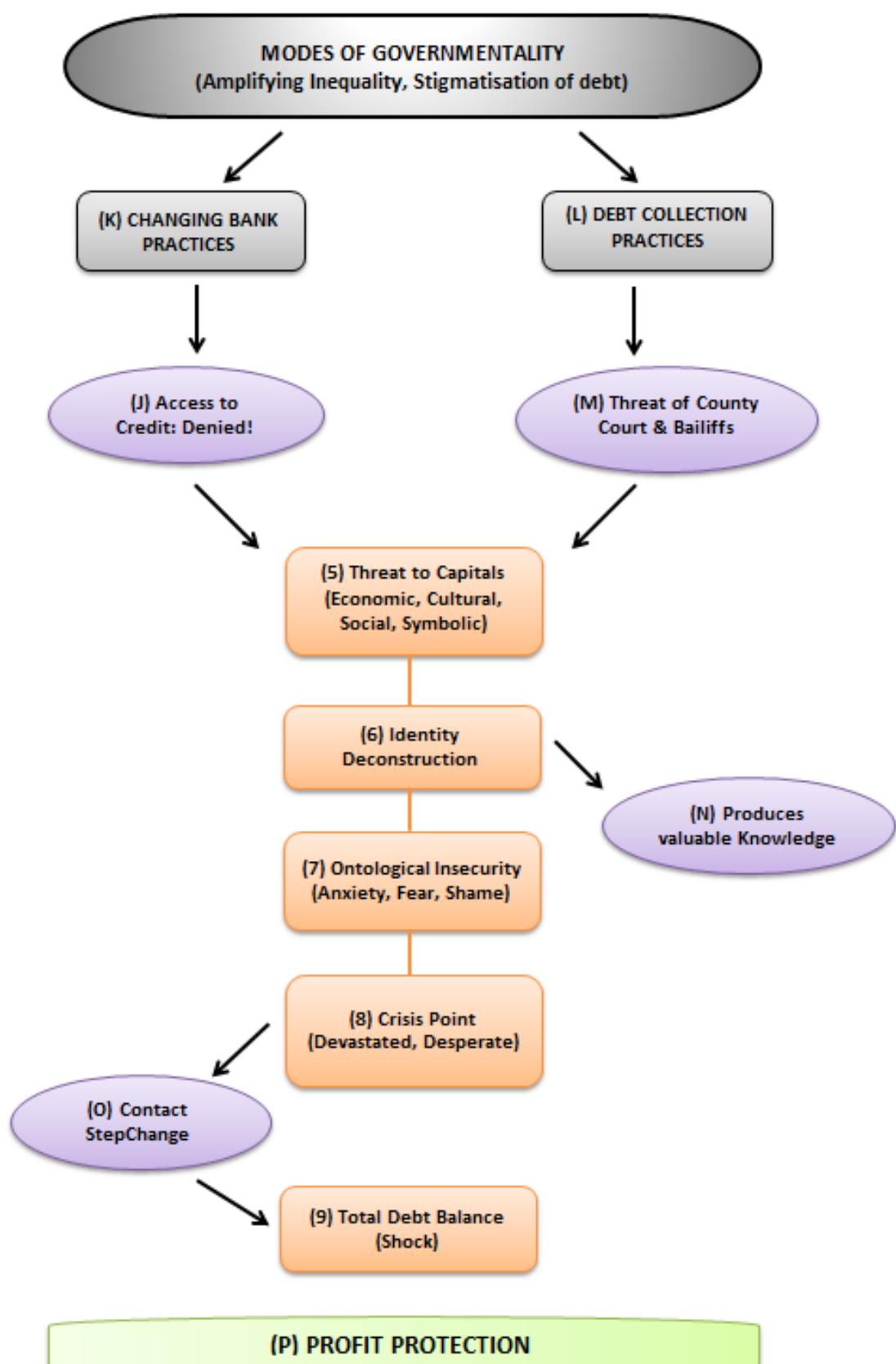
The total figure of this balance, at any one moment in time, is concealed by the way credit is promoted and repaid and because an individual's credit portfolio is generally spread across a number of different types of credit (i.e. credit cards, overdrafts, hire purchase, doorstep loans, *et cetera*) and across various different providers. Sooner or later, whether through over-commitment or a change in circumstance, the individual will reach their maximum credit limit (**H**), the point at which the structural facilitation of credit can no longer continue due to the individuals' current socio-economic status. At this point, the individual begins to fall into an unmanaged credit situation. Structuring this whole model – where credit is facilitated and access to it is easy; where repayment fits with the construction of an identity in a directional interaction with unequal social conditions; where credit is promoted as a solution to intensifying pressure on repayment, whereby the number of agreements and pervasiveness of credit into the operations of the individual's life is extended; and finally, where use of credit spans many years of an individual's adult life – is the systemic process to provide enduring and maximised profit streams to those who produce and distribute credit (**I**). As such, the dialectic of 'downclassing and upclassing' that Bourdieu (1984, p. 160) articulates, and the classificatory struggles that encapsulate social interactions within its operations, is purposefully intensified by neoliberal forms of governance and discourse because it provides the most profitable means of organising society.

#### **8.4.2 Systemic model of falling-into-debt**

In Chapter 6 and Chapter 7 the thesis changed track, and began to explore the dominant forms of governmentality that structure the debt realm and the types of behaviour they manufacture. These two chapters sought to address the third and fourth research questions: What impacts does debt – including debt collection practices and debt repayment - have on the individuals' identity and social position? What role do forms of governmentality and the discourse they produce play in this process?

Chapter 6 drew attention to the consequences of credit accumulation and default, and explored the series of experiences the participants go through as they fall-into-debt. The chapter began by detailing how descent into an unmanageable financial situation is often triggered by 'uncontrollable circumstances', and that from this moment a series of changes are triggered in the individuals' life. First, the individual is denied further access to credit (**J of Model 8.2**). Second, creditors start to elicit the payment for the full balance of the debt. Third, a deliberately sustained attack by banks (**K**) – institutions which were once

### Model 8.2: Systemic model of falling-into-debt



trusted by the individual but are now viewed as negative and hostile – and debt collection companies (**L**) create a process of insecuritization. To elaborate, the ontological security afforded by credit use becomes disrupted once the structures of debt infiltrate the home via the ‘door’; creditors create the possibility in the participants’ mind that at any time a county court judgement may emerge or bailiffs may try to gain entry (**M**). These debt collection practices represent a threat to the individuals’ – credit facilitated – capital stocks (**5**), and thus the basis of their status and social position, and they stimulate fear, anxiety, and, in some instances, terror precisely for those reasons. Participant accounts reveal they were fearful of losing their home and possessions. Bailiffs emerged as the ‘definite objects’ that evoke these fears, because of the perception that they are able to seize possessions.

To seize possessions is to reduce an individual ‘right back to the start’; the point their directional identity formation began. Symbolically, this would involve the deconstruction of identity (**6**) as the individual’s social position falls on the scale that constructs the established social order. Materially, and thus relationally, this would mean the individual’s body is deaccumulated of the value that underpins their identity; this stripping back of identity is visible to others because ‘inequality produces valuable information about the likely consequences of different courses of action’ (Meadowcroft, 2007, p. 3). As such, debt collection practices are focussed on elements of identity that are visible to others, and they succeed because they create the potential to expose the ‘hidden trait’ which helped form identity - credit. Visibility of the body in these circumstances is felt acutely by the individual as shame and humiliation, a feeling that stems from the participant’s new undesirable social position that signifies negative information to others about how not to live one’s life (**N**). Thus, a ‘threatened identity’ becomes a ‘failed identity’, because the individual is now operating on the obverse of the dominant ideals of neoliberalism, and they are classified as the irresponsible, the frivolous, the feckless, and the undisciplined as a result. Here, stigma surrounding debt and the blame hurled onto individuals for falling-into-debt forces the participants to recognise the shift in their identities from credit users, and thus an individual who is successfully *pursuing* the norms of the dominant ideology and culture, to a debtor, and thus an individual who is now operating in *opposition* to these dominant norms. These emotional responses are intensified in an act of ‘mental warfare’ by ‘emotional hitmen’ in the debt collection industry, who draw upon a ‘pre-existing set of social norms’ to induce the individual to repay their debt balance (Poster, 2013, p. 214), insuring profits are protected (**P**) and thus maintaining their organisations competitiveness in the marketplace (Walker et al., 2014).

Thus, by focussing on the way those in debt are ‘classified’ we can see the ‘ideological work’ this classification is doing (Tyler, 2013, 4.3).

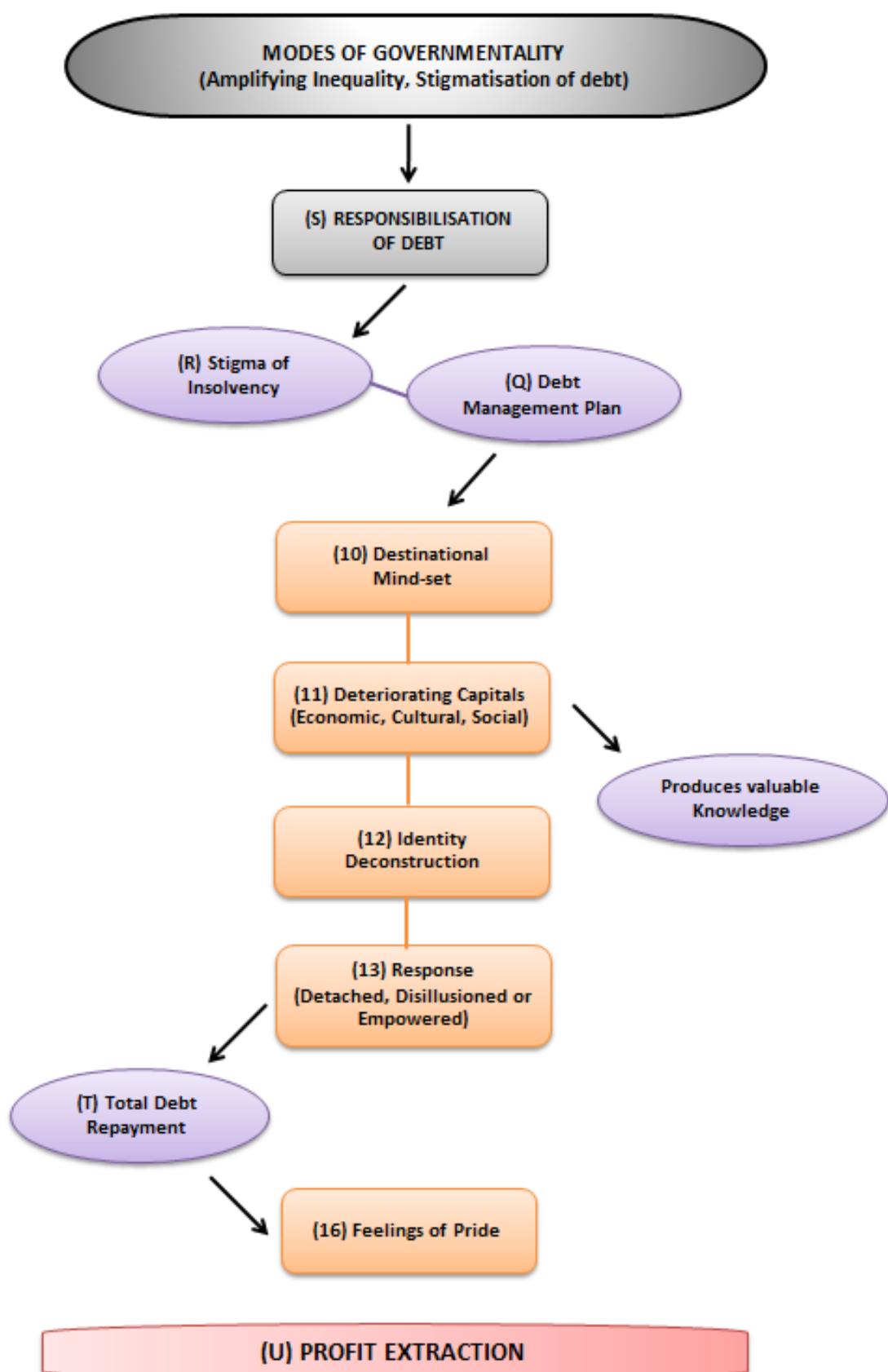
As a result of the ‘sustained attack’ by creditors, ontological insecurity (**7**) begins to reach a heightened phase that eventually results in the emergence of a ‘critical situation’ – the ‘metaphorical bottom’ (Bernthal et al., 2005) which is a dark and scary place to be – a point in time when life cannot continue as it once did. Here feelings of being frightened, desperate and devastated (**8**) are commonplace. The fall-into-debt – which represents movement from ontological security to ontological insecurity, from contentment to discontent in one’s identity and social position – is now complete. At this stage the individual feels threatened by their everyday experiences and they have lost their sense-of-self. It is at this ‘crisis point’ – a point when fear becomes so overwhelming that life cannot continue as it once did – that individuals seek help. In the case of the study’s participants help was found with StepChange, but there are countless others organisations – profit-seeking and charitable – who emerge at this critical juncture (**0**). Be that as it may, the moment when StepChange add up all the unsecured credit balances is life-changing; seeing the total accumulated balance for the first time enables the individual to observe the ‘real’ mechanisms driving the extension of credit, and that is why it is such a ‘big shock’ (**10**).

Overall, fear and shame are mobilised as forms of governance to threaten identities, but they also serve to ‘transform identities, creating pliant, reformed, responsible economic subjects’ (Walker et al., 2014, p. 61). Here, the participants, locked behind invisible bars that structure debt relations, must reconstruct their value systems, their modes of activity, and their sense-of-self; in other words, they must construct a new ontological basis for feelings of security and self-worth in one’s social position.

#### **8.4.3 Systemic model of debt management**

Chapter 7 continued the investigation of the debt realm from the point the participants contacted StepChange, and focussed attention on their experiences of managing debt through a debt management plan (**Q in Model 8.3**). The context of managing debt involves severe restrictions on access to credit and the payment of disposable income to creditors in order to clear outstanding debt. As a result, debt management means living with the impact of ‘severely diminished stores of economic capital’ (Bernthal, et al., 2005, p. 137). The chapter further addressed the third and fourth research questions, and explored how the participants adapted to a new environment and

### Model 8.3: Systemic model of debt management



social conditions after credit as an instrument of security was lost and their directional identify formation fractured.

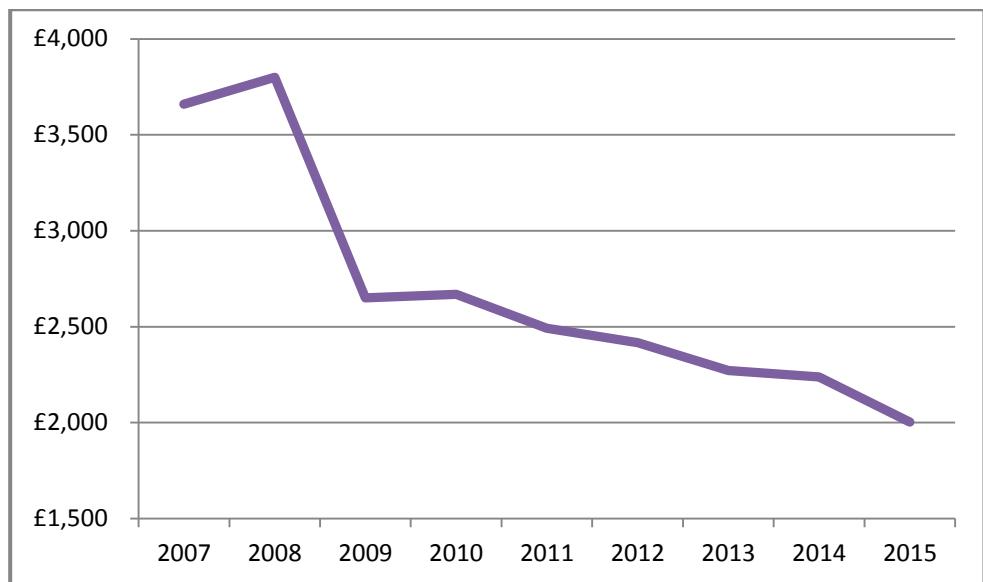
In Chapter 7, it was noted how Erika and Paul revealed a crucial aspect of their managing debt lifestyle: in order to ‘stay on... track... you’ve got to make sacrifices and be prepared to stick with them’. The ‘track’ they are referring to is the *destinational* goal of being debt free (**10**), which creates altered ways of living and transformed ways of approaching life in the present in view of a future date. In Chapter 7, the various ‘sacrifices’ the participants experienced that led them to stay on the destinational ‘track’ were explored. In the main, this involved the devastating impact debt had on their lives, including limiting housing options, home decay, restrictions on cultural activities (such as purchasing clothes, going out for meals, or going on holiday), a shift down-market in consumer goods, and relationship strain (**11**). As such the analysis revealed how the capital stocks that underpinned the participants’ credit-fuelled identities were deconstructed, and how they responded in *detached*, *disillusioned*, and *empowered* ways (**13**). These responses stem from the individuals’ acceptance or rejection of the contours and substance of their diminished social position, and they provide compelling insights into identity reconstruction. Rejecting the impact of debt management leads individuals to continue with values systems that were once fuelled by credit, and to prioritise status maintenance over debt repayment. Accepting the impact of debt management enables the participants to rebuild their value systems, to reflect on past behaviour in a positive way, and to pursue new goals and objectives away from those that were once fuelled by credit.

Nonetheless, the chapter concluded by showing identity reconstruction (**12**) is fashioned as a response to the negative, stigmatising semantics that surround debt and insolvency (**R**) that specifically aim to construct a destinational mind-set (**10**) from which these ‘sacrifices’ become accepted. The chapter outlined a ‘responsibleilisation of debt discourse’ (**S**) promoted by a matrix of actors (Walker et al., 2012, p. 54) attempts to normalise total repayment of debt. Debt at the individual-level threatens property, social position, and personal responsibility, and at the macro-level it threatens the functionality of markets, consumption, and, more importantly, ‘profitability’. Debt challenges the central tenants of neoliberal political discourse and the credit induced ‘social structures of accumulation’ that support contemporary forms of profit extraction. Thus, the ‘responsibleilisation of debt’ discourse protects the central tenants of neoliberalism and the ‘social structures of accumulation’ that emanate from it. Unsurprisingly, the participants had internalised this ‘responsibleilisation of debt’ discourse and subsequently reconstructed

the whole context of their lives to make sure they submit to it. As Walker (2012 et al., p. 57) astutely informed us, the network of actors who promote the dominant discourse also produce ‘the “proper” ways to live indebted lives’. Thus, the transition from credit use to debt management is heavily influenced by modes of governmentality, whereby individuals come to function as subjects of consent; the reconstruction of their lives is produced from the effects of their indebted classification, and through this reconstruction they are maintained as subjects of value to those invested in the production of consumer credit for profit (Tyler, 2013). When viewed through this prism, whether the individuals are detached, disillusioned, or empowered (**13**) by the conditions of their debt management is, in an economic sense, irrelevant, because through that response they have become ‘legitimate’ subjects who have made changes to enable the total repayment of debt (**T**) – as Paul and Erika explained in Chapter 7, ‘you learn to adapt’ and ‘you prioritise what is more important’ – and that is all that matters. As such the stigmatised discourse surrounding debt, an ontology that encompasses negative impacts on the individual’s stocks of economic, social, and cultural capital (**11**), produces distinctive behavioural effects that emerge from a destinational mind-set that encompasses the sole intention of normalising total debt repayment – even if this means debt repayment over many years – and which stimulates pride in those who do (**16**). The fact that some of the participants are numb to the mechanisms driving their reconstruction is just an added benefit, yet exposes the success of this stigmatising discourse in-action.

So just as neoliberals draw upon modes of governmentality that promote the market, the responsibilised consumer, the pursuit of private property, amplifying inequality, and welfare retraction, to uphold the benefits of credit for the purpose of producing and maximising profit, they in turn draw upon the discourse of financial responsibility and the stigma of insolvency to make sure debt is repaid, and lucrative profits can be extracted (**U**). Indeed, this is the intention all along: to place individuals close to and in some cases beyond their limits, in order to extract maximum profit through a process of amplified interest drawn from an upward spiral of accumulated credit (Walker et al., 2012). One should not be under any illusion how lucrative this model is: in 2015 alone total interest repayments on personal debt in Britain was £58.7 billion, meaning British *households* paid an average of £2,003 in annual interest repayments; per *adult* that’s £1,059 each year (The Money Charity, 2015). Actually, interest payments in 2015 actually represent the lowest average return for creditors on the agreements they lent in over seven years (see Graph 8.2 below), so these figures are low in comparison.

**Graph 8.2: Average yearly interest paid per household (2007-2015)**



Source: The Money Charity (2015).

## 8.5 Model summary

This model uncovers the deeply interconnected nature of the obverse realms of credit and debt and their underpinnings within specific forms of governmentality. In sum the thesis has argued how the realms of credit and debt, the forms of governmentality engendered to support them, and the classificatory struggles they induce, are arranged to provide enduring, maximised and protected profit streams to those who produce and distribute credit. In this context, the thesis has met its initial aim.

Consequently, one has to not only question, but loathe, the logic and humanity of a socio-economic system that is constructed to initially induce – through various discourses, structures and ideals – individuals to obtain and accumulate excessive credit, and then subsequently compels them – through stigma and shame – to repay it back whilst knowingly destroying the essence and substance of their lives in the process, only to turn around in the final instance and state: ‘It is your responsibility, you have made bad decisions, and any punishment or suffering you receive is solely your fault’. This is the irony of the system: neoliberalism thrives on individuals making these types of decisions because profit can then be extracted from multiple sites of economic activity: from consuming citizens, from shops selling goods, from banks producing credit, and from individuals investing in these entities as stockholders. Yet, by exposing the underlying discourse that frames credit use and personal indebtedness, understandings of these issues have been

de-mystified and revealed for what they are: neoliberalism as class struggle (Tyler, 2013), which has everything to do with debt (Graeber, 2011).

Therefore, built upon the proliferation of credit is a whole system of distinction that is supported by amplifying inequality; a system that compels individuals to engage in 'classificatory struggles'. Sat atop this vast labyrinth of 'classificatory struggles' is a small group of creditors who extract the proceeds of the misery they impose on millions of people. For this small group of creditors, inside the bubble of extreme wealth created by neoliberalism, there can be no more profitable way to organise a society (Klein, 2008, as cited in Tyler, 2013b). If there is any illusion this is not the case then one only has to refer back to the two Citigroup brochures for investors, presented and discussed in Chapter 2. The brochures present a thesis that the US, UK, Canada, and Australia are now plutonomies because 'asset booms, a rising profit share and favorable treatment by market-friendly governments have allowed the rich to... keep getting richer... at the relative expense of labour' (2006, p. 1, 2). As noted, they go onto propose a 'plutonomy basket' that encompass 'businesses selling to or servicing the rich' (2006, p. 1). By stating 'we have no normative view on whether plutonomies are good or bad, our analysis is based on the facts, not what the society should look like' (*ibid*, p. 11), Citigroup's goal is to appear objective and neutral and 'present their skills as logistical and functional rather than political or cultural' (Aronczyk, 2013, p. 163). But as Citigroup (2006, p. 11) acknowledge, these conditions are 'good for the wealth of capitalists, relatively bad for... labour', and invariably Citigroup are siding with the former as these brochures are intended to increase their wealth.

It is logical to conclude that whilst the neoliberal political-economic rationality is 'in progress', there will be a sustained attack on the size of the welfare state and ever growing levels of inequality. Yet, more importantly, there will be ever greater levels of credit dissemination amongst the populace through innovation – merely understood as incorporating changing social and economic conditions into the design and distribution of credit products – within the financial sector, all designed to supply the producers of consumer credit with perpetual profit streams drawn from the very act of consuming itself. Citigroup concluded the 'backlash against plutonomy is probable at some point' but that 'point is not now (2005, p. 24). For the well-being of millions of people and not just the few, it is time to make the 'backlash' now!

## **8.6 Policy implications of the study**

This thesis has been an attempt to resist the common-sense notions surrounding credit use and the stigmatising effects of debt, because these processes underpin contemporary everyday understandings and thus influence the types of policies that are imagined and administered. In collective parlance, Marx once remarked that capitalism would be overthrown when a ‘class-in-itself’ transforms into a ‘class-for-itself’ (as cited in Coser, 1977, p. 50). Walker argues, ‘the Thatcherite subjectivity project... savaged collective and social points of identification and replaced them with “ways of being” characterized by self-reliance and responsible home ownership’ (2011, p. 534). Thus, credit has not only subverted Marx’s proposition by helping the atomisation of society through individualisation, but it also represents a neoliberal inflection of the great Marxist term. Credit is presented as a means for an ‘individual-in-themselves’ to turn into an ‘individual-for-themselves’. The use of credit in classificatory struggles aligns the individual’s values with those of the dominant class, but which they come to embody as their own. ‘I thought I was been responsible but I was actually being very irresponsible’, as Karen remarked. Only after the reawakening from debt is complete do individuals become privy to credits true mechanisms, but at that point there can be no solidarity with others in a similar position as stigma and taboo bar individuals from speaking about their experiences. Only anger and self-loathing ensue.

Those common-sense notions underpinning neoliberalism are also the concepts which allow the system to function and expand; so the system becomes implanted into every crevice of the social landscape, into every fissure of the physical environment, until its operations are all that can be comprehended (Fischer, 2013). Indeed, according to Boltanski and Chiapello (2007) there is no focus on capitalism any longer as the concept has achieved a level of abstraction that protects it from any type of systematic criticism. The cycle presented in this thesis will only continue until ideas are presented that at first appear ‘politically impossible’, but by the time the next crisis of neoliberal governmentality strikes will become the ‘politically inevitable’ (Friedman, 1982, p. 7). Thus, in consideration of the model presented above and the class based nature of neoliberalism, a crucial question emerges: what are the effective strategies to initially challenge and eventually extirpate the oppressing and impoverishing power of these regimes of governance? A number of possible solutions will be presented and they can be classified as either ‘educational’ or ‘state-mandated’.

### **8.6.1 Educational**

Educational strategies are an emergent theme and now form a crucial part of the government's policy for tackling personal debt problems (Walker et al., 2014). These include:

- *Raising awareness of signs of financial strain* – such as spending up to the limit, borrowing to repay debts, falling behind with priority bills, *et cetera* – before they evolve into financial difficulties (Collard et al., 2012; Whittaker, 2011). In this regard, lenders need to play a proactive role helping people recognise and address looming or actual financial difficulties (Collard et al., 2012).
- *Personal financial education in schools* (Financial Service Authority, 2006; Disney and Gatherwood, 2013), and initiatives to improve financial literacy for young people and the unemployed (Whittaker, 2011). In a survey conducted by StepChange, their clients were asked whether they would have avoided unmanageable debt had financial education been provided in school; 44 percent of the sample said they would have as opposed to just 23 percent who said it would not have made a difference (StepChange, 2013, p. 13). However, by placing the focus on educating individuals the acknowledgement is made that they are to blame for their circumstances. Actually this is the case: Bauman and Hall (2012) reveal that at present financial education is based on consumption and individual responsibility – an unsurprising admission given the discussion that has taken place thus far – and instead they argue financial education must be rooted in the needs of the individual. According to Arthur (2012, p. 29), this involves recognising individuals cannot ‘eliminate or ameliorate capitalisms large and small-scale economic devaluations... given that the risk is socially created’. As such, financial education must focus on ‘how socially created economic risk arises and how the state is used to ensure that capitalism’s devaluation effects fall disproportionately on those with little economic, social or political power’ (Arthur, 2012, p. 29). Thus, although the increased provision of financial education is important in creating financially literate citizens, it is crucial there is a balanced pedagogy based on individual skills development and meso- and macro-structural understanding.

### **8.6.2 State-mandated**

State-mandated strategies regard a whole host of policy interventions and structural changes. These include:

- *A minimum sustainable income standard* (Davis, Hirsch, Smith, Beckhelling, and Padley, 2012), and a move away from temporary, erratic and low-paid employment (Whittaker, 2011).
- *Affordable credit for low income people* (Collard and Kempson, 2005; McAteer, 2011; Whittaker, 2011). In the Scandinavian countries along with France and Germany, there remains a different approach to welfare provision and the liberalisation of credit markets, and there are also more developed social lending systems to meet the needs of vulnerable groups (Gibbons, 2011). In 2013, the Coalition Government ended the Social Fund loan system, the only mechanism that permitted vulnerable individuals to lend from the state in times of need. This policy must be reversed, and the State must be a lender for individuals in need to counteract the growth in payday loans and other high-interest, high-risk credit providers. This approach is increasing wealth inequalities and thus further underpinning and solidifying the neoliberal credit system; it must be challenged.
- *Increased provision of independent, free, multi-agency debt advice services* (Elson, 2011; McAteer, 2011; Whittaker, 2011), which includes access and pathways to mental health professionals (Duggan, 2011). This would also involve helping and encouraging individuals to pursue a form of insolvency (whether DRO, bankruptcy, or an IVA) when that is their best solution to deal with their debts.
- *Increased financial and market regulation* with robust consumer protection measures, including protecting individuals from the promotion and oversupply of credit (Acemoglu, 2010; Gibbons, 2011; McAteer, 2011; Whittaker, 2011). This approach challenges the argument made by free-marketers – who are seizing on the financial crisis as an opportunity to extend and deepen the logic of neoliberalism (Lazzarato, 2011) – that further regulation is not the answer to the financial crisis (e.g. Wellings, 2008; Butler, 2009; Boaz; 2009; Wallison, 2009; Horwitz, 2012). Yet, despite their assertions, lack of regulation of financial practices contributed to the crisis and was something won by the

financial industry due to their aggressive lobbying and cultivation of political contacts Acemoglu, 2010). It is important to stress, the fundamental purpose of regulation is to ‘make markets work for consumers and, in particular, to protect the most vulnerable in society’ (McAteer, 2011, p. 8). So we need proportionate regulation, which advocates consumer protection regimes should be stronger for the sale of products to vulnerable consumers; indeed, individuals should not be penalised for being economically or socially disadvantaged (McAteer, 2011). Gibbons (2011) explores the role of credit along with insolvency and debt management systems in other European countries and states ‘there is much that we can learn’ (p. 52). In particular, we could learn from France and implement a moratorium period pending the negotiation of debt solutions; we could learn from Belgium and protect the living standards of debtors by calculating debt repayments based on minimum standards that are consistent across the board; and we could learn from Canada and – surprisingly the bastion of free market economics – America and provide greater protection for people’s homes within insolvency law (Gibbons, 2011).

- *Critically reassess the role of credit in our society* (Gibbons, 2011). A radically new approach would be based on asserting the public interest of credit over that of the market. At present, due to the current governmental approach, we are persisting with ‘stubbornly high insolvency rates, mortgage repossession and recovery action’ to protect the interests of the market (Gibbons, 2011, p. 52). Instead, we must accept ‘from the outset that it is unreasonable for households to repay the current debt burden in full’ and that ‘writing off a proportion of household debt, and restructuring the remainder, would reboot economic growth, create jobs, and put the public finances back on track’ (Gibbons, 2011, p. 52). To write-off debt, Graeber (2011) agrees, ‘would be salutary not just because it would relieve so much genuine human suffering, but also because it would be our way of reminding ourselves... that paying one’s debts is not the essence of morality... and that if democracy is to mean anything, it is the ability to all agree to arrange things in a different way’ (p. 390). This approach would recognise the ‘systemic failures that have created the current crisis’ and compel ‘financial institutions... to shoulder their fair share of the losses arising from the pre-crisis period of irresponsible lending’

(Gibbons, 2011, p. 52). In these circumstances, in these times, individuals and society must be given a new agreement; that debt acquired in a period of high economic prosperity and at the behests of bankers motivated by their own enrichment, should not lead to perpetual punishment.

- *Fiercely attack inequality* (Exley, 2012). On a theoretical level, the basic axiom of microeconomic theory is founded on an inimitable concept referred to as the ‘equity-efficiency tradeoff’ (Portes, 2012, p. 3). The concept embodies an idea that policy measures that reduce income inequality – such as progressive taxation and/or means tested benefits – are likely to reduce labour supply, effort and ultimately economic growth because they are deemed to have a negative impact on incentives and personal responsibility (Portes, 2012). This concept has underpinned forms of governmentality since the 1980s and is now a part of the public consciousness (see Bamfield and Horton, 2009; Shidrick and MacDonald, 2013). Nonetheless, although Portes (2012) confesses that this concept was one he himself internalised, he now acknowledges: ‘It has been clear for some time that empirically there is no necessary correlation, let alone causation, between income inequality and growth at a macroeconomic level’ (p. 3). Taking this analysis further, Berg and Ostry (2011, p. 16) found that ‘countries with more equal income distributions tend to have significantly longer growth spells’ than countries with more unequal income distribution, not to mention higher levels of trust and well-being amongst children, lower levels of mental health, drug addiction, obesity, and lower prison populations (Wilkinson and Pickett, 2010). Consequently, if growth can be maintained in countries with low levels of inequality then, at the very least, it brings into question the microeconomic notion regarding the ‘equity-efficiency trade-off’. Yet, there are more ground-breaking questions being raised; in particular, there is growing recognition that ‘inequality could actually reduce growth’, given the ‘possible’ relationship between inequality, macroeconomics, the increasing importance of the financial sector, and its role in the financial crisis (Portes, 2012, foreword). Indeed, a spate of economic studies have investigated these associations to determine the macroeconomic risk posed by inequality (for example, Iacoviello, 2008; Milanovic, 2009; Krugman, 2010; Frank, Levine and Dijk, 2010; Kumhof and Ranciere, 2010; Rajan, 2010; Acemoglu, 2011; Atkinson and Morelli 2011; Berg, and Ostry, 2011; Bordo and Meissner, 2012; Frank,

Lucchino, and Morelli, 2012; van Treeck, 2012; Skott, 2013; Stiglitz, 2013). The overwhelming finding to emerge is that growing income inequality has been a driver behind the rise in unsustainable debt; thus supporting the conclusions of this research (for example, Milanovic, 2009; Frank, Levine and Dijk, 2010; Kumhof and Ranciere, 2010; Rajan, 2010; Lucchino, and Morelli, 2012; van Treeck, 2012; Skott, 2013; Stiglitz, 2013). Furthermore, there is evidence that financial crises are followed by rising inequality (Atkinson and Morelli, 2011, p. 49). As a result of these studies two propositions have been made that challenge the macro-economic basis on inequality: one, ‘substantial income redistribution would not significantly affect the aggregate propensity to consume of households’, and thus a more equal income distribution would maintain levels of consumption whilst reducing credit use (Lucchino and Morelli, 2012, p. 13). Two, ‘reduced income and broad based income growth might help reduce the probability of future crisis’ (Lucchino and Morelli, 2012, p. 13; see also Kumhof and Ranciere, 2010). As such, the case for amplifying inequality is now being damaged by economists who once believed it was the basis of sustainable economic growth. It’s time to change track to a form of governmentality that is based on the old values of equality, justice and fairness. To start this process, Exley (2013, online) asserts an ‘inequality test’ should be ‘applied to all government policies to assess whether they will increase the gap between the richest and the rest’. But more aggressive policies must be implemented: one of which is ‘austerity amongst the rich’ and a substantial redistribution of wealth (Dorling, 2012, p. 2). Yet tackling inequality is not just about reducing the gap between the rich and the poor, it is about challenging inequality because it stimulates a constant need to consume and accumulate capital(s), and this puts pressure on individuals to work longer and harder and/or to access credit. Indeed, as Tyler (2015, p. 507) astutely observes: ‘[D]emands for equality are demands not only for economic and social justice, but demands for redistribution within the fields of visibility and intelligibility within which class-based inequalities are naturalised, reproduced and legitimised’. Crucially, tackling inequality reduces the pressures to consume because it neutralises differences and distinctions within the ‘fields of visibility and intelligibility’, providing more time, space and resources to enjoy life

(Bamfield and Horton, 2009). For strategies to engender this cultural shift, the Citigroup brochures documented above are a good place to start.

- Finally, *a return to old values*, values that predated the emergence of neoliberal modes of governmentality. The participants in this study have deeply reflected on their indebted position by considering their own trajectory through the cultural relations, norms and conventions that define our epoch. Not only does this lead to a critique of the value system induced by credit, but it also leads them to long for the values of the cultural realm of their parents and grandparents; values stimulated by demand-management. A ‘return to old values’ underpinning governmentality would promote different common-sense notions: equality, living within means, abstinence, stability, awareness (of advertisement and prices), acceptance (of one’s position), and planning (with budgets). In pursuing these values the participants have found a sense of comfort and achievement in this approach: ‘If we want something nice for the house we won’t get it until we’ve actually got the money there to buy it. So it makes it more worthwhile. You appreciate things a hell of a lot more’ (David). Perceptions of products, goods, and services, and the markets they are attached to, have become transformed as a result of a new value for money, and of what can be acquired through its exchange. Credit should only be permitted for specific types of capital convertibility based on an extension of how value is achieved: instead of the short-term directional value appropriation that symbolises a credit-fuelled lifestyle, it is important to promote value in long-term destinational aims. Justin is now closer to this than ever: ‘I have my visualisations board at work and it is the things that I want in life... be that financial or happiness or other things. Wealth now is about happiness... whereas before wealth was how much money you have in the bank. So now it’s a plan there and I know what I want. I kind of know how I need to get there it’s just focusing on it’. Debt can make individuals more goal and target orientated, but sidestepping the hardship caused by excessive credit use and debt management that eventually facilitates a return to old values, and having them as the basis of forms of governmentality would be a better way to achieve them and in the process eradicate unquantifiable suffering from people’s lives.

## **8.7 Final comments**

After their experience of creating habitual modes of behaviour through the use of credit; after the trauma of falling-into-debt, where their sense-of-self was fundamentally shattered; after their readjustment to a life characterised by severely limited stores of economic capital and significant deterioration to their identities; the participants' accounts ultimately tell us to be very suspicious of credit. They tell us to recognise its transformative capacity as it users become aligned with neoliberal structures of accumulation. Indeed, Sarah is very frank about the matter: 'Put that in your conclusion. It doesn't make you happy. That's what people think. Oh, great, brand new this, that and the other. It makes you happy for that instant but it's soon gone'. But the adoption of values that undermine it is difficult for any one individual to achieve, especially whilst being bombarded by dominant 'common-sense' notions that pervade the cultural and ideological atmosphere: 'We need a whole culture like that', Jane explains, because 'it's easier if everybody is in that mode of thinking'. Credit use and accumulation occurs across all spectrums of society; everyone is subject to its allure, its (false) sense of security, and, ultimately, its trap. George Simmel (2012) explains that, 'the mental powers that shape the world's material... subsist in the first place utterly in life', and are trained by a 'particular course of life with particular characteristics' (p. 239). The policies and values proposed here strike at the heart of neoliberal forms of governmentality that promote amplifying inequality and 'classificatory struggles' as the basis of a social, cultural, political, and economic system. They propose an altered 'course of life' with different 'characteristics' so individuals who 'subsist' in this life can form different concepts of the world they live in. As such, these policies and values must be advanced at every conceivable opportunity. So let's start the backlash now: reject the 'credit and debt' induced discourses and the inequality that underpins them!

## Appendix 1 – Interview Questions Guide

### 1. Personal & Family Background

Tell me about yourself

- How old are you?
- What type of education do you have?
- Where do you currently live? Do you rent or own a property? What type of place is it?
- Family (partner? children? – how old are they?)
  - If partner, what is their occupation/occupational history?
- What is your current job? How long have you been in that occupation? What other jobs have you had?
  - If you are happy to disclose, what is your current income?
- Please could you explain to me a little about your background?
- Where did you live? What type of place was it?
- What occupations did your parents have?
- What were your parents like with money? Did they teach you anything about it? If so what?
  - What does money mean to you?

### 2. Before (Credit Use)

When did you first start using credit?

- What were your experiences of credit at that time?

Can you tell me about your credit (loans, overdrafts, credit card, HP) conditions (current and previous)?

- What were the benefits of using this type of credit?

When you started using credit how did it make you feel?

Did using credit change any aspects of your life? If so what were they?

What were the main things you were using credit for?

- Essential goods? If so, what like (mortgage/rent, utilities bills, vehicle and home maintenance,
- Outside of the home? If so, what like (*holidays, clothes and shoes [work and personal], cars [new or used], jewellery and watches, restaurants, mobile phone, laptops, education or tuition*)?
  - Would you say you have particular preferences for certain shops / goods / or brands?

- What is it about them that you like (visibility – style, fashion, perception, etc.)?
- Activities / Events? Was credit important to doing these (access and participation)?
  - Examples...
- Inside of your home (*furniture, electrical equipment, music, books*)? If so, what like? Why?
  - Explore the brands and shops...
- If children, did you use credit to assist or help your children (*activities, goods, services, education or tuition*)?

Did you use different sources of credit for different things? *Expand...*

Has credit brought you some good things? If so, what are they? If not, why not?

## 2.1 Comparison between participant and reference group

How did your ‘financial status’ at this time compare to your reference group (*defined by them i.e. family, friends, co-workers*)?

- Did this affect the way you spent money and the things you spent money on?
- Do your family and friends tend to have the same taste as you?

I would like you to imagine that you meet a new person. What are the things that you would notice about them? Would you notice it almost immediately upon meeting them for the first time or a while after?

- Do you think what they have consumed is an important part of how you perceive them?
- Do you ever consider how they may have purchased those things?
- Do you think others are making judgements about you?

What do you think is the most important aspect of success (*job, where someone lives, what they buy, how much money they have*)?

Did you discuss your use of credit with friends or family?

- If yes, what was their response?
- If no, what were the reasons for you not mentioning it to them?

Did you know if your friends and family were/are using credit?

What did credit mean to you?

What do you think is the main reason people use credit for?

## 3. During (Falling-into-debt)

When did you start to realise there may have been a problem with your finances?

How did it happen (the debt accumulation process)?

- How did you first respond?

What debts do you have? How much (before and now)?

Did you have any concerns about how the debt may impact on you, your spouse and/or your family?

- On the activities you did? [If children], on the activities of your children?

How did you come across the charity?

- How did you enrol?

- How long did it take for you to enrol after the problem had started? Why this long?

What was it like to first contact an organisation about your debt problem?

What were the difficulties for you in this process?

- [If married/cohabiting] How was your spouse involved?

Did they have an immediate solution for you? If so, what were your thoughts about the options you had available?

- How would this impact on your previous financial management?

How did this new arrangement impact on your style of life [*activities, spending patterns, family*]?

- How did that make you feel?

Was your job impacted as a result of your financial problems?

- Did you have any concerns or perceptions about how your job may have been impacted?

#### **4. After (Management of Debt)**

How are you now managing the debt? When will you be debt free? What are your perceptions of this?

- What changes have you made to how you manage your finances?

Were you offered any other solution, other than a DMP, to deal with the debts?

- What do you think of pursuing a form of insolvency such as bankruptcy?

Do you think debt has affected your life?

Do you think debt has affected your family? Your relations with your spouse? Your relations with friends?

- If children, how do you think credit influenced your children, how do you think debt has?

Did you change your spending and consumption?

- If so, how was this different to your spending and consumption before?
  - Has this affected you?

Since you have been on a DMP has there been a time when you've taken out further credit?

How does your 'financial status' compare now to your reference group (as defined by them, i.e family, friends, co-workers)

Since the financial problems occurred...

- Has your contact with friends reduced or stopped? *Explore...*
- Has your participation in activities or social events reduced or stopped? *Explore...*

Do your family members know about your debt situation? What do they think about it? Did they help you with your debt?

- Did you fear others finding out about how much debt you were in? *If so, why?*

As it relates to the whole issue of debt, what did you learn about yourself?

- What do you miss buying the most? What do you miss doing the most?

Do you have any regrets?

What's your plan with using credit after you finish the Debt Management Plan (DMP) program?

- Do you think you will rely solely on your income? *If so, how will your spending differ?*

How do you feel about debt?

#### **4.1 Exploring the differences between credit and debt**

Tell me about your experiences with the banks and companies who lent you money...

- What do you think of them? Has your opinion changed?
- Did your perception of this change before and after the process?
- Were you concerned about what the creditors could do to reclaim the debt?
- In your opinion, who is to blame for your financial difficulties, and why?
- In your opinion, what needs to be done to prevent debt problems from happening to others?

In contrasting both position, when have you felt most in control of your finances? When have you felt most powerless?

- How would you summarise both situations: Firstly, using credit? Secondly, being in debt?

If you could go back in time, and know now what you do about credit and debt, would you do anything differently?

- How would your life be different if you had not used credit?

#### **5. Closing questions**

Why did you want to take part in this research?

What does the future hold for you? What are your plans?

## **Abbreviations**

BoE	Bank of England
CCC	Competition and Credit Control
CPS	Centre for Policy Studies
DMP	Debt Management Plan
DRO	Debt Relief Order
IEA	Institute of Economic Affairs
IVA	Individual Voluntary Arrangement
MTFS	Medium Term Financial Strategy
NCT	Noticing-Collecting-Thinking
SSA	Social Structures of Accumulation
SSDS	Supplementary Special Deposit Scheme

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