

## **Authentication, Status, and Power in a Digitally Organized Society**

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This article explores Weber's notions of status and power in societies that are increasingly organized via digital networks. It draws on a community study conducted in a former coal-mining town in the United Kingdom. The policy background is the UK's Digital by Default agenda, which seeks to make online services the primary form of service access and transaction. In the context of a digitally organized society, a person's status is created through his or her ability to provide certain status markers to authenticate who they are. Status is created through a person's file, and those lacking an online profile become thin-filed and therefore excluded from many online services. The article argues that digital authentication is a feature of the formation of status in a digitally organized society. Without online system files, individuals lack the power to access public services, banks, credit unions, and e-commerce, and they feel a lack of social honor because of their low authentication status.

*Keywords: status, power, digital wallet, thin-filed, exclusion, social honor, digital divides, digital access*

### **Introduction**

The introduction and development of digital interfaces, tools, and systems create new ways of expressing status and negotiating inequality within society. These tools and processes, and the social relations in which they are embedded, partially determine how power materializes in social life (cf. Westwood, 2001). This article develops Weber's focus on status to consider how status is shaped and controlled via digital processes, and how these processes influence the relative power that people have to manage their own resources. It explores how the conceptual distinction of status is empirically relevant to the dynamics of social inclusion and exclusion, locating status as a point where individuals' ability to authenticate themselves as citizens affects their ability to participate in social and economic life.

Furthermore, status in this sense affects feelings of social honor in a status order (Weber, 1922). This does not relate to an analysis of levels of consumption, access to consumer credit, or cultural capital but, rather, to investigating how status acts as an inclusionary or exclusionary phenomenon in societies organized via digital systems. The article discusses how status—how far someone can authenticate him- or herself as a digitally recognized citizen—is a key feature in the dynamics of inclusion and exclusion. This

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ability to authenticate oneself shapes senses of social honor, creates a status order within a digital networked environment of financial and social services, and defines how far people can manage their resources.

The article draws on the United Kingdom's Digital by Default regional project, which sought to understand how individuals at risk of financial and social exclusion perceived they could engage with the digital economy. The research took the form of a community study, which was conducted in a small former coal-mining town in England in 2013. The empirical study informs a theoretical argument that develops Weber's concept of status to address issues of status and power in an information society context, and this development provides insights into the dynamics of inclusion and exclusion in a digitally organized society.

The article begins with discussions of the dynamics of inclusion and exclusion in digital divides and online files and the dynamics of inclusion and exclusion. I then describe the Digital by Default regional project and methodology. Two sections focus on authentication and status and on trust, low authentication status, and the power to manage. A consideration of online files and social honor is followed by discussions of authentication, status, and social honor and of status, inclusion, and participation.

### **The Dynamics of Inclusion and Exclusion in Digital Divides**

Access to digital technology is a key feature of the dynamics of inclusion and exclusion, because it features indigital divides within society. The dynamics of digital divides vary, but they generally refer to the way that various combinations of levels of digital access, digital skills, and digital literacy within situations of social exclusion result in individuals experiencing different levels of access to material, social, and digital goods (Ragnedda & Muschert, 2013). In the mainstreaming of e-services (Wessels, 2012), access to public and private services is increasingly organized via digital systems. This is a two-stage process. First, individuals require sufficient credentials to authenticate themselves as citizens, and, second, they must demonstrate a digital presence to attain online authentication (Simpson, 2013). This authentication process plays a key role in the dynamics of digital and social inclusion and exclusion, because digital systems based on authentication engage in social sorting (Gandy, 1993), which, as Lyon (2003) writes, can form the basis of digital discrimination. An individual must provide identifiers and credentials such as a birth certificate, passport, billing address, or bank details (which are not necessarily evidenced online). Once basic authentication has been established, an individual then needs to gain online authentication, which is often combined with his or her consumer ratings and online credentials to create an online status or "file." People with low levels of consumer credit, banking details, insurance, and other digital activity are viewed as "thin-filed," in contrast to those who have a full range of financial and related credentials (Simpson, 2013). Thus, being thin-filed goes beyond a poor credit rating; it affects the levels of information people have to authenticate themselves online and thereby access a wide range of social, financial, and commercial services.

The growing development and use of digital services has a threefold influence on the way individuals and organizations interact in social and economic life. First, these services foster a tighter relationship between producers and consumers (Wessels, 2013a). Second, both personal and

organizational data are increasingly used in social and economic relationships, resulting in the rise of personal data services (Shadbolt, 2014). Third, these trends require new means of identity markers and authentication for online transactions—usually taken from a business perspective (Windly, 2005). Together, these three processes are generating a shift in how status materializes in contemporary society, which is in turn influencing how individuals and groups perceive themselves in relation to other people and to welfare, financial, and commercial organizations.

Many of those at risk of financial and social exclusion lack the basic credential of a permanent billing address because they live in temporary accommodation. Furthermore, they are less likely to have a driving license because they cannot afford a car, and they are less likely to have a passport if they cannot afford to travel abroad on holiday. Consequently, this lack of material and social resources means that they lack the necessary documentation to be authenticated as citizens and thereby gain an online identity (Simpson, 2013). Because they lack the necessary credentials, they also lack status, which is defined in terms of not being able to have their identity recognized online. The process of authentication based on individual social and financial situations affects the way individuals can access and use e-services. Furthermore, it features in the way they can gain an online identity and an adequate file to access services.

The development of a networked society has changed the characteristics of divisions within society (Castells, 2001). There has been a move away from divisions based on industrial society class structures to one where class is more diffuse, and divisions in terms of inequalities are more identity based and fluid (Steinert & Pilgram, 2007). This change has resulted in two main trends: Many people experience exclusion within an emerging broad working- and middle-class strata, and there is a strata that is more or less excluded from economic and social participation, which has been termed an “underclass” (Steinert, 2007) or, according to a consumption-based approach, “flawed consumers” (Bauman, 2007). From a Marxist perspective, Fuchs (2007, 2008) argues that class has been reconfigured. One aspect of this reconfiguration is that a person’s social position is often based on his or her ability to engage with a networked economy, which, for some, involves casualized and flexible work patterns with little security (Wessels, 2010), while the operation of status is structured through access to financial credentials and social and welfare services (Wessels, 2014). It is the ability to access these services that structures the level of power individuals have in managing their own resources.

### **Online Files and the Dynamics of Inclusion and Exclusion**

The argument made in this article is that individuals’ status is influenced through the use of digital files, and that these files act as markers for individuals whose status is a negotiated position between being financially and socially included or excluded. The level of online filing features in people’s “life chances,” which Weber (1922) defines as the probabilities that individuals have of finding satisfaction for their interests, wants, and needs in their structural positions (Dahrendorf, 1979). Their status plays into the dynamics of inclusion, exclusion, and social inequality. Although materialist approaches provide some insights into inequalities relating to digital divides, they have not traced the way in which a person’s digital file expresses his or her status or how that resulting status is influential in empowering or disempowering the person. Further, approaches that focus on online identity and authentication tend to

center on privacy and surveillance instead of on the fact that online identity is one aspect of the negotiation of status as a feature of inclusion.

One specific context that illustrates the way in which online files affect status positions and people's power and ability to participate in social and financial life is digital wallets. This is specifically the case in the development of digital wallets for those who are at risk of financial exclusion. Digital wallets enable financial transactions and are integrated into smart phones. The development of digital wallets for those at risk of financial and social exclusion has raised some concerns with United Kingdom (UK) policy makers. The UK Cabinet Office (2013b, 2013c) has expressed concern that the introduction of these wallets might create a barrier to inclusion. This concern was raised in the context of the UK's Digital by Default agenda, which seeks to make public services operate primarily via digital procedures (UK Cabinet Office, 2012c) as part of the effort to transfer public and welfare services online, which has been ongoing in the United Kingdom and Europe since the mid-1990s (Wessels, 2007, 2010). This drive has been mobilized further by the decision to make these services "digital by default" (Fox, 2010). The Digital by Default report (Fox, 2010) went beyond the previous Gov.UK initiative, which addressed the organizational aspects of moving government department information and administration online. Fox's (2010) report stresses that online services should be designed from the viewpoint of citizens' needs, and states that online services should empower citizens and make their lives simpler. Although the report's focus is on making services more accessible for individuals, it includes some concerns about digital exclusion and how that might impact broader social and financial exclusion. The rolling out of the Digital by Default agenda means that individuals are required to not only have access to digital technology and be digitally literate but have digital identities and be able to authenticate who they are.

The UK government promotes its online services as being convenient and straightforward to use for those with digital tools, and it supports a program of "assisted digital" support for people who are off-line (UK Cabinet Office, 2013b). The service is delivered by a cross-government partnership approach through public, private, and third-sector organizations to support digital inclusion work and encourage use of online services (UK Cabinet Office, 2013c). Of the 18% of the UK population who are off-line or not currently interacting with public and government services online, 6% state that they are willing to go online, but 12% are unwilling to do so (UK Cabinet Office, 2013c). Most people are confident using e-mail and social media, but accessing government information and services online has a lower take-up (Dutton, Blank, & Groselj, 2013).

There is also diversity among the types of people who are not using Internet-based public services. For instance:

- Most people age 45 or older who belong to socioeconomic groups D and E are either actively disengaged or off-line.<sup>1</sup>

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<sup>1</sup> Socioeconomic group D refers to people involved in semiskilled or unskilled manual work. Socioeconomic group E refers to people at the lowest level of subsistence; they are generally pensioners on a state income or casual or the lowest grade workers.

- Those who are low skilled or have learning difficulties or low literacy levels are generally positive about the Internet and are willing to learn ICT skills. However, they do not feel ready to try online government transactions.
- Most nonusers are either empty nesters or single people with no family at home. (UK Cabinet Office, 2012a)

This is an example of what Van Dijk (2013) calls the “descriptive approach” in addressing digital divides. He argues that the demographics of individuals are often used to describe inequalities, but he asserts that these types of approaches do not provide explanations of inequality and digital divides. In this context, Marxist-inspired studies of digital divides that address stratification and inequality have more explanatory power (Ragnedda & Muschert, 2013). However, such approaches do not consider how status is configured through online accessibility and practice, or how the practice of being online reinforces existing subject positions and high or low status groupings. Furthermore, scant attention has been paid to the way individuals are categorized and grouped according to their online files. The Digital by Default regional study revealed that a person’s online file was a key feature in determining the person’s status in online service contexts, and this related to individual senses of status in terms of personal honor as well as having significant consequences for the amount of power an individual gained to influence his or her own life chances.

#### **The Empirical Study: The Digital by Default Regional Project and Methodology**

The Digital by Default regional project (funded by the UK Cabinet Office’s Identity Assurance Program, part of the UK government’s Digital Service) sought to explore how online participation and identification interacted with people’s positions in terms of having access to a range of services and to determine how individuals felt about their status in terms of participating in social life. The focus of the study was on those in situations of being at risk of social and financial exclusion. The project team was made up of a public-service partnership that delivers online public services in the region, a credit union, a housing association that provides low-cost rented accommodation, local health and welfare services, a research and development unit from a commercial mobile phone company, and a university research group. The university research group’s role in the project was to understand the experiences of those at risk of financial exclusion and to ascertain whether digital wallets would add another layer of exclusion for them. The study was funded for one year, building on a previous decade of European Commission-funded research undertaken by the public-service partnership and the university research group on e-inclusion and e-services in the region (Wessels, 2008). This long-term relationship of the public-service partnership and university research group with the region was beneficial in recruiting participants and service providers to the study. The broad participative action research approach was implemented through a community study that involved local residents and service providers and a team of technological developers (Wessels, Walsh, & Adam, 2008).

The project selected a small town, “Townwell,” located in a deindustrialized region of South Yorkshire with a population of about 11,477, 63.7% of whom are of working age. Among the residents, 33.2% have no educational qualifications, and more than one-quarter do not have a passport. The region

ranks 16th in England in long-term poverty, 28th in medium-term poverty, 38th considering its total inhabitants living in poverty, and 27th considering their situations of financial exclusion (Simpson, 2013).

The study included a group of 20 local residents. A distinctive feature of the research was that the participants were given a digital wallet on a mobile phone that they used to explore how their online life affected their experiences of digital access to services and e-transactions. Participants were selected if they fulfilled more than one of the following criteria:

- credit union member (mandatory)
- housing association resident
- council taxpayer
- adult of working age (gender split: 50% men, 50% women; age categories: 18–26 years, 27–40 years, 41–65 years)
- lives or works in Townwell
- makes purchases in Townwell shops

The selection process also took into account participants' social circumstances and how these contexts relate to their situation and everyday life practices and needs. Together, these factors shape the sociability of those at risk of exclusion in small towns like Townwell. Sociability is shaped through the loose networks among those who use the local services, shops, and credit union. We selected some high service users—for instance, someone who had many doctor's appointments, someone who borrowed a lot of books from the local library, and someone who had to attend the police station once a week (having just left prison). We also chose some mid-range service users—such as those who were unemployed and attended the local job center regularly. We also selected some light users—those who used the system only for micropayments in shops. This approach ensured that the study covered a range of use scenarios and networks.

The overall project design was implemented according to the following sequence:

1. Engage with service providers, local shops, and credit union in Townwell.
2. Undertake semistructured interviews with local residents to gain an understanding of how they manage their social and financial situations.
3. Conduct semistructured interviews with shopkeepers to understand their businesses and the ways they use cash and credit/debit card payments in their shops.
4. Conduct semistructured interviews with service providers to understand their authentication processes.
5. Introduce digital wallets to the end-user participants and card-reading devices to the shops, credit union, and public services.
6. Monitor the use of digital wallets for three months, and explore how the participants experienced access to goods and services.
7. Interview end users to understand how they used their digital wallets during the study.
8. Interview service providers and shopkeepers to gain their perceptions of the digital wallets.

9. Initiate community mentoring to reflect the feedback from interviews and foster a greater understanding of digital participation (selected participants worked as community mentors to other participants).
10. Hold meetings with community mentors to address their issues and concerns.

The interviews and observations underwent a thematic analysis to identify concepts and categories based on participants' use of the digital wallets in accessing services and for shopping. Data from the Digital by Default regional study inform the following discussion of how key aspects of status and authentication interact with inclusion and exclusion. We found that digital authentication was linked with levels of status in terms of access to service, levels of trust and the power to manage, and social honor. Social honor refers to the prestige that is attached to certain positions in society that create a social hierarchy that is expressed in different types of associations and kinds of sociability (Chan & Goldthorpe, 2007). The next section discusses the key aspects of authentication and status, empirically informed by the Digital by Default regional study.

### **Authentication and Status**

The way in which status is conferred in a society organized by digital networks can be discerned by analyzing the underlying processes that support or restrict an individual's ability to participate in the social and economic aspects of status formation. The question of how status is negotiated in this context also needs to consider the role of state bureaucracies and commercial companies in managing and recording status. In the context of a digitally organized society, a person's status is created through his or her ability to provide status markers that can be verified online, which is increasingly becoming a mechanism of inclusion and exclusion. Without online authentication as part of a digital identity, it is difficult for individuals to access and enter various service and financial systems (Wessels, 2012). Access to financial and social services historically has been controlled: Citizenship has been, and continues to be, a key identifier in controlling access to welfare services, and consumer credit is a well-established mechanism for controlling access to financial services.

The history of consumer credit shows that credit rating or profiling took place before the integration of digital technologies in everyday life (Marron, 2009). The development of credit reports relates to the need for companies to manage the risk of lending. This process is usually managed by credit reporting agencies such as Experian. One aspect of this process is the way in which individuals become classified as "thin-filed" or "non-filed." Non-filed refers to people who do not have any credit history, and those who are thin-filed have a limited experience of credit and a restricted number of trade lines (usually fewer than three) (Cheney, 2008). To counter the way in which this type of profiling might exclude individuals from credit, the concept of "alternative data" was developed by the financial sector. Alternative data refers to "payment related information that is not typically reported to credit reporting agencies. Examples include rent, telecommunication, utility, and insurance payments" (Cheney, 2008, p. 2). It was thought that this type of profiling would "help move the underserved, yet creditworthy, individuals into the financial mainstream" (Schutte, cited in Cheney, 2008, p. 3).

Despite the predigital history of consumer credit (Marron, 2009), digitization in the consumer credit realm has produced another layer of profiling: the need for people to be able to authenticate themselves to get access to social and financial services. People who are thin-filed lack sufficient credentials to prove their identity and so cannot access services. The term *thin-filed* is now used by social and health care services as well as credit unions in the United Kingdom to describe individuals who do not have enough proof of identity to be able to authenticate who they are. They lack a bank account, billing address, passport, insurance coverage, driving license, or credit card details, similar to other forms of financial profiling. What is distinctive about being thin-filed is that this information forms status markers online that are a key feature in the way bureaucracies can control individuals who are at risk of financial exclusion. The filing process also prevents individuals from being able to participate in social and economic life. If individuals cannot be traced online via such information systems, then they cannot be authenticated, and the result is that access is denied to any supporting social and welfare services as well as for e-commerce.

Status in an information society is shaped by more than consumer practice and the formation of status groupings; it is also shaped by digital mechanisms that may reinforce existing forms of inequality. Without having a fully worked-up file, individual status is lower, and a thin file is reflected in a lack of power to access public services, banks, and credit unions and to engage in e-commerce. Further, a thin file is different from profiling for consumer credit in that it functions as a gatekeeper to not only credit but basic social services. This affects people's life chances and their sense of social honor, which is related to status in Weberian terms.

The study found that the way status is being operationalized in local e-services is through the use of personal data (Shadbolt, 2014). This personal data includes national insurance and passport documents, billing addresses, insurance policies, driving licenses, consumer credit ratings, and online transaction records. These data were used to authenticate a person's identity and generate a file for the person to be used to gain access to online public services, online shopping, and other services such as credit unions. The participants faced a barrier to gaining online authentication in that they could not fully authenticate their identity off-line and so could not proceed to authenticate themselves online. They had joined the local credit union to use the financial services because the credit union required less credential evidence than banks (credit unions are cooperative financial institutions that provide banking facilities for those who are financially excluded, often located in areas of deprivation in the United Kingdom (Ward & McKillop, 2005). The participants in our study (who all experienced low-paying casual jobs, periods of unemployment, and managing on benefits) found the credit union useful, because it gave them access to financial support without having to provide all the credential evidence that mainstream banks require. The credit union also provided training and support on managing low budgets.

The research participants stated that they regularly proved their identities in everyday off-line and online contexts—for example, to purchase cigarettes and alcohol and to access banking services, online job center services, online doctor's appointments, and medical prescriptions from the pharmacy. Most said that they had to use their birth certificate as proof of identity, although that was not always accepted because it did not contain a photograph of the person. Other acceptable identity documents included a driving license, passport, council tax letter, bill documentation, or bank account details. The



problem facing our participants was that few of them possessed the types of documents required to authenticate themselves, so they could not gain online authentication. None of our participants had a passport, because they felt they could not afford to buy one or travel abroad. Only four of the participants had a driving license; the others said it was too expensive to learn to drive and maintain a car. Nine of the participants were living in temporary accommodation and so lacked a billing address that would enable them to authenticate themselves. In consequence, they were either struggling to cope with the situation or experiencing being marginalized. All the participants found this frustrating and exclusive. As one explained:

I have got no ID other than a birth certificate, and a lot of places like to have photo identification—a passport or a driving license, and I have not got any of them, so I find it really hard to get things or to do things because I cannot get them to prove.  
(Participant 5)

The hurdle of authentication had become the main obstacle to participants' inclusion in social life and their access to financial, housing, and job center services as well as general welfare and shopping amenities. One participant stated: "At one point I did not have enough ID to set up a bank account. I had a birth certificate and council tax letter, but it still was not enough!" The consequences of this lack of documentation are significant in terms of accessing financial services, and, as revealed in this participant's frustration, it is particularly evident when trying to open a bank account. The participants had either been denied an account at a mainstream bank or had only just managed to open an account after obtaining relevant documentation. This is where the issue of being thin-filed emerged in the study: It was highlighted by those working in Townwell's credit union and through participants' experiences.

The manager of the credit union, for example, raised the point of the difficulties in opening accounts for what she called the "unbanked" and "underbanked." If someone applied for a credit union account, he or she had to be able to authenticate themselves. This was a regulatory anti-money laundering requirement as well as necessary to prevent fraud against the credit union. From a citizen's perspective, the difficulty of gaining access to finance was described as follows:

This is because the credit union requires a reference, i.e., your national insurance number or your membership number, so that they can recognize your incoming wage packet if you get a job. My child benefit and child tax credit is paid into my credit union account. (Participant 13)

The credit union staff found that many people did not have the hard-copy documents they needed, they were part of the "thin-filed demographic," and they lacked an adequate digital footprint. Many of the participants had very low credit ratings; however, this did not relate to whether they personally paid their bills, because often the credit union was paying their bills on their behalf. Thus, the participants' credit ratings were low because they were not recorded as paying bills. Furthermore, the participants did not have house insurance or credit cards, which also contributed to their low credit ratings. All the project's participants had pet insurance, which the system did register, but which only gave them a low credit status.

This discussion reveals that the level of authentication and the ability to authenticate oneself relate to having enough status to access financial services and social services as well as general shopping and leisure services. Clearly, it can be difficult to authenticate oneself off-line, and this difficulty extends to the ability to gain online authentication and use online systems, the topic of the next section.

### **Trust, Low Authentication Status, and the Power to Manage**

The members of the local credit union found that, once individuals have authenticated themselves and gained authentication for some online services, the issue of thin filing emerges. Thin files related to the fact that those on low incomes did not trust electronic methods for banking, and so they conducted many transactions off-line. Credit union employees and participants identified two reasons for the tendency to conduct off-line transactions. First, due to casual work patterns, those who did find work were often paid in cash, and those on benefits usually collected their benefits in cash from the post office. Second, and related to the first point, many people in this type of situation found that cash was a better way to manage the little money they had; they could see money visually and put it into piles and containers that were allocated for different expenses. In the interviews, all the participants said that they had experienced debt and had been forced to learn techniques to manage very low levels of income and uncertain income patterns.

Participants noted that the credit union had helped them learn how to manage money better and that its bill-paying service—whereby the credit union held money to pay customers' rent, bills, and other regular outgoings—was useful. This bill-paying service, however, had the unintended consequence of making the participants appear thin-filed on digital systems, because there was no record of them paying their own bills. This lack of payment history adversely affected their credit ratings, resulting in their being denied access to mainstream financial services. The participants all stated that it was difficult to authenticate themselves, and once they had done so, they had to learn how to use and trust online systems to deposit money or buy goods. Being thin-filed and denied access to services gave the participants a feeling of shame.

### **Online Files and Social Honor**

The participants' lives demonstrate the multidimensionality of those at risk of social exclusion. All had very low incomes, and they relied on a mix of benefits, such as employment support, enhanced disability benefit, child benefit, and child tax credits. They were either unemployed or doing part-time and/or casual work; an exception was one participant who was fully employed, but on a very low salary of £7,000 per annum. The participants faced a common challenge: finding ways to allocate their money across utilities, rent, food, household, social life, and local (bus) travel. These difficult positions reflect the fact that the status positions of these individuals—those at risk of financial and social exclusion—were not solely related to class in the traditional sense; rather, their situations were a result of contemporary inequalities.

The group of participants followed the more contemporary experience of inequality in terms of social exclusion (Steinert, 2007), in which levels of education, health, work experience, local

opportunities, and personal security interact to produce low-status positions. The work of community mentors in the project verified that each of the participants had followed a different route into their respective situations and that none saw their own situation in terms of a shared class situation. In this sense, the participants did not feel that they had a common class position, as classically defined. Rather, we found, in the Townwell context, that low status was experienced in very individualized ways. There was a sense of social shame (Scheff, 2000; Walker, 2014) among the participants about their low status, which was most notably expressed in terms of not being able to take part in consumer society and not having bank and credit cards. Most of the participants used a life narrative approach to talk about their status position. For example, a 37-year-old man explained:

It was at the time I split up with my wife and I had to leave my job in the fire service because of my bad back and I was on sickness benefit. So the money I had coming in was not enough to cover my rent, council tax, and everything else. I was then in arrears with my council tax and my water. (Participant 4)

Another man expressed the way that status is linked to a consumer framework:

My son's and daughter's birthdays are near to Christmas, which makes it a very expensive time. They ask you for things, and you plan to buy them things, but then you're no longer in work. (Participant 15)

What do you do . . . can't plan and then how do you provide the information to gain any cards or access to online services? (Participant 7)

These situations illustrate how social exclusion is closely related to financial exclusion and that this is where authentication becomes difficult, both off-line and online. The participants commented on their own situations, saying that they felt "second class," "not part of mainstream life," just "getting by," and unable to authenticate themselves, which made it difficult for them to manage money in the same way as those who have access to financial services. The combination of low authentication status, feelings of shame, and a lack of power to manage access to services is part of a status order. Weber (1922) sees status order as a structure of relations based on hierarchies of social positions. Chan and Goldthorpe (2007), following Weber, write that status order is a "structure of relations of perceived, and in some degree accepted, social superiority, equality, and inferiority amongst individuals" (p. 514). They assert that the way status is understood is through "social honor," which is expressed in different types of associations and kinds of sociability.

### **Authentication, Status, and Social Honor**

The types of sociability and our participants' patterns of association were, to some degree, shaped by their lack of status in being able to authenticate themselves. The commonality among all participants was that they found it very difficult to authenticate their identity because of a lack of off-line credentials. This impacted the way they could authenticate themselves online, because getting authentication to access online services is based on credentials that are both paper-based and digital

systems-based. The barriers to online authentication are rooted in more general authentication processes required for banking, housing, and other services. The next barrier that participants faced was that, once they had managed to get some level of authentication, they were then disadvantaged by being thin-filed, which limited their access to services.

The process of authentication and the thin-filed designation affected participants in two main ways. First, it meant that they were denied access to a range of services, including financial services; second, it affected their self-perception of their social position in terms of a status order and their own sense of social honor. The significance of their self-perception was demonstrated when the participants were given a smart phone digital wallet and authentication credentials during the project. This was done through the credit union, and it meant that they could access local services, both remotely and in person. By using the smart phone in the Townwell shops, public services, and credit union, the participants were able to authenticate themselves online, which enabled them to develop their credit record to move beyond being thin-filed. The experience of having this status was deeply felt by our participants. Two expressed this by saying:

I feel like a proper person. (Participant 7)

This has changed my life. (Participant 1)

This ability to authenticate themselves via digital means and engage with social, financial, and commercial services gave the participants a sense of honor and status. Furthermore, the means of authentication and having an appropriate file emerged as a key factor in how status was perceived by the participants themselves and by the local service providers and how participants felt about their own capacity to overcome their difficulties. The research found that the authentication hurdle and financial exclusion were the primary features in the formation of status and that both related to how much power individuals had to improve their life chances. The participants and the community mentors found that being able to authenticate their identity enabled the participants to access financial services such as the credit union, which helped them to manage their money, and access the online job center application service more easily, along with a range of other welfare and consumer services that are provided digitally. This gave participants a heightened sense of personal status as well as access to services that were empowering to varying degrees.

The participants' experiences provide an example of how sociability is shaped by status. Chan and Goldthorpe (2007) follow Weber's argument that sociability shaped by status is experienced in an intimate way, which includes senses of commensality and connubium. They also point out that Weber discusses lifestyles as social forms that express distinctions and give status its lived existence. Although lifestyles are not as clearly demarcated in modern and late modern society as they were in early modern Europe, they are still visible (Chaney, 1996). The rise of citizenship within an ideology of egalitarianism has generated a culture where there is less deference and where claims of superiority are less common, so status in this context is less formal (Chan & Goldthorpe, 2007).

Status in modern and late modern life is maintained in informal ways and is not characterized by well-defined status groups. Instead, status groupings are “relatively loose social networks,” and the expression of status tends to be implicit and/or covert (Chan & Goldthorpe, 2007, p. 515). In contemporary society, status is expressed through patterns of consumption, which is often mediated through digital services in the form of e-commerce and through social media networks and marketing and other forms of media (Wessels, 2014). Developments in social media and e-commerce create loose social networks within a consumer society and thus form a part of societal change based on digital technology (Wessels, 2010). As the Digital by Default study shows, status in societies organized via digital technology is formed in part by being able to authenticate who individuals are online. This authentication depends on a range of markers that convey social honor on an individual, such as being trustworthy in terms of credit, having a permanent address, a record of bill payment, and various other indicators of citizenship.

### **Status, Inclusion, and Participation**

Weber’s (Gerth & Mills 1948) view on status groupings is that society is divided into groups and strata with distinctive lifestyles and views of the world that yield additional divisions to those based on class. In overall terms, status and status groupings enable participation in social life through varying degrees of inclusion. If individuals are socially excluded, they lack social status and have little ability to participate in society. Weber (Gerth & Mills, 1948) addresses the issue that social stratification acts across production, consumption, and status positions in complex ways. He provides an approach that addresses pluralism within society which, to some degree, mitigates a straightforward polarization between two groups of haves and have-nots (Coser, 1977). Weber’s approach to status groupings goes beyond the limits of Marx’s class-centered analysis to yield insights and approaches that can be used to consider the dynamics of modern and late modern pluralistic societies.

Weber (Gerth & Mills, 1948) argues that a key feature of status groups is located in the consumption patterns of individuals rather than being based on an individual’s market position or place in the process of production. Weber (1922) thought that Marx had overlooked the relevance of an individual’s status expressed in consumer terms as a result of the emphasis that Marx placed on the productive sphere. Weber (Gerth & Mills, 1948) argues that status groups, more than class, self-identify and form associations through notions of shared lifestyles and, for those of high status, by the social esteem and honor accorded to them by others. The regard of status groups is often related to prescribed senses of “good taste” (Wessels, 2014), which act to control the boundaries of who may or may not belong to the group and, therefore, enables these status groups to demarcate social distance and social division. This view of status groups shows how Weber’s sociological notion of a social category is embedded within the concept of social relationships: Given the interdependence of social categories and social relationships in Weber’s thought, status groups only exist to the extent that others perceive a group’s relative standing—either as high or low status (Coser, 1977). This creates social distance, division, inclusion, and exclusion within society.

The analysis of status groupings also forms part of Weber’s focus on power (Gerth & Mills, 1948), and he further develops a pluralistic perspective in his analysis of power in society, refining and extending Marx’s analytical schema. For Marx, power is always rooted in economic relations, and it is the owners of

the means of production who exercise ultimate power, either directly or indirectly. Weber agrees that economic power is the predominant form of power in modern capitalism, but he argues that it is not the basis of all economic power, which can also emerge from other dominant sources in society. For example, large-scale bureaucratic organizations have a great deal of economic power, as well as bureaucratic power, even though they are made up of salaried employees (Coser, 1977).

Weber (Gerth & Mills, 1948) defines power as the chances that an individual or a group of individuals have to realize their own will as individuals or through communal action. He argues that the basis from which power can be enacted varies and depends largely on the characteristics of the social context, which is shaped by the historical moment and the structural condition of any particular context. For Weber, therefore, finding the source of power is an empirical inquiry, which cannot be answered by emphasizing just one specific source, as Marx does in looking at the economic sources of power. Furthermore, Weber argues that individuals and groups do not seek power merely for economic gain or just for its own sake, but many seek power for the social honor it bestows and for self- and group realization. Power, as well as status, therefore, enables individuals to participate in social life and improve their life chances. If individuals lack power, they are excluded from participation, and this may shape the way their status is defined (Coser, 1977).

Status features in the social organization of power. In the industrial context, status interacts with other features, including class and society wide processes such as the controlling feature of a state-managed bureaucracy. These are also features of the contemporary context of a digitally networked society or information society (Webster, 2004). This type of society is organized through digitally enabled networks that provide resources in the formation of status and for participating in consumerism (Castells, 2001). In this context, the development of status groups is often shaped by shared senses of identity (Castells, 2001), while the rise of e-commerce supports consumerism (Wessels, 2010). Together, these networked processes create a new dynamic of inclusion and exclusion in the way that identities are verified and policed. The rise of societies constantly scrutinizing themselves—the “surveillance society”—is well documented (Lyon, 2007), and within this overarching trend are the various ways in which online identity and behavior are monitored by public and private organizations and services (Wright & Kreissl, 2014). A person’s status as defined through digital networks and files forms part of an information society, and status as operationalized by online identity and files shapes the amount of power an individual has to participate in the social and economic aspects of society. Thus, interpretation of status through online files remains important for state bureaucracies and commercial companies to exercise control (Marron, 2009).

### **Conclusion**

This article explores the way in which Weber’s key concepts of status and power are materializing in societies that are increasingly organized via digital networks. The Townwell study showed that being able to authenticate oneself and, then, develop a digital file is a key part of obtaining the power to interact in the digital economy and information society. A person’s online file is closely related to his or her real-life status. To transact digitally, people have to be able to authenticate their own identity and, once they have that level of authentication, they can then gain digital authentication and an online file. There is a relationship between thin files and low status, and when these combine, individuals experience varying

restrictions on accessing financial, social, and consumer services. The research identified a form of inequality that relates to status and the power—or lack of it—to be included in society, where an individual's subject position is one of being thin-filed. This emerging trend, whereby societies confer status through digital credentials and profiles, is a new social dynamic that is shaping how much power people have to influence their own life chances as well as affecting their feelings of shame and lack of social honor in a networked status order.

Weber's work on status groups and power is a significant lens through which to identify some of the new dynamics of power that are shaping individuals' abilities to influence their own life chances. The Weberian analysis provides a richer understanding of inclusion and exclusion that goes beyond a narrow, class-based analysis and demonstrates how subject positions are shaped through the ability to authenticate one's own identity, which, in turn, influences status as well as opportunities for social and financial inclusion. The pattern for this process is not determined by class in the classical sense but, rather, through individualized experiences of social exclusion that include feelings of low social honor and lack of status.

The key finding from this study is that status authentication plays a vital role in an emerging digital networked status order. The distinctions between people who are thin-filed and those who have sufficient credentials for financial inclusion are created through status formation, which reproduces existing forms of inequality. Further inquiry is needed to develop this concept of status and thin filing, and research should be undertaken with a larger population to confirm these trends more reliably. Policy makers need to address the issue of thin filing in the UK's Digital by Default agenda and take measures to ensure that those without the current required credentials do not face financial exclusion.

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