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Postscript: is there money in credit?

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The analytical and empirical shift from the study of the kinds of consumption facilitated by credit, to the processes and performances in consuming credit itself, opens up an array of questions for the social study of money and markets. Consuming credit relies on infrastructures of credit's creation and transmission, which in turn leave data trails in their wake. Both the infrastructures and the data suggest new business models and pose challenges to social studies of financialization because of their decidedly non-market characteristics. Credit may be less about money, and may function less as money, than as a means to other ends of fee generation and data mining.

Keywords: credit; data mining; finance; markets; money

Pivoting from prior research on the use of credit *for* consumption, the focus of the special issue on credit as an object *of* consumption opens a host of questions of how credit is made, marketed, and bought, bringing in issues of database cultivation and management, credit scoring procedures, conflicts between banks and merchants over the site and source of credit, and the transformation of banking itself. Banks have gone from their position, at least in theory, as intermediaries for productive enterprise, to more consumer-oriented, fee-for-service endeavors. Consumer credit scoring and credit reports themselves have become a product, with snappy commercials and clever marketing campaigns. A good credit score, once a back-office technicality, is now rendered an object of profound desire and a signal component of proper self-management in what seems to be an ever more neoliberal world. I watch television ads luring me to become hipper, funnier, more ironic ... by buying a product that helps me track my credit score. The ads sometimes point out the relationship between that score and my access to credit, as well as credit's ability to supplement my income so I can buy a house or a car. But mostly, I am told, I had better not let my score slip (usually by having relations with less than trustworthy romantic partners) or I will see those precious goods bought on credit taken away. The score is the disciplining force in these ads, not credit itself, and it disciplines my love life, too. A core contribution of the essays collected here is to spotlight the making, marketing and consumption of the products that surround credit in terms of pedagogy, desire, and self-fashioning, rather than emphasize exclusively credit's more classic political economic functions in capitalist societies.

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As an anthropologist, however, I have a familiar feeling forming in the pit of my stomach, caused by the hunch – for it is only a hunch at this point – that the study of consuming credit, like the study of comparative ethnology launched over a hundred years ago, is coming to the scene just as its putative objects may be vanishing, or at least transforming. I am exaggerating, of course: as these articles demonstrate, the formatting, packaging, marketing, consumption and afterlives of credit continue apace, even at an accelerated pace, as the industry develops new products, addresses new market segments, and invents new business models. But these articles, devoted to outlining an intellectual trajectory for the study of the consumption of credit, lead me to the question in my title. Is there money in credit? Is there profit in credit? As I will argue below, the money in credit may not be in credit *per se* anymore. It may lie in the securitization of fees for the use of the infrastructures of credit, that is, the networks, databases, public and private “rails” and “pipes” through which transactional data passes. It may also lie in speculation on the vast quantities of data generated by credit’s creation and consumption, and passage over those rails and through those pipes. Perhaps the more interesting question now is, is credit money anymore? That is, does credit function as money in the Marxian sense, as commodity intermediary and equivalent, that which facilitates the commensuration of different values in exchange? Or is that function ending?

This is not to suggest that the endeavor outlined in this special issue must, therefore, take the form of “salvage ethnography,” investigating and documenting the worlds of consuming credit quickly, before they vanish from the scene. I do not think they are going to vanish at all, in fact, but that their object – credit – will not remain what it has been in the heyday of twentieth century consumer culture that, as Paul Langley points out in his introduction, has generated a cottage industry on the sociology of consumer debt. The techniques of creating and marketing consumer credit might turn, in a world of “big data,” to new ends. Credit’s primary function may no longer be as money, but as a means to ever more consumer data. And the distinction between the consumer and his/her data may be becoming something quite a bit fuzzier than that of the relationship between an owner and rights in property, or even that of a person and a body. I am drawing a caricature only to make more explicit the new relations of money, credit, data and person that are emerging in speculative business plans and in corridor talk in the various corporate and university locations currently exercised over “big data.”

First, however, consider the following: in June 2013, the *New York Times* reported that 65% of single-family home and condominium purchases in Miami, Florida were purchased with cash, up from 16% in 2005. Not a mortgage loan, which would have resulted from all the calculative and moral activities of credit reporting and scoring, all the subjective self-fashionings, all the marketing techniques for credit discussed in these essays. Cash! In Los Angeles and Boston, cash-only home purchases stood at around 30%. First-time buyers seeking to do things the old-fashioned way, with a mortgage, are being squeezed out of the market.

“It’s everyone from a kid out of law school to an investor from China, walking around with thousands to spend,” said Kameron Eliassian, a Los Angeles real estate agent. “I don’t know where it’s coming from, and I don’t care. Just show me proof that it’s there, and we’re good.” (Medina and Seelye 2013)

There are at least two intertwined phenomena at work here. The first is a post-financial crisis desire among many market actors for a “reality” to stand on, cold, hard cash

instead of flighty, fictitious credit, a reaction against anything fake or overly complicated or of dubious existence. It is also an effort to know where one stands, not to get overextended or overleveraged, the same disposition that has seen credit card purchases plummet while debit card purchases skyrocket. In 2009, Visa, Inc. reported that debit card purchases overtook credit card purchases through its network for the first time (Sidel 2009). Said a representative from MasterCard, “A big group of consumers like the discipline that debit spending can bring them, and that is particularly relevant in this kind of environment” (Sidel 2009).

The second phenomenon is the collapse of the mortgage market. “Securities are broken in the mortgage market,” said one expert at a workshop at my home university in February, 2013. “There is no positive future for mortgage lending.” Where is a cash-rich investor to turn? Starting in 2012 and accelerating in 2013 with several initial public offerings, real estate investment companies started to set their sights on the securitization of rents. One of the early entrants, Waypoint Homes, bought up thousands foreclosed properties in Oakland, California with the intention of creating a revenue stream from rental income that could then be repackaged and securitized:

The race is on to raise money on public capital markets for the latest big thing in real estate: renting out single-family homes. Waypoint Homes Realty Trust Inc., a new company formed under the aegis of Oakland, Calif.-based Waypoint Real Estate Group LLC, announced Tuesday that it plans to raise up to \$100 million in an IPO on the Nasdaq, under the ticker “WAY.” Waypoint would be the fifth single-family rental landlord to file in the last year with plans for an IPO. (Wheelan 2013)

The flip-side of consuming credit may be “becoming-rent.” This concept was developed in another context by Carlo Vercellone (2008) and Christian Marazzi (2010), who are trying to solve the puzzle of why, given recurrent crises in capitalism, the system has for the most part endured. Their answer has to do with consuming credit. By borrowing money for everyday consumer purchases, people essentially rent their future wages. Corporate profits then derive from rent streams which, as in the real estate example, can be securitized. On the one hand, there is nothing new here, really: a market in securitized rents can look much like any other market in securities. Leyshon and Thrift (2007) have drawn attention to the aggregation of new asset streams from the stuff of everyday life – the securitization of streams of funds from parking fines, for example. Thus, they reorient the study of financialization away from the fantastic fictions and speculation and toward the securitization of the mundane. I am less inclined to see these forms of gain as “income” or “profit” however and want to stay closer to the empirical in this instance, to look more closely at the how and why of fees and rents (see Guyer 2004). This is because, on the other hand, as rent pushes out profit as the primary means of accumulation, and is insulated from market pressures insofar as rents can be arbitrarily defined (more like fees than prices), we start to see something that looks less and less like market capitalism. And in case of mass default – as we have witnessed in the US mortgage meltdown – the state can once again assume its role in warranting finality of payment, bailing out creditors which in turn allows those profiting from rental streams to continue along. Profits become rents, markets start looking very unlike the market as described in the introductory economics textbooks. Credit is no longer money per se but a route to rents.

The argument is interesting in light of this collection of articles because it demonstrates by omission why a research program on consuming credit, like the one proposed here, is necessary. Vercellone and Marazzi, like the other scholars of consumer credit

reviewed in Langley's introduction, put the emphasis on consumer credit's role in fostering indebtedness. But they do not inquire into the makings and workings of the market for consumer credit, the techniques of enrollment into credit before a purchase and the turning into a marketable commodity the post-purchase relationships involved in collection. This set of articles shows that in the becoming-rent of credit the infrastructures of credit are important in their own right. And those infrastructures are agnostic on whether what they carry is credit, debt or something else: they are multipurpose, much like the freight rail cars to which they are almost always analogized in the industry of payments, that is, the industry of facilitating electronic value transfer along the card networks like Visa and MasterCard, the wire transfer services, and now mobile payment schemes. A research program for consuming credit, as these essays show, must account for those infrastructures: the rails and the pipes of value transfer and data collection that are leveraged by collection agencies and increasingly new market participants seeking to profit from accumulated "big data."

As I have argued elsewhere (Maurer 2012), what makes the infrastructures of payment singularly interesting for the sociology of finance and markets is the extent to which they operate according to non-market principles. As with the securitization of rent, the payments industry depends on a steady and regular stream of fees (see O'Malley 2009). So, if the other side of consuming credit is becoming-rent, itself giving the lie to one version of the story of neoliberalism (that it is a liberation of market forces or an extension of market principles or logics), crucial to its operations are the non-market (or, more moderately, less market) driven tolls for the use of infrastructure or on the transit of freight, in this case, money. The production of neoliberal subjects documented by Marron and Langley here, therefore, rests on a substrate that is crucially non-neoliberal, a substrate that, some would argue, could use more neoliberalism, not less, more free market openness so that prices actually adjust to competition rather than being arbitrarily set by what the courts have sometimes determined to be illegal trusts (see Levitin 2007).

And the freight carried on those infrastructures, those payment rails, is not just money. Ossandon's essay demonstrates the potential of all the data that can be captured and then leveraged at the point of sale. The Chile case is fascinating because, as he suggests, it indicates an economic development model based on the financialization of often non-collateralized household debt created through the retail store credit. The action is at that retail point of sale, then, as a "hub where multiple databases are practically enacted," engage one another, and coordinate to produce more opportunities for the extension of credit. Key here is the transactional data in combination with other data sets, all available through digital rails, mainly privately owned, associated with the payments for pensions, utilities, other forms of credit, as well as purchase histories and indicators of "loyalty" that can figure into scoring calculations. The point of sale is a node in the flow of data generated by and transited through a plurality of entities. It is interesting, too, that the point of sale took on this role initially during a period of intense inflation, unemployment and lack of disposable cash. The extension of cashless credit via and through the electronic point of sale thus represents a mechanism to turn poor citizens into economic subjects, a kind of "privatized Keynesianism" (Ossandon, after Crouch 2009). It also extends that economic subjectivity into the future, ensuring what Marron here calls the intertemporality of the subject so that regardless of whatever lies ahead, the citizen remains stitched into consumer markets based in credit.

The operations of consuming credit also depend, as Deville demonstrates, on the cultivation and capture of affective intensity. Deville focuses on the elicitation and

enrollment of emotion by autogenerated letters from collection agencies, but I wonder, in this world of “big data,” how we can begin to think about the affective intensity of personal data collected at the point of sale, through online behavior, through mobile device tracking and other, less discussed but equally powerful data scraping by anti-virus software or the process of automatic software updating “over the air,” that is, via mobile networks. There have already been calls for a kind of consumers’ movement to demand micropayments for the use of one’s personal data (see Lanier 2013). There have also been plans to attempt to capture and digitize all cash payments as a kind of final commons to be enclosed, the money here residing not in the token of value but in the data, newly objectified as such, that is produced anytime someone makes a purchase: data about location, parties to the transaction, the goods or services purchased, the amount of time the purchase decision took, the other people and commodities in the immediate vicinity at the time of purchase, the purchase in light of other purchase histories, and so on. Yet both poles – payment for one’s data, or enclosing and harvesting new data – depend on the same logic of possession and property. These are surely politically and analytically important. But at the same time, they each demand a kind of purity of position, the crafting of an unambiguous relationship between people with respect to things (here, data things), of the sort favored by property law. Deville’s focus on affect and experience provides another way of thinking here, obviating these positions.

The emerging situation with respect to “big data” – the business and academic hype aside (see boyd and Crawford 2011 for important cautions) – may lie in the way of this kind of disambiguation. One might imagine a research program like Deville’s that looks at the messages and data formats through which those in the quantified self-movement conjure new identities and new affective engagements with and through data (Wolf 2003), or campaigns around data to make new subjects on the order of what Marron discusses in the domain of financial education. The biomedical applications of wearable computing and self-monitoring are not only attracting business and medical industry interest. Biologists are discovering the import of the microbiome inside and on the human body – the rich flora of bacteria and other microorganisms that permeate and envelop our bodies, reordering the notion of the body as a bounded, self-owned entity of the Lockean fantasy. Some in the world of information technology similarly envision the macrogenomic implications of big data: They are also beginning to reveal the contours of a new imagination of the person as an environment of millions or billions of data points and transactions. Here, there are almost echoes of Lucretius or Whitehead or Deleuze, a world of monadistic particles in flux and flow, only momentarily congealing into person-things or data-things. There are also echoes of the modernist consolidation of statistics in Ronald Fisher, whose explanation of variation in terms of population expanded the notion of population beyond a discrete collection of individual organisms (say, people) and to a collection of numbers about such organisms, to a collection of formula about such numbers, and so on, at every level of scale (Fisher 1925). One wonders what kind of affective relationships and intertemporal extension such an ontology will entail.

The “garden” described by Ossandon and the “dynamic tendencies and diversity” discussed by Langley extend to how to pay: there are ever-increasing options in payment, often over the existing payment rails or via new ones (especially in mobile commerce). These both constitute new lines into the hubs at the point of sale, but also new opportunities for subeconomies or, in the parlance of payments industry, closed loops, channeling a consumer into a particular mode of payment at a

particular vendor or nudging them to select a particular vendor because of the mode of payment.

The essays collected here underscore the diversity and variation in the garden of consuming credit. A garden has weeds, and insects, and worms, and bacteria and other micro and macrofauna, an “ecology” as many in the industry say, but also, now, an ecology that is also an ecology of numbers, interactions, data points, cells and particles and exchanges. There is a host of interests in the domains that constitute this world of consuming credit, and they are no longer simply legible in the standard terms of social analysis (public, private, state, market, individual, social). There are actors, stakeholders, partners, co-opetition partners (Evans and Schmalensee 2005), parasites (Serres 1982; Kockelman 2010). The essays here, together, indicate a new research program, if not a full paradigm, for approaching consuming credit as a specific formation: of markets and marketing, analytical tools sold directly to consumers as objects of affect, and what we might call credit pedagogies that aim to teach, correct, and channel and train the subjects and objects of credit’s consumption. A paradigm would not be appropriate for this garden. It is too involuted, too multiple. Simple political solutions and modernist analytical categories do not seem to have purchase over the whole of this plurality. Internet guru and critic Jaron Lanier’s call for people to demand payment for the use of their data sounds quaint.

So, too, does the formula that credit is money, and the naïvete that there is money in credit. Sure, there is money in credit. But there is so much more growing besides.

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