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The Securitization of Financial Identity and the Expansion of the Consumer Credit Industry

Kelly Gates[1]

Abstract

This article examines the efforts on the part of the retail banking and credit card industry to securitize identity during the period of economic activity that led to the financial crisis. The article examines how, during this period, these industries built an expansive network infrastructure and devoted considerable attention to developing ways of automatically identifying and tracking the individuals who accessed that network. Thanks significantly to this process, "identity" itself has come to be understood as a disembodied aggregate of transaction-generated data, a digital representation of the person constructed over time and space based on the perpetual collection of more data. It also has come tobe understood as something that needs to be *secured*, through both institutional and individual efforts, using techniques like fraud detection algorithms, vigilant self-monitoring of accounts, the adoption of identity theft protection services, and the integration of biometric technologies into documents and devices. The conceptualization of identity in these terms, with financial data (and the security of that data) at its core, is a fundamental aspect of the reorganization of the U.S. economy around the priorities of financialization. The institutional and individual measures undertaken for the securitization of identity serve the finance industry's need to define, measure, and differentiate the population in terms of its financial capacities. However, these measures have proven to have limited utility in protecting individuals against the most significant threats to their financial security in a newly financialized, credit-oriented economy.

Keywords

biometrics, consumer debt, credit cards, financial identity, financialization, identity theft, securitization

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At the height of the financial bubble that preceded the "Great Recession" of the early 2000s, I was living in New York City, working in my first job as an assistant professor. Anyone who relocates to New York from somewhere like Champaign, Illinois, knows that for the first 6 months or so, you literally hemorrhage money. It takes at least that long to figure out where to get groceries and basic services at less than obscene prices, how to resist the food temptations and the fashion pressure, and in general, how to avoid being separated from your money around every turn. Even after the first 6 months, it remained a constant struggle to avoid going deep into credit card debt. Like most people in the American middle class, I had several credit card accounts, and it seemed nearly impossible to avoid using the cards on a daily basis, spending more than I would spend with cash. I charged everything from meals to medical care and authorized automatic charges of all sorts to my accounts on a monthly basis, from athletic club membership fees to cell phone and cable bills. One of the charges automatically billed to my account every month was for the Chase Identity Protection service—one of the measures the credit card industry encouraged me to take in order to protect my financial identity. Adopting the service seemed to be the responsible thing to do. For a small monthly fee, Chase promised to monitor my credit report and notify me of any changes by e-mail, such as credit checks or the initiation of new accounts. I also diligently signed the back of my credit cards, cut the cards up when they expired, and shredded every one of the hundreds of credit card applications I received in the mail every year.

In the face of the worst financial crisis since the Great Depression, the measures that people are encouraged to take to protect their financial identities seem rather circumscribed in terms of their effectiveness at making working people more financially secure. Of course, it would be foolish to abandon these identity management activities now, especially as people are being persuaded to continue to use their credit cards liberally. One of the main ways of framing the financial crisis has been to reinstall a "business-as-usual" narrative as quickly as possible, emphasizing the need to resecure the stability of the financial system by stimulating consumer demand, among other strategies (Thompson, 2009). "Consumer spending makes up more than 70% of the total economy," according to *The New York Times*, "and it usually drives growth during economic recoveries" (Rampell, 2010).

But didn't excessive consumer spending—people spending beyond what their stagnating wages could sustain, thanks of course to overzealous lenders offering them more loan money than they could realistically afford to pay back—contribute to the financial crisis in the first place? The injunction to spend freely, as propagated by the credit card industry and consumer marketing more generally over the last several decades, has created a financial paradox for the American middle class: saving for the future has long been understood as the key to financial security. On this score, U.S. consumers receive an incessant stream of conflicting messages. Economists argue that people should "save more to increase investment and productivity," while at the same time warning "that increased consumption is essential to economic growth" (Sullivan, Warren, & Westbrook, 2000, p. 23). Well before the financial crisis, a number of

critical examinations of the consumer credit industry addressed precisely this contradiction, connecting the explosive growth of this industry to broader political-economic conditions, especially the combination of stagnating wages among the working and middle classes during recent periods of economic expansion, and the accompanying rise in the middle-class debt load (Calder, 1999; Manning, 2000; Sullivan et al., 2000).

In this article, I consider another dimension to the growth of the credit card industry since the 1980s: the industry's interest in securitizing identity in order to monitor consumer activity and control access to financial networks. During the period of economic activity that led to the financial crisis, the retail banking and credit card industries built an expansive network infrastructure and devoted considerable attention to developing ways of automatically identifying and tracking the individuals who accessed that network. Thanks significantly to this process, "identity" itself came to be understood as a disembodied aggregate of transaction-generated data, a digital representation of the person constructed over time and space based on the perpetual collection of more data, especially financial data. It also came to be understood as something that needs to be *secured*, through both institutional and individual efforts, using techniques like fraud detection algorithms, vigilant self-monitoring of accounts, the adoption of identity theft protection services, and the integration of biometric technologies into documents and devices. The conceptualization of identity in these terms, with financial data (and the security of that data) at its core, was a fundamental aspect of the reorganization of the U.S. economy around the priorities of financialization.

As I discuss in this article, the finance industry's need for ways of verifying and keeping track of individual financial identities became a major driving force in the institutionalization of biometric identification technologies. It also translated into a set of self-management activities that individuals were expected to adopt in order to manage and protect their identities. These modes of financial identity securitization served the finance industry's need to define, measure, and differentiate the population in terms of its financial capacities, continuously assessing individual members of that population according to their levels of credit risk. However, the institutional and individual measures undertaken for the securitization of identity proved to have limited utility in protecting individuals against the most significant threats to their financial security posed by a newly financialized, intensively credit-oriented economy.

The Securitization of Financial Identity

The growth of the consumer credit industry in the United States, especially since the 1980s, has been a major success story for banks. The U.S. Supreme Court's 1978 *Marquette* decision led to the deregulation of usury ceilings on consumer interest rates, allowing states that permitted higher rates to offer credit accounts to consumers residing in states with lower legally allowable caps. Credit card companies moved to states like South Dakota and Delaware, which had the most liberal usury laws, then increased their interest rates, raised credit limits, and extended credit to many more people, especially to individuals in higher-risk financial categories. (In other words,

thanks to deregulation, the credit card industry could now derive more profits from people with unstable finances.) Many more merchants began accepting credit cards, and a whole array of clubs, charities, professional associations, and other nonfinancial institutions began issuing affinity or "cobranded" cards with their own logos. By the early 2000s, people in the United States on average charged 25% of their monthly household income on payment cards (Evans & Schmalensee, 2005). Consumer credit became the most profitable sector of banking, and the credit card became an essential part of the U.S. economy.

For economists, a key factor that helped grow the credit card business to new proportions of profitability was not necessarily the securitization of identity but the *financial* form of securitization. In the realm of high finance, the term "securitization" refers to a financial instrument for distributing risk. This form of securitization is often at the center of discussions about the causes of the financial meltdown in the housing market. It amounts to a form of "disembedding" and even *socializing* debt, removing it from the balance sheets of specific institutions and bundling it together in a pool with other debt, which in turn can be sold off in a secondary market. Writing before the financial crisis asserted itself, Evans and Schmalensee (2005) noted that this form of securitization benefited credit card issuers because it allowed them "to sell credit card debt to other institutions that could consolidate many different kinds of debt from many different lenders" (p. 82). By moving debt off their balance sheets, credit card issuers were able to lower the capital reserves they were required to hold. It also reduced their risk of cardholder default, diversifying their risk and making it possible "to extend credit deeper into the pool of relatively risky consumers" (p. 83). Securitization in the credit card industry, they note, "came later than, but is similar to, the securitization of mortgages" (p. 83).

The securitization of identity has connections to finacialization that are less well explored than the financial instrument of securitization. Rather than disembedding debt, it involves quite the opposite, binding financial and other data to individuals through space and time as they traverse networks, engage in interactions with various institutions, and especially accumulate assets and debts. Nikolas Rose (1999) defines the "securitization of identity" as the proliferation of sites where individuals are made responsible for establishing their official identity as a condition of access to the rights and responsibilities of citizenship (p. 241). The active forms of citizenship of advanced liberalism are realized not primarily through voting or participating in an idealized political public sphere, Rose maintains, but through employment, consumption, and other practices, especially financial transactions, virtually all of which require the verification of legitimate identity. The securitization of identity has involved the development of procedures and technologies for binding identifying data to embodied subjects, ensuring that transaction-generated data trails and other distinguishing information stay connected to specific individuals.

The securitization of identity has been a multilayered process. For example, the U.S. REAL ID Act, a recent piece of federal policy designed explicitly to securitize and standardize identification documents and practices, mandates that states institute

more rigorous bureaucratic procedures and documentation requirements to guarantee that individuals are who they claim to be when they apply for divers' license. It also requires that state Department of Motor Vehicle (DMV) offices "ensure the physical security of locations where drivers' licenses and identification cards are produced," and "subject all persons authorized to manufacture or produce drivers' licenses and identification cards to appropriate security clearance requirements." The modernization of the divers' license and license administration has been at the center of the securitization of identity in the United States, and the demand for a more secure license has not come exclusively from agencies charged with governing the roadways. The divers' license has become a de facto all-purpose form of identification, used for a wide range of identity verification purposes beyond permitting individuals to drive. The documents are now used by millions of people to open bank and credit card accounts, cash checks, purchase restricted goods, authenticate their legal status to employers, and otherwise verify their "true identities" in encounters with both state and nonstate institutions. As one of the major de facto identification systems across all sectors, the divers' license has to meet the security demands of industry as well as law enforcement and state agencies.

Whereas much of the debate about the REAL ID Act and related policy initiatives has focused on the role of state security priorities in fueling the securitization of identity (especially since 9/11), in fact the finance industry's interest in automatically securing and tracking financial identities has been a major driving force in this area. Especially noteworthy has been the role financial institutions have played in the institutionalization of biometric technologies, including their integration into identification documents and procedures, as well as banking payment card infrastructures. Banks became early adopters of biometrics in the 1980s and 1990s, testing systems for controlling employee access and verifying the identity of banking customers using automated systems. In the 1980s, the banking industry began considering the possibility of appropriating fingerprinting technologies from the realm of criminal identification, and companies developing these technologies for law enforcement agencies began to reconfigure their design and marketing strategies around employee access control and customer identification applications. In 1986, a company called Identix Inc. introduced the IDX-50, a microprocessor-embedded smart card system equipped with their patented finger imaging technology, positioning it as "useful for access-control applications," and for "verification of credit or debit cards" ("Biometric System Verifies Identity," 1986). The Bank of America in Pasadena, California, began using the IDX-50 for controlling employee access to their bankcard operations center in 1987. By then Identix also included among its clients Omron Tateisi Electronics Co., a Japanese manufacturer of ATMs and point-of-sale terminals.

The finance industry press portrayed the intensified securitization of identity as a self-evident need emerging out of naturally evolving industry infrastructures and practices. A 1982 article in *The American Banker*, for example, underscored transformations in the retail banking industry and corresponding needs for new and improved identification systems:

> The traditional scene of a loyal bank customer being greeted familiarly by a bank teller or branch officer carries more than a message of good relations. In that scene is also a bank's most secure method of retail customer identification: direct person-to-person recognition.
>
> The banking business is changing. Teller-based transactions are being slowly replaced by self-service automated teller machines, offerings of home banking are beginning, and geographic expansion by banks is in many cases making obsolete the 'neighborhood' concept of customer identification based on personal recognition.
>
> As part of this trend to convenience banking is a basic depersonalization in the financial service industry—and the growing concern of how to better verify the customer at the point of transaction. (Trigaux, 1982, p. 29)

As *The American Banker* described it, trends in financial service provision "depersonalized" relationships that individual customers once had with banks, necessitating new ways of verifying customer identities that compensated for a lack of consistent, interpersonal, face-to-face relationships. But the nostalgic image of trusting personal relationships between bank tellers and bank customers presented in this narrative of transition glossed the reality of banking practices and the significant changes occurring in the finance industry. Whereas some banking customers may have known their local bank tellers, the so-called "neighborhood concept of customer identification" was hardly the predominant mode of banking, nor were face-to-face financial relationships ever characterized by certainty, security, and trust. The idea that "direct person-to-person recognition" represented banks' "most secure method" of retail customer identification is at odds with the historical record, given that "depersonalization" was part of the very process of formation of modern financial institutions. As Josh Lauer (2008) has shown, the credit reporting industry was started in the United States in the 1840s "to facilitate safe business relationships in a world increasingly inhabited by strangers," and one of the most consequential effects of the rise of a credit reporting apparatus was *the invention of disembodied financial identity* (p. 302).

Coming over a 100 years later, the introduction of digital biometric identification would not be a matter of correcting a brand new problem of trust just now being introduced by the computerization of banking, nor was it simply a matter of upgrading identification systems to meet the demands of naturally evolving technological and economic conditions. Instead, the problem of monitoring and controlling disembodied financial identities took on new life beginning in the 1980s along with a number of interrelated processes. These included not only the reorganization of banking around computer networks and the rise of electronic funds transfers but also the drive to transform the Internet into a profitable commercial apparatus, as well as the explosive growth of the credit card industry and the corresponding enumeration and classification of consumers into categories of credit risk.

The dramatic growth of the credit card industry in particular created a massive proliferation of data about individuals' financial transactions. Increasing credit card

usage and the expanding transaction infrastructure greatly magnified the problem of cardholder identity verification that had existed since department stores began issuing cards in the early decades of the 20th century. Whereas paying cash never required an identity check (unless there were restrictions on the product or service being purchased), credit card transactions were obviously more problematic because cards could easily be lost or stolen or obtained in other fraudulent ways. In his analysis of the BankAmericard system in the early 1970s, sociologist James Rule (1973) commented on the problem of verifying the identity of individuals in order to authorize transactions and the related problem of credit card fraud:

> One element of the contact between system and clientele . . . is the ease of establishing positive identification of clients. . . . [The BankAmericard] system has nothing like the virtually foolproof tool of fingerprinting which the police can often rely on. Indeed, one category of deviance which poses a most serious threat to the system is the fraudulent use of cards—something which would be quite impossible if means of identifying card users were truly effective. (p. 265)

By the mid-1980s the industry's losses to credit card fraud rose to hundreds of millions of dollars per year, so it was unsurprising to find companies like MasterCard investigating the practicality of using the tools that police rely on—the possibility of integrating fingerprinting into point-of-sale terminals, as *The New York Times* reported in 1985 (Sanger, 1985). On the supply side, developers of biometrics viewed the problem of effective cardholder identity verification and protection from fraud as problems that their technologies were uniquely designed to address—fingerprinting would no longer be just for criminals. Big stakeholders like MasterCard were cautious about fully embracing biometrics, however, because integrating the technologies into credit cards and their massive transaction infrastructure would be an expensive proposition. This was especially true for data-heavy technologies like automated facial recognition, which would require upgrading plastic cards from magnetic strip to more expensive microchip "smart card" technology—a transition that has been slow to materialize in the United States. Still, it was as early as the 1980s that proponents of biometrics began to predict not just the integration of biometrics into credit card transactions but the full-scale replacement of plastic cards with digital fingerprinting or some other form of computerized bodily identification. Biometric technologies promised to integrate bodies directly into transactions networks.[1]

The growing replacement of cash with credit cards for consumer purchases had the effect of creating conditions in which each consumer transaction became a potential identity check, and in addition, using credit cards for payment also generated detailed records of each consumer's purchases. These records documented what people bought as well as what "they read, how they played and drank, where they vacationed and where they lived," along with many other things about their everyday lives (Turow, 1997, p. 44). The transaction data being gathered by credit card companies became a valuable commodity in itself, to be processed and analyzed along with data from other

sources in increasingly complex and automatic ways to sort individuals into categories of value and risk.

The level of consumer tracking enabled by the payment card infrastructure and the securitization of identity became one of the primary means of statistically defining and differentiating the population. Increasingly sophisticated statistical tools combined with the use of computers and large databases of transaction-generated data allowed market researchers "to find clusters of relationships among demographic, attitudinal, behavioral, and geographical features of a population that marketers hadn't noticed before" (Turow, 1997, p. 44). An intensified market research apparatus, armed with new scientific and technical tools, engaged in a process that Ian Hacking (1991) has called "making up people," in this case to more thoroughly rationalize consumption: matching consumer demand to cycles and patterns of production, with the aim of harmonizing consumption with productive capacity.[2] In addition, as Donncha Marron (2007) has elaborated, financial institutions used transaction and other data to aggregate individuals into populations of varying levels of credit default risk:

> From the 1970s, a technocratic, statistical expertise gradually became applied by lenders to the problem of regulating default within populations of borrowers, exposing consumers to new kinds of visibility and making them amenable, as risks, to new kinds of government. (p. 104)

The translation of individual capacities and life chances into numerical scores of creditworthiness—a development that Josh Lauer (2008) dates to innovations introduced by the mercantile agencies in the late 19th century—has been taken to new levels of complexity and abstraction. As early as the 1860s and 1870s, mercantile agencies began to devise techniques for "textualizing identities" to expedite commercial transactions and facilitate trust; however, as Lauer argues, these identities "were imperfect reductions of total lives and social contexts" (p. 321). The increasingly complex and abstracted forms of individual enumeration that have taken shape along with the financialization of the economy likewise imperfectly represent and reduce identities, with especially consequential results for individual life chances.

The expanding credit card market and transaction infrastructure created a pivotal selling point for biometric technologies, enabling developers in search of markets for these products to position them as consumer protection technologies. Of course, what the consumer protection claim elided was the fact that the endemic fraud these technologies would ostensibly help to prevent was made possible by the aggressive approach credit card companies took to issuing accounts, spreading their reach, and making it as easy as possible for cardholders to build up credit card debt. As more people became victims of credit card theft and fraud, and as the media took notice and spread the word, the idea of protecting one's accounts with bodily identification technologies probably seemed to many a reasonable and even necessary solution. Whether consumers would in fact accept biometrics was a major concern to credit card companies. Their comments to the press suggested that that they would not move forward

with point-of-sale biometric identification systems unless they could be sure that cardholders felt comfortable with the technologies, that is, unless credit card companies knew consumers would continue to use their cards freely, even if it required pressing their fingertips to a plate of glass with each purchase.

Despite the best efforts of proponents, the desirability of biometric identification technologies was far from self-evident to everyone, and new companies marketing these systems were very much aware of the need to gain user acceptance. The complicity of end users would require careful attention to assuaging fears about the intrusiveness of computerized forms of bodily identification. Even in business-to-business communication, companies saw the need to push heavily on the user convenience angle. In 1997, publicity for a prototype biometric ATM equipped with facial recognition technology described it as "nonintrusive," offering "hands-off authentication," "the ultimate in user friendliness," and "a comfortable and reliable solution that will have a strong appeal for customers." ("Diebold, Keyware, and Visionics Debut World's First Interactive Layered Biometric ATM," 1997). The real payoff for banks would not just be making their customers happy with a reliable and convenient form of bodily identification, however. The biometric ATM would also allow banks "to more easily provide additional targeted marketing services via the ATM," like concert tickets and gift certificates ("Diebold, Keyware, and Visionics Debut World's First Interactive Layered Biometric ATM," 1997). In other words, while withdrawing their cash, banking customers could be more conveniently and expeditiously separated from it.

Consumer Responsibility

The credit card industry's concern with user acceptance of new "identity protection" technologies points to the central issue of consumer agency. More than mere pieces of plastic, credit cards are what economic sociologists call "market devices"—material and discursive assemblages that help crystallize economic subjectivities, rendering things, behaviors, and processes "economic" (Muniesa, Millo, & Callon, 2007, p. 3). Credit cards themselves are bound up in a constellation of devices, networks, and practices that have given rise to new forms of financial self-management. People are expected to be responsible financial managers of their lives, monitoring their interest rates and otherwise controlling their finances and spending (though credit card lenders of course profit most handsomely from individuals who are poor managers of their personal finances). Credit cards and credit accounts enable individuals to manage their finances in particular ways, offering them a means of distributing expenses and payments not possible with cash or checks. Most significantly, they allow individuals to buy things that they would not otherwise have the funds to pay for all at once, and to do so impulsively, simply by swiping a plastic card or typing a number and other identifying information into a computer. In this way, many middle-class consumers have surrounded themselves, in cyborg-like fashion, with expensive electronics and other luxury items, and, in the process, raising expectations about what they should be able to afford and how they should live their lives.

As the issue of rising expectations suggests, credit cards can also undermine the ability of individuals to control their finances. The convenience of the machine-readable plastic cards makes it very easy to spend, and in fact studies have shown that people tend to spend more when they use credit cards than when they use cash. In addition, people do not have control over many of the things that lead issuers to increase their interest rates and fees, or events that happen unexpectedly to affect their credit score or send them into a state of personal financial crisis. Through relentless exposure to aggressive marketing strategies, people are often persuaded to do things that are detrimental to their financial security. The sheer quantity of advertising for consumer products and services that people are exposed to daily encourages spending well beyond their means. "By the new millennium," writes Robert Manning, "the mass marketing campaigns of the credit card industry had successfully penetrated virtually all social and economic spheres of American society" (p. 10). The advertising expenditures of the credit card industry rose sharply in the 1990s, doubling from US$425 million to US$870 million between 1994 and 1998 (Manning, 2000, p. 12).

Studies consistently find that people are now using credit cards to finance many of their basic needs. Growing numbers of people use consumer credit to finance health expenses, groceries, and other necessities, and in turn paying high interest rates on these items that can sink them deep into debt. The consumer credit industry exploded at precisely the time when social welfare programs were being dismantled and wages were stagnating for large numbers of people, with consumer credit filling the widening gap between the wages people earned and the personal expenses they accumulated in the new economy. In 2009, a *Consumer Reports* survey reported that while 54% of respondents pay off their credit card bills every month, the remaining 46% were "revolvers," carrying balances from month to month. Those revolvers who carried balances of more than US$10,000—the most profitable group for credit card issuers—were not by and large irresponsible shopaholics but regular members of the middle class. Their median income was more than US$75,000, and nearly half were college graduates. For the most part, they had not accumulated their credit card debt by making extravagant purchases. Instead their steep balances came from "car and home repairs, medical and veterinary bills, and basic necessities such as groceries, utilities and gas" (*Consumer Reports*, November 2009, p. 18). Another survey by Demos, a policy research group, found that credit card debt was rising fastest among senior citizens who increasingly use their cards for medical expenses and carry an average of US$3,988 in medical debt. Also, in 2008 one third of college students put at least some of their college tuition on credit cards.

People began taking on increasing debt loads and using their credit card accounts to pay for basic needs just as the prevailing economic discourse began to emphasize individual responsibility for one's own financial security. During the 1980s and 1990s postwar social welfare programs designed to provide some measure of economic security for individuals and families became subject to criticism and were replaced or modified to a significant extent by entrepreneurial models of self-motivation and self-reliance. As Nikolas Rose (1999) has argued, the business of dismantling social welfare

programs was accompanied by a pronounced "individualization of security"—a new level of emphasis on the responsibility of individuals for their own security and risk management, along with the propagation of an image of state-centered forms of social welfare and collective forms of economic security as socially degenerative. It was precisely during this period that the marketing campaigns of the credit card industry expanded into middle-class markets, "including blue- and white-collar workers who suffered unexpected employment disruptions due to corporate downsizing and recession-related layoffs" (Manning, 2000, p. 11). A newly "flexible," disposable workforce was increasingly offered consumer credit as a means of taking economic care of themselves.

In addition to taking personal responsibility for their own increasingly precarious economic situations, individuals are also expected to take responsibility for the security of their own financial identities—an ever more challenging if not impossible task, given the institutional forces at work that pose threats to those identities. Identify theft protection insurance is one example of the kinds of measures that the credit card industry encourages individuals to take to police their own credit records. As Whitson and Haggerty have argued, identity theft insurance essentially buys customers access to a privileged form of assistance in dealing with their problem—perhaps a real, competent human being on the phone handling their case rather than an endlessly automated menu of limited options. It is not inconceivable that revenues generated from these services in turn provide credit card companies with "a financial disincentive to offering competent service to anyone else" having problems with their credit record (Whitson & Haggerty, 2008, p. 591). Most important, as a measure aimed at making individuals responsible for securitizing their own financial identities, identity theft protection services "are themselves part of a political strategy whereby institutions are divesting themselves of responsibility for the full social and economic costs of the risks they have produced" (Whitson & Haggerty, 2008).[3]

The same logic of individualized security informs the rationale for the institutionalization of biometric technologies. Much of the discourse about the integration of biometrics into ID documents and payment cards, as well as identification systems and transaction infrastructures, positions the technologies as ideally suited for the protection of individual security. Decisions about the design features of these documents occur at the institutional level, but the justification for biometric integration is framed as a matter of consumer protection and benefit. Industry rhetoric promoting biometric divers' license, for example, often claims that the new high-tech documents will make life safer, more secure, and more convenient for good, law-abiding consumer citizens. In short, individuals are asked to embrace institutional uses of biometrics—to willingly interface with bodily identification technologies as they engage in their daily transactions—as necessary measures for their own "personal security." Although these technologies might help protect individuals from identity theft in limited ways, people's willingness to accept biometric registration and adopt biometric devices—to see automated bodily identification as a necessary measure for protecting their own identities—primarily serves the interests of the consumer credit and financial services industry to control

access to transaction networks, monitor financial activity, and differentiate the population of consumers according to categories of value and risk. To be sure, biometric identification does nothing to protect individuals from the threats to their financial security posed by economically sanctioned credit card industry practices.

Securitization and Dispossession

"Understanding financialization entails more than tracking new disequalities and distributions," argues Randy Martin (2002), "it entails probing the new logics by which strange customs are made to feel normal" (p. 8). For millions of people, nothing has come to feel more normal than swiping a payment card or typing a charge account number into a computer. It has also come to feel normal to leave an ever-expanding transaction data trail behind as we make these transactions, information that serves as a key dimension of each individual's "data double" or "virtual self" (Whitson & Haggerty, 2008). The integrity of the financial system depends on the security of these "disembodied financial identities," and individuals are expected to take a host of measures to protect those identities. Although the retail banking and credit card industry has placed special emphasis on the need to keep individual financial identities and transactions secure, this priority clearly has done little to protect individuals from the real threats to their financial security posed by the expansion of the consumer credit industry and the new instruments of financialization.

Although many economists have celebrated the development of new financial channels for generating profits, including the expansion of consumer credit into nearly everyone's everyday lives, others have argued that the financialization of the U.S. economy has led to increasing economic disparities and income polarization (e.g., Harvey, 2005; Phillips, 2002). According to David Harvey, the "main substantive achievement" of financialization has been "to redistribute, rather than to generate wealth and income" (Harvey, 2005, p. 159). For him, financialization has involved forms of economic restructuring that amount to endemic forms of legalized theft from an increasingly indebted population—what he calls it "accumulation by dispossession":

> The strong wave of financialization that set in after 1980 has been marked by its speculative and predatory style. Deregulation allowed the financial system to become one of the main centres of redistributive activity through speculation, predation, fraud, and thievery. Stock promotions, ponzi schemes, structured asset destruction through inflation, asset-stripping through mergers and acquisitions, the promotion of levels of debt incumbency that reduced whole populations, even in the advanced capitalist countries, to debt peonage, to say nothing of corporate fraud, dispossession of assets . . . by credit and stock manipulations—all of these became central features of the capitalist financial system. (p. 161)

One of the most devastating and radical means of accumulation by dispossession, the credit system has depended for its existence on more secure forms of customer

identification and surveillance. The securitization of financial identities and transactions was deemed necessary to ensure consumer confidence in electronic banking, e-commerce, and more pervasive payment card use. But biometric technologies, identity theft protections services, and other measures for securitizing financial identities have not protected the working- and middle-class from the real threats to their financial security posed by the thoroughgoing financialization of their identities and everyday lives. In fact, the translation of identities into ever-expanding aggregates of financial data in all likelihood furthered the aim of making accumulation by dispossession seem less like legalized theft and more like a free market finance system at work. On a level never seen before, the population itself has been transformed into a disembodied mass of financial data to be calculated, mined, diversified, and transformed into capital. In being called upon to monitor and protect their own financial identities, individuals are asked to engage in self-management activities that facilitate this process. Individuals are expected to be managers of their financial data doubles, doing their due diligence to ensure that only the sanctioned financial institutions, and not other individuals, can rob them of their financial security.

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Notes

1. As I have argued elsewhere, there is nothing "direct" about biometric identification, which instead involves layers of mediation and technical integration. The idea that biometrics offer direct access to bodies is a claim serves to construct the accuracy and authority of the technologies. See Gates (in press).
2. On the rationalization of consumption, see Kevin Robins and Frank Webster (1999, pp. 98-99). See also Beniger (1986, pp. 344-389).
3. For additional critical analyses of identity theft, see Caeton (2007), Marron (2008), and Cole and Pontell (2006).

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Bio

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