

Expressing America: A Critique of the Global Credit Card Society¹

George Ritzer

Professor Ritzer, who wrote *The McDonaldization of Society* and *Metatheorizing in Sociology*, presents, in this book, another isometric theme but more provocative analysis of the sociological implications of the use and abuse of credit cards and other forms of automated transfer of funds. The credit card and other electronic financial transactions are, in his words, the "linchpin" of all contemporary American icons. The rhetorically multifaceted title of the book eloquently conveys its contents where the author utilizes The American Express to express an expressing America!. Ritzer, in this book, leaps over the standard financial and economic approach of credit and consumerism to tackle with the sociology of the "American Express", which he describes as "a range of closely related phenomena that are sweeping across, and dramatically altering, North America and, increasingly, a large portion of the rest of the world". He sets out to explore the dim side of the internationally emulated American lifestyle, which, as he believes, is dominated by "the rampant expansion of the consumer culture and its attendant problems _ consumerism and indebtedness, fraud, invasion of privacy, rationalization and dehumanization, and homogenization stemming from increasing Americanization".

In his intriguing expose of the pervasively ignored sociological interpretation of the credit card culture, professor Ritzer relies on both micro and macro analyses, where the individual behavior intertwines with the larger social environment. Ritzer's central view, as it is lucid by the majority of his theses, focuses on the sociological dilemma of the credit card culture. This dilemma stems from what the economists call the "negative externalities" that spill over the institutional policies to the individual and societal interests. Instead of setting the tone over the individual deviance, he traces the credit card problems to the structure of the financial industry and the essence of its policies. In this benignant approach, the author offers a corrective paradigm of the stereotypical tendency of "individualizing and even medicalizing" the problems of the credit card

industry. This stereotypical view of the problems in question has been pervasive especially on the notion of the "addiction to debt". The author argues that similar to the fast-food fad, the seemingly insignificant phenomena of the credit card is profoundly changing the social world and ultimately setting a unique cultural genre. He does not only consider the credit card as a key component of the modern world, but also believes that the credit card practice provides a marvelous window into that world.

In addition to the academic motivation, there was a cautionary motivation behind this study. Ritzer posits that the devastating effects of the numerous hazards associated with the widespread and indiscriminate use of credit cards are widely unrecognized, especially by younger Americans, as well as by the hundreds of millions around the world, who are eager to embrace the credit card and its consumer culture. He suggests that "A book devoted largely to the problems Americans have had with credit cards can serve to caution those who have not yet experienced such problems, both in the United States and in the rest of the world".

The book is made up of seven chapters and an appendix. In Chapter I, the author presents the credit card as a product that is "at the very heart of American society". He takes the opportunity to provide us with the good, the bad, and the ugly of such a product, reflecting those advantages and disadvantages of credit and going further down to analyzing the essence of modern America and her impact on the world. He focuses, from a macro view, on the most notable advantage of credit cards, where they permit people to spend more than they have, allowing the economy to function at a much higher and faster level than it might if it relied solely on cash and cash-based instruments. He mentions several personal advantages before he spells out the key problem of credit cards which he summarizes in overspending and undersaving on both private and public levels. The addiction to spending, he argues,

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has caused the personal savings to descend to 4% of disposable income in 1994, the lowest among the industrialized nations. The federal debt, on the other hand, had grown to a tremendous \$4.4 trillion in 1993, creating a widespread fear that it may bankrupt the nation. He raises the question, who is to blame for these grand problems?, and he identifies four potential responsible parties. He argues that since American culture emphasizes individualism, the society has a strong tendency to blame individuals for social problems. The government, however, has been responsible for creating a climate in which financial imprudence seems acceptable. The bulk of the responsibility, as Ritzer believes, belongs to the American businesses. Those firms which do all they can to get people to spend not only all of their income but also to plunge into debt in as many ways and as deeply as possible. The major indictment is pointed at the financial institutions which are seen to have changed their historical mission of fostering savings and discouraging debt to the exact contrary. Professor Ritzer does his best here when he utilizes an integration of the macro theories such as structural functionalism and conflict theory to analyze the credit card industry, and the micro theories such as symbolic interactionism and phenomenological sociology to analyze the individuals within the consumer culture. He overviews an array of outstanding theories such as Mills's distinction between the personal troubles and the public issues, Marx's notion of the capitalist exploitation, Simmel's money economy, and Weber's rationalization.

In Chapter II, a socio-history of the credit card is presented. The author takes the credit card back to the beginning of this century, but he explains that the modern credit card emerged in the decade following World War II. He associates that development with other elements of the American popular culture which is attributed to the affluence and boom in mobility that occurred after the war. Throughout this brief history, the author covers the rise of the universal card and its distinctive characteristics, the entry of "nonbanks" and their co-branded cards into the credit card market, and the decline of the charge card. The credit industry dynamics is analyzed based on the doctrine of "expand or die", and the severe competitiveness of that industry is linked to the harsh times of the 1990s. The chapter is closed by a summary of the credit legislation, and the author's predictions of the future boom of what he called CREDEBELS, an acronym for CREdit cards, DEBit cards, and ELelectronic funds transferS.

Chapter III is devoted to the credit card debt. The author's analysis of what he called CREDEBEL society is mainly based on Simmel's hypothesis of money economy. He posits that credit leads to greater societal imprudence since advancing in the level and intensity of the credit realm leads to even greater recklessness with money. He further analyzes that each stage of the historical sequence of money handling from cash, credit cards, debit cards, to EFTs (electronic funds transfers) takes society to a progressively more imprudent living. The author also discusses consumer debt as both public and personal trouble, and he presents practical hints to overcome the temptation to imprudence while he outlines what government and credit industry could do to help.

Credit card fraud is discussed in Chapter IV. Ritzer, once again, relies on Simmel's argument that the money economy is a "fully compliant instrument for the meanest machinations". He argues that although the cost of fraud to the credit card industry was estimated at \$4 billion in 1993, the cost per customer is as insignificant as \$2 annually which offers the industry a proper and convenient pretext for high fees and interest rates. Several channels of fraud are discussed here such as stolen cards and credit information, counterfeit and altered cards, fraudulent credit applications and credit repair, and abuses by telemarketers. Also discussed is the notion that machinations are not only the deeds of individuals but also the deeds of companies through their excessive interest rates and fees and exploitive billing tactics. The chapter is concluded by demonstrating that both the consumer and the industry need protection. Consumer protection, particularly, could be achieved by self-preservation, industry action, and government action.

Chapter V addresses the impact of credit cards on secrecy and privacy. Ritzer believes that CREDEBEL records, in combination with other information such as social security and driver's license make up a huge centralized bank of information on millions of people. This ultimately destroys anonymity and forms a profound threat to individual privacy. He categorizes secrecy problems in nondisclosure of credit terms, erroneous credit records, and nondisclosure of affinity card terms. Privacy problems are identified in areas such as excessive data collection, illegitimate access to credit records, sale of credit and lifestyle information, and computerized databases. The chapter is concluded by specifying ways to cope with secrecy issues and to protect privacy.

In Chapter VI, Ritzer connects credit card to fast-food restaurants. The major concern here, as he puts it, is to show "the similarities and differences between these two seemingly mundane but, nonetheless, enormously important social and economic developments". He sees the similarities embodied in the lack of innovativeness, reliance on advertising, and expansion. The author stops short of showing the differences other than his quick reference to the notion that the fast-food industries are marketing particular end products, whereas the credit card firms are pushing means to many ends. A large portion of this chapter is dedicated to Ritzer's analysis of Rationalization where he goes back to Max Weber's five theses, calculability, efficiency, predictability, substitution of nonhuman for human technology, and irrationality of rationality. He, once again, completes his notes with identifying ways to cope with the rationalized credit card industry.

Chapter VII is entitled "An American Express" in which professor Ritzer defines the "American dream" as the active participation and beneficiary of the economic success with its consumption and material possessions and all the trappings that come with such affluence. He analyzes the global spread of credit cards and the "Americanization" creeping to the world's cultures. He relies on Kuisel, who not only associates Americanization with rationalization but sees "Americanism" as the quest for abundance through standardized mass production and consumption. In his analysis of Modernism, Ritzer believes that credit cards have played a key role in bringing Americanization and modernity, for good and ill, to much of the rest of the world. He posits that for other societies, the most important malignant effect of credit cards and the most likely cause of anti-Americanism is the threat of homogenization. In his disagreement with Kuisel, Ritzer believes that hostility to the American Express card, or McDonald's, for example, is in some ways a better indicator of anti-Americanism than opposition to American foreign policy. In the Appendix of this book, the author goes over what he calls "Those Other CREDEBELS" such as Debit cards, Electronic Funds Transfers, and Automated Clearinghouses.

As a final note, I have three small complaints. The first is the absence of a standard bibliography. The author merges his references with his endnotes which are listed by chapters. This I found confusing. The second is the little deal of redundancy throughout the book, and the third is the subtitles that the author seems to insist on attaching to each chapter. For

instance, the subtitle to chapter IV, Credit Card Fraud, is "Screw You, Mac - I got mine, and the subtitle to chapter V, Secrecy, Privacy, and Credit Cards is "Who Isn't in Their Files?". This is somehow uncommon in scholarly work such as this one. I found this, to a certain degree, bothersome. If these subtitles were designed to attract the laymen, they may, by the same extent, turn off the scholars. Those subtitles may convey a journalistic style which is not only unfair to assume but also help in prematurely diminishing the value of this study. I found this thought-provoking book a valuable contribution and an important addition to the few references that address the sociology of a specific domain of the financial issues, and that is the ambivalence of credit. It would make a perfect sense for students in a multidisciplinary field such as ours, consumer and family economics, to be exposed to the sociological impact of credit.

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