

WHO'S CASHING IN?

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WHO'S CASHING IN?

Contemporary Perspectives on New
Monies and Global Cashlessness

*Edited by Atreyee Sen,
Johan Lindquist, and Marie Kolling*

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Monies and Global Cashlessness



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FOREWORD

Keith Hart

In the 1980s, while I was teaching in Jamaica, the national government came to me with a question. Marijuana (*ganja*) production was by far the dominant sector of the island's economy, larger than Jamaica's three main formal exports combined—bauxite, tourism and garments. They wanted to measure fluctuations in the *ganja* economy so that macroeconomic policy could compensate for these swings. I recommended that they count cash withdrawals from ATMs, as illegal transactions would be in cash.

The government was powerless to do anything about its people's main occupation. It only wanted to adjust to it. The 1980s also saw a series of American attacks on the main centres of soft drug production in the Caribbean—Belize, Colombia, Jamaica and so on. These were organised by the Drug Enforcement Administration (DEA) with military support. The leading cash crop in nineteen US states was then marijuana. The raids were presented as an anticriminal crackdown, but protection of home production might have been a factor.

In the 1970s, almost all international monetary exchange paid for goods and services. Now most international money is exchanged for money in some other form. Turnover of foreign exchange (FX) alone amounts to \$6 trillion a day. How do you regulate that? Recently, \$150 billion of hot Russian money was laundered through a Latvian bank and a Moldavian judge with the able

assistance of bankers in London. The global circuit of money is lawless and ungovernable. Nation-states, like Jamaica, can at best adjust to it. In any case, finance capital has become the dominant interest shaping government policy in the United States, Britain, Europe and the BRICS (Brazil, Russia, India, China and South Africa).

Shutting down gangsters with suitcases full of large banknotes is merely symbolic when compared with the scale of global monetary flows. Money is now issued not only by governments and banks but also by a distributed global network of corporations in myriad forms. The political and legal controls imposed on money flows after 1945 have been dismantled. The genie has escaped from the bottle.

Business corporations were granted their modern legal status by national governments over a century ago. But neoliberal globalisation now strains their alliance. Two-thirds of the hundred largest economic entities in the world are corporations. Supported by international organisations, they are building a world society of which they will be the only citizens. They argue behind closed doors that nation-states are weak and corrupt, national laws can't address the big problems and citizens are lazy and disaffected. What the world needs is morals, not politics and laws. 'Corporate social responsibility' proposes new rules for internal management and relations with governments.

When Narendra Modi 'demonetised' India's largest banknotes overnight, he claimed to be fighting corruption. But this was one battle in the global war of corporations against the informal economy. When structural adjustment policies dismantled controls over capital flows in the 1980s, the international agencies celebrated the informal economy as the 'free market' incarnate. But when the corporations turned to inward investment, they found they were paying too much tax and were undercut by informal operators with lower costs. A report on Turkey by

McKinsey ('the global management consultants') claimed that only 60 per cent of value added tax (VAT) was collected, mostly from corporations. If 90 per cent were paid, VAT could be reduced from 17 to 13 per cent. Modi's corporate supporters can move millions around with a click. They were not affected by demonetisation, but their informal competitors were.

Most anthropologists report what ordinary people do and think. But the human economy idea is not just a species of humanism; it places local findings in the context of humanity as a whole. I welcome this book's focus on people's experiences of the cashless society in many locations and, hence, offer some conceptual clarifications.

Cash is fiat money all right. But so, too, are deposits in bank accounts. Both are subject to inexorable depreciation. My student grant in the 1960s has lost 95 per cent of its purchasing power today. Maynard Keynes asked who the winners and losers from inflation are. Debtors gain, while creditors and savers lose. With deflation, money buys more assets and commodities. In the last century, the general recipe for prosperity was mild inflation; borrowers benefited from being indebted. The creditor class is now in power; money is free for those with access, and the rest of us suffer.

Money transacted online gives powerful organisations access to our economic lives. Tax avoidance is more difficult. This can be a source of greater security for some. In this book, poor people seem usually to lose, acquiring unsustainable debt and lacking the knowledge to take advantage of innovation.

South Africa has seen a massive increase in black indebtedness to the banks. But Africans have taken avidly to mobile money transfers—not just to M-Pesa but everywhere. Any institution confers benefits and drawbacks. But anthropologists tend to emphasise the latter for the cashless society. Migrants in South Africa until recently

had to find a bus driver to deliver their cash back home. Now remittances are faster and more secure.

There are good reasons why M-Pesa has been adopted so widely. Before, a peasant might need to walk thirty kilometres to pay his annual taxes, only to be ignored by a petty bureaucrat. Now he sends the payment from home and gets a receipt. Farmers can check prices in regional markets before sending their produce. The victims of road accidents often died because blood was in short supply; now the family can buy blood before their relative arrives at the hospital. It helps that transfers are organised by telecom networks, not the banks. In rich countries, banks resist mobile money.

Georg Simmel's *The Philosophy of Money* is our best guide. He believed that money derived its traditional authority from its material form (coins, notes, etc.) and from the community of its users. He predicted that the former would decline and the latter would become more obvious. Thanks to the digital revolution, both are fast occurring. Money, as we read here, is increasingly virtual, and online tracking keeps tabs on us all. But where is the community of users today? Simmel assumed national monopoly currency, while Karl Polanyi pointed out that before central banks, multiple currencies circulated together. National capitalism is ending now. Do anthropologists throw light on this? *Who's Cashing In?* shows that they can.

Paris, February 2020

Keith Hart is an anthropologist and self-taught economist with homes in Paris and Durban. He has taught in a dozen universities, for the longest time in Cambridge. He has also worked as a development consultant, journalist, publisher and gambler. He is sustained by his family and the virtual society in his laptop. His books include *The Memory Bank: Money in an Unequal World* (2000); *The Human Economy: A Citizen's Guide* (2010); *Economic Anthropology* (2011); *Economy For and Against Democracy* (2015).

INTRODUCTION

Atreyee Sen and Johan Lindquist

Bloggers on smart cash often discuss how money is quickly moving from being a material object in hand to a metaphysical measure in cyberspace.¹ Cashlessness—and the implications of state-led and corporate ambitions towards postcash futures—dominates many such contemporary debates on finance across the globe (Ingham 2004; Krippner 2011). The effective unbundling of banking and payment transactions as well as a desire to ease the hassle of counting in daily life are prompting state-supported fiscal policies that favour mobile, online and card payments while also offering new economic opportunities for actors and systems not sanctioned by the state. Both algorithmic governance and alternative forms of cash (such as cryptocurrencies, community currencies and money-related apps) are bursting onto the global scene. Underpinning these diverse processes are, on the one hand, attempts to control the circulation of cash and, on the other hand, the expansions of financial infrastructures that facilitate cashless transactions—with varying histories that are not necessarily intertwined.² These fluctuations in the use and flow of fiat money, in turn, highlight the distinction between cash scarcity and cashlessness, the former referring to the lack of access to money and the latter signifying money that is available but not as material cash.³

Taking these economic shifts seriously, the authors in this book explore how social actors and agents respond to

the changing materiality of money. In an ethnographic spirit and from an anthropological perspective, a wide range of empirical cases deal with the multiple performances, productions, processes and repercussions of cashlessness in different regional contexts. More specifically, the book argues that the move towards cashlessness should not be approached strictly in regulatory terms; rather, it should be evaluated as a global phenomenon that is fundamentally reshaping local social relations. The contributors attempt to conceptualise social and economic responses to (a) demonetisation and ensuing cash scarcities and (b) the expressions and translations of infrastructures of cashlessness, ranging from mobile technologies to blockchain systems, in everyday life. Following Hart (1986), we argue that they are ‘two sides of the coin’ (637).

Although framed ideologically in different ways—ranging from demonetisation as pro-citizen policies that erase monetary notes ostensibly to target corruption, counterfeiting and organised crime to digital finance as a form of incentivised disintermediation that does away with direct and indirect costs associated with brokerage⁴—both are fundamentally centred on restructuring monetary transactions in a dialectical process of breaking down and building up public infrastructure. These transformations are taking place across an uneven global landscape, as distinctions between developed and developing economies are slowly crumbling and disparities between the rich and poor are intensifying in the wake of neoliberalisation and urbanisation. While the turn towards cashlessness is fuelled in large part by opportunities afforded by the shaping of digital technologies, the reasons for demonetisation and its modes of implementation vary significantly—as do their effects on social worlds. For example, the contributions to this volume show how cashlessness is experienced differently across social classes. Cashlessness impacts the livelihoods of marginalised poor communities in Salvador, Kolkata and New Delhi differently from those of middle-class hipsters in central Copenhagen. In a similar vein, well-heeled elites in wealthy cities adapt

to cash-light societies more adeptly than the itinerant Roma migrants living on the streets of Copenhagen. Furthermore, the shaping of infrastructures underpinning cashlessness are also culturally contingent. Corporate state-sanctioned applications like Swedish Swish (discussed later), for example, can be contrasted with the libertarian tradition that has shaped the developments of cryptocurrencies like Bitcoin.

While cashlessness and related lenders have promised disintermediation, such as contactless payments for retail,⁵ in fact, multiple brokers have emerged in these new environments, ranging from entrepreneurs centred on the Bitcoin market to street-level fixers in India who facilitate cash transfers in the face of demonetisation. In this process—as the chapters demonstrate—it is possible to see how gender and generation, care and stigma, trust and mistrust and credit and debt are being shaped by and are, indeed, shaping everyday encounters with cashlessness. The global turn to cashlessness should therefore not only be understood as taking shape across an uneven political and economic landscape but also as reshaping everyday social relations in a myriad of ways.

Impressions and Imprints of Cashlessness

Cashlessness as a fiscal policy has emerged on a global scale because of the success and growth of card-based and digital transactions (Maurer 2012, 2016). In critical quarters, this turn is bluntly critiqued as ‘the global war on cash’ (see Piketty 2014; Tett 2012). Many scholars, however, argue that there are more complex technological, historical and ethical aspects determining political and societal preferences for cashlessness (Eagleton and Williams 2011; Singh 1999). For instance, in high-income countries, the light, stored value of cards (travel, store, debit, etc.) often influences policy endorsement of cashlessness. In the UK, banks are sanctioning the use of plastic cards by pulling ATM machines, leaving local post offices and cooperative

unions as the only source for procuring small cash.⁶ In Sweden, seven banks in cooperation with the Central Bank of Sweden developed Swish, a safe and useful mobile payment system that, by 2019, had seven million users (out of a population of ten million). A decade ago, mobile phone operators in Kenya and Tanzania launched M-Pesa, which allowed for cashless transfers, withdrawals, deposits and payments. Several researchers state that it was the absence of corruption and human intermediaries in these transfers that made it a huge success, especially in Kenya;⁷ today M-Pesa has thirty million users in ten countries, with six billion logged transactions in 2016.⁸

However, this push to eliminate hard cash also created public anxieties in communities adjusting to the abstract, digital lives of money (see Dickinson 2007). It stirred concern, for example, in economically marginalised large-scale elderly populations that were more adept at cash transactions. Many could not afford substantial internet data packages required for online banking at home. Countries like India, Brazil, South Africa, Gulf Cooperation Council countries and China, which rapidly implemented strategies to facilitate consumer credit economies, failed to offer the technological support required for challenging cybercrime and ATM heists.⁹ Across cultures there are many communities that view this striving for cashless economies as a constructive attempt by the state to combat illegal accumulation of cash, smuggling and refugee movement. For example, in 2016, the Indian government demonetised large currency notes—overnight and without advance warning—making redundant 80 per cent of the cash in circulation, claiming to curtail the region’s burgeoning shadow economy (discussed further in the chapters). However, coercive cashless procedures are also viewed critically as a strategy to retain excessive state surveillance over tax, spending and undeclared work, a by-product of economic regimes that prioritise the ‘spirit of calculations’ (Appadurai 2012) over empathy for human vulnerabilities (Zaloom 2003).

From a different perspective, Keith Hart (2017) has asserted that money, even as something intangible, can be a valuable expression of agency within a human economy. In his recent work interrogating how to think about money as it becomes the key to achieving economic democracy, he writes,

So a human economy is, lest we forget, an economy. But what makes it human? First, it engages with human beings in their everyday lives. As such it feeds off the ethnographic impulse to join people where they live in order to find out what they do, think, and want. Everyday life consists of many small-scale activities, a plethora of economic enterprises and institutions. Economic analysis, moreover, should aim to reach people in ways that make sense to them. (2017: 5)

Instead of placing emphasis on the vertical/hierarchical relationship between the issuer (the state) and the user (the citizen) (see Preda 2009), Hart (2005) states further:

In an age of electronic money, other possibilities present themselves (Hart 2001), for money is principally a way of keeping track of what people do with each other. It is above all information, a measure of transactions. Money need not be left to the death struggle of the disembodied twins, states and markets. In short, money might become more meaningful than it has been of late.

Taking this more open-ended and fairly speculative approach to cashlessness as a starting point, the contributors to this volume envision that the sociohistorically contingent relationship between the rise of technology and uneven financial policies creates a critical backdrop against which we can ethnographically understand the many meanings of money and global cashlessness. The multiple analyses of cashlessness that are apparent throughout the book—scarcity of money, physical absence of money, money not in circulation, money experienced as

debt and tied in credit cards—point to its diverse effects across human economies and life worlds.

As the benefits and challenges of cashlessness described above remain neither well theoretically developed [nor] empirically proven (Maurer 2012), there is an academic urgency to study these socioeconomic practices. Instead of surveying the economic models promoting cashlessness, the contributors to this book make a critical intervention in the debate on cashlessness by exploring the substantial ‘knock-on’ effects of contemporary cashless environments on populations, poverty, livelihoods, money and mobilities. The chapters explore these issues in relation to the dyads of credit and debt, risk and uncertainty, rationality and morality and related themes central to economic anthropology (e.g., Boholm 2003; Chibnik 2010; Peebles 2010). Some recent ethnographic studies have shown how the mega-policies of financial professionals have exhausted the lives of ordinary people (Ho 2009; Ortiz 2013), and emerging cashless financial systems have increasingly determined the terms of ownership and material wealth (see Hirsch 2010 for property in the era of neoliberalism). In this volume, we comprehend the mundaneness of financial practices with attention to its inseparability from broader social structures and cultural alignments.

Wider Implications of Contemporary Cashlessness

In this section, we will enumerate some of the wider thematic debates around the global implications of cashless infrastructures, which a number of scholars argue remains one of the primary legacies of the 2007–2009 financial crisis (Bélas 2013; Fabris 2019). First, we state that the imposition and infiltration of digital finance and cashlessness underlines the decline of personal and political freedom as well as sheds light on the more general struggle between state and individual sovereignty in an era of

financial interconnectedness. Secondly, we argue that multiple manifestations of cashlessness raise deep moral questions and return anxieties about everyday ethics to debates about the withdrawal of hard cash from informal and formal economies. Thirdly, we suggest that the rise of cashlessness generates new forms of ‘push-back’ cultures, which can take the form of formal legislations or impact and reconfigure existing micro-resistances against long-standing fiscal drives.

With regard to the first trend, the post-crisis global recession largely expanded the coercive implementation of cashlessness in the industrialised world, especially countries such as the United States, the United Kingdom, the Euro area and its peripheries. While discussing the politics of public debt in OECD countries, for example, Streeck (2013) argues that more and more nation-states began to promote commercialism, consumption and investment in financial markets in order to channel free-flowing money from local economies into the state-controlled realm of banks, institutions and legal/digital economic exchanges. The huge public revenue generated from this broad range of taxable transactions potentially enable states to repay large fractions of national-level debts (see Fabris 2019). These financial manoeuvres, however, detracted from an emphasis on providing public goods, infrastructures and services, and they shifted attention onto the need to control hoarding, untaxed cash businesses and money laundering not just in Europe but in many countries across the world that also digitalised their economies. The multipronged process of financial expansion subsequently led to an expansion of state power over the financial sector both in the global North and South.

The imposition of such cashless regimes remains contested with reference to the decline of individual freedom. Many supporters of digital finance suggest that the successful growth and functioning of such cashless systems have induced better performance of government institutions and services in both developed and developing

economies on issues such as poverty, health and especially employment. For example, according to Nair (2019), who explored the workings of the globally renowned biometric identification system in India known as Aadhar, the state's technology-driven emblematic project attempts to create a space for the celebration of 'start-ups' and generate an exciting, international work environment for low-investment vendors and entrepreneurs. This growing appreciation of small-scale economic platforms and enterprises is imagined as the basis for sustaining a new, progressive government 'unencumbered by the pedantry and proceduralism of the post-colonial state' (Nair 2019: 523). In a similar fashion, the rise of cashless technologies, like Swish in Sweden, is widely viewed as facilitating everyday life because economic transfers between individuals no longer require trips to banks or ATMs.¹⁰ This development removes the historical centrality of public ATMs and bank tellers as the source of small-scale customer satisfaction, and it designs mobile payment applications as money in real time. Overall, the relationship between digital countries, smart cities and the ordinary citizen's innovative engagement with cashless environments is not only meant to depict political freedom from bureaucratic pasts but also provides apparently private and unmediated spaces for managing money across the world.

Yet there is a more profound question of sovereignty that remains embedded in this financialisation of economies worldwide. As a distinguishing characteristic of the state, sovereignty is still the right to have absolute and unlimited power—economic, legal or political—within a bordered, geographical territory. Cashlessness as both domestic law and global economic jurisprudence remains a determined expression of the state's sovereign right over its citizens' economic behaviour and practices, even if the rise of cashless infrastructures is represented as decentralised, benevolent financial inclusion and a beneficial economic turn. In many cities in India, patients with HIV/AIDS, STDs or other illnesses that carry a social taboo

are victimised by the compulsory biometric identification technology regime (which ties computerised hospital records to individual bank accounts). Procuring nondigital, hand-written prescriptions and buying medicines with cash gives the patients anonymity and control over their disease, reputations and social relationships (Dhamne et al. 2018). Klein and Razi (2019), who studied the Cashless Debit Card (CDC) trial in East Kimberley, Western Australia, show how these cash cards were a direct form of settler colonialism. The CDCs were designed to both expose and monitor the purchase of alcohol and gambling chips by indigenous populations. By recasting them as the criminalised poor, the state could eventually depoliticise the historical isolation suffered by these communities. Thus, digitalisation of the economy potentially challenges the sovereign rights of citizens over their economic choices, and they are easily marginalised through the implementation of what the Comaroffs (2005) called global ‘ID-eology’ and its intimate relationship with digital banking.

With regard to the second trend that we identify, since the beginning of economic history, changes in monetary digits, fiduciaries and financial regimes have generated questions of ethics both at the macro and the micro level (Sen 1993). For example, one of the fundamental criticisms directed at protagonists in the codependent cashless ecology (the state, banks, financial institutions) is related to the magnum profit made by the banking sector and multinational financial services corporations headquartered in the global North (such as Visa and Mastercard). The profits of these corporations largely rely on average people’s incapacity to repay credit card debts (Hackett and Kamery 2004). Financial companies have even developed humanitarian blockchain technologies and profitable cashless tools suited for refugee camps and illegal migrants travelling to new cashless countries, where the currency carried over from their home countries cannot be converted into local exchange (Zwitter and Boisse-Despiaux 2018). In response, campaigners have urged for

an ethical, democratic limitation to the global effects of expanding cashless sectors, as neoliberalism and its (dis)contents become the economic vernacular in many countries (see Scott 2013).

In countries such as Denmark, where every third ATM is scheduled to be pulled in 2019, questions of excluding the elderly and including children in cashless regimes raises more quotidian ethical questions.¹¹ While public opinion has it that the elderly, with growing support from the banking and technology sector, will eventually adjust to cashless environments, the ethical issue of banks creating credit and debit cards for small children has become hotly debated. Globally, for middle-class families living in ‘smart cities’, cashless initiatives are struggling to develop a virtuous alternative to ‘pocket money’ that does not involve the daily use of plastic cards and mobile phones for young children.¹² Eventually, many families acquiesce, turning pocket money into an application on an electronic device.¹³ From global economic tensions to local, everyday anxieties, cashlessness generates concerns about the capacity of the state and financial institutions to extend and achieve social justice and liberty through fair economic policies and infrastructures that benefit and protect its moral citizens. While the ethical dimensions of religious and military regimes that have access to organisational systems of population control is more overt, the ethical conundrum around the use of cashless infrastructures remains far more covert, as the latter appears to create economic opportunities and daily convenience for an average population.

Finally, with regard to the third trend, this ‘fallacy of a cashless society’¹⁴ has also generated ‘push-back’ dynamics, especially from urban societies across the world. It has spawned both direct and indirect protest and resistance related to the advocacy of cashlessness. Philadelphia was the first city in the United States to take action against cashless stores. By bringing such shops under the scrutiny of the state, the mayor attempted to flip the script

that criminalised social groups relying on cash¹⁵ by passing a bill banning stores from going cashless.¹⁶ Lawmakers stated how this practice marginalises those who are not tech savvy and lack access to credit lines. According to the Pew Research Centre, more than four hundred thousand residents live below the poverty line in Washington, DC, and do not have bank accounts.¹⁷ Thus, cashless stores would essentially shut out low-income shoppers. Many global cities with immigrant communities tend to have higher rates of unbanked residents, often lacking credit cards. Moreover, people avoid financial institutions in order to skirt around monthly charge fees, overdraft penalties or minimum balance requirements.

This raises more ethical questions about the consequences of allowing states, under the guise of sovereign independence, to have free reign over determining the legality and inclusivity of certain communities. The question of state authoritarianism and cashlessness becomes especially applicable to the global management of economies during the corona pandemic (in 2020), as lockdowns, fear of contagion through the human contact involved in cash exchange, and emerging work-at-home cultures encourage the bulk of economic purchases, transactions and businesses to move online in most parts of the world.¹⁸

In other parts of the world, crime and tax evasion strategies are constantly evolving and a number of cash substitutes (i.e., e-currency such as Bitcoin, complementary currency such as the Brixton Pound and the Baltimore BNote and regional business-to-business (B2B) commercial credit circuits such as Sardex in Sardinia) are circulating to bypass or openly challenge cashless regimes. In nations that have suffered protracted conflict, ordinary people continue to hold cash as insurance and will repeatedly display their lack of trust in the state and in banks. Large business enterprises, in turn, also display their lack of trust in cash transactions. They fear that shoppers—or even their own employees—could potentially steal cash from a till.¹⁹ In Philadelphia, again, the city's top officials

have received threats from corporations such as Amazon, which has warned that passing such a law against cashlessness will impede its plan to open an Amazon Go store.²⁰ The continued existence of cash-based undercover shadow markets, e-fraudsters and informal economies underline the potential impossibility of ‘absolute cashlessness’. The Bank of Japan, for example, has developed the notion of ‘helicopter money’, which is more printed currency to aggressively spur growth.²¹ However, these disagreements represent a wider schism between those pushing for technological innovation in business and retail and those pushing back against its exclusionary aspects.

The popular slogan of ‘governance without government’—which has become increasingly fashionable within debates about digital finance within modern mass democracies—is misleading (see Hardt and Negri 2001). It deflects attention from wider questions about the regulatory and disciplinary power of cashless regimes. We have attempted to participate in this debate about digital transitions and suggest that these emerging financial systems are better characterised as a form of Foucauldian ‘governmentality’ (Foucault 1991)—that is, the organised practices through which people’s choices and actions are scrutinised, calculated and governed. We interrogate and evaluate the extent to which both macro-level fiscal policies and low-end state-led mechanisms impinge on the everyday workings of economic life. According to Guerin, Venkatasubramanian and Kumar (2019), who studied how relational and reproductive savings derives from a substantive definition of the economy in India, small-scale economies act as constellations of interpersonal relations and the relations between individuals and their environment, which take specific forms across time, space and culture. The authors state,

The substantive economy takes shape through a wide range of processes, practices and behaviours that people

deploy on a daily basis, not only to make a living but also to give meaning to their life. People work, produce, borrow, save, exchange, give away and redistribute on the basis of both material constraints and also the values of their groups of belonging, which can be multiple and conflicting. (2019: 2)

In an endnote to a conversation on Keith Hart's work by his students and colleagues, Quayson (2019) returns to the notion of 'the human' in the human economy. He writes, 'But all that matters is that we start with the human because, in the end, this premise serves to obliterate the claustrophobic imposition of narrow boundaries, whether these are racial, religious, national, and even disciplinary'. In some of the following chapters we show that despite the nuanced warnings issued by digitalising nation-states and corporations against the use of cash, 'substantive economies' may not create an expansive space for effective state control over local-level market regulations and quotidian processes of exchange. People's daily ethical practices and search for dignity at the intersection between affective and encashed geographies will most likely continue to defy the complete suppression of human freedom.

Chapters, Characters and Concepts

The book is divided into three main sections, each of which has a cluster of four chapters by contributing authors. Three short chapters contain detailed analysis of cashlessness in different cultural contexts, and the vitality of the conversations emerging from these ethnographic texts are strung together with critical introspection in a reflective chapter. The first section deals with the everyday struggles around monetary debt among vulnerable populations and how the digitalisation of credit creates new economic challenges and opportunities for these communities. Camilla Ravnbol's chapter focuses on the

impact of card-based economies on the lives of Roma migrants, who repay their household debts from cash-based bottle collecting in and around Copenhagen. Marie Kolling's chapter discusses how rapidly increasing debts on credit cards that circulate in Brazilian social housing create a 'double burden of debt' that can be understood in relation to existing forms of social relations centred on care and familial networks. Pernille Hohnen draws our attention to how credit and debt are being reconceived by young and low-income Danes, especially with accessibility to fast cash and bank overdrafts that are integral to the rise of digital finance in the region. Filippo Osella offers a brief commentary on this first group of essays, in which he underlines the role and attraction of plastic money in sustaining the promises of neoliberalism. Together the essays not only show how credit relations are being reshaped by changing processes of cashlessness across north-south divides; they also underline the role of caution, counselling, trust and intimacy in understanding the impact of digitisation of cash and credit.

The second section is more explicitly focused on the new technologies and infrastructures that form the basis for cashlessness. In his wide-reaching essay, Ivan Small offers critical insights regarding the hype around cashless remittance transfers—centred on platforms such as M-Pesa—in developing countries. Emilija Zabilute offers a discussion on new financial technologies as assessed by the urban poor in Delhi, mainly through a form of moral and aesthetic evaluation. Michael Ulfstjerne then draws up the world of blockchain technology, leading us from Bitcoin start-up companies in Malta to a broad discussion of the various forms of 'disintermediaries' that shape the crypto-currency market. Finally, Gustav Peebles, commenting on the second group of essays, discusses the various methods and technologies of (even subaltern) demonetisation that are described in the essays. He raises the question of whether 'the soul' of money can be lost with its material disappearance from everyday life. All the

contributions to this section highlight the responses of communities to the new and mutating understandings of accessibility and transferability of money.

In the final section on cashless frictions and transitions, Atreyee Sen describes how the implementation of the banknote demonetisation policy in India and the unavailability of cash as informal wages for lower-class urban workers created tensions and compromises between affluent families and their household staff in Kolkata. Theodoros Rakopoulos, in turn, discusses the fate of the €500 banknote, which was ‘scandalous’ in multiple ways. While the note was disbanded because of its association with organised crime, he points out that the bigger ‘scandal’ is that it exceeds the monthly salary of parts of the Italian population. In the final chapter, Morten Axel Pedersen takes us to the markets of Ulan Bator in Mongolia, where the middleman’s theatrical performances around selling goods creates a space for knowledge, bargaining and negotiation in everyday transactions. In the final commentary, Inger Sjørslev tells the story of ordinary people hoarding money in the mattress. She offers a reflection on the role of materiality and morality in economic exchanges that remain embedded in the three chapters. These chapters bring to the fore the role of performances, clashes and brokering within cashed and cashless exchanges, even though the last is allegedly designed to rule out conflict from local and global economies.

Simmel (2011) regarded money as a symbol of interdependence. Exploring the economic possession (of money) as a form of social activity, he argued that the dynamic value of monetary transactions lay not in documents and ledgers maintained by the state and other institutions but rather in human trust. Taken together, the chapters in the volume critically explore how the value of money—in terms of trust, materiality and interdependencies—becomes repurposed to accommodate new meanings, opportunities and resistances amongst communities when it becomes a trace within a digital universe.

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Notes

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I

CASHLESSNESS AND NEW DEBT RELATIONS

EXCLUSIVELY SIMPLE

The Impact of Cashless Initiatives on Homeless Roma in Denmark



Camilla Ida Ravnbøl

The Roskilde music festival—one of the largest of its kind in Europe—unfolds during the summer of 2018 in Denmark. Music pounds from the stage as concertgoers move their bodies in step with the rhythm. They hardly notice Sorin, Mioara and the many other Roma women and men who search for discarded refundable beverage containers on the dusty ground beneath their feet. A married couple, Sorin and Mioara manoeuvre quickly through the masses of people. Focusing their eyes on potentially refundable items, they hold on tight to plastic bags that rapidly expand with empty bottles, cans and plastic cups. After a few hours, the bags are full, and Sorin and Mioara exit the crowd and move towards a refund return station. The couple begins an hour-long wait in line in which they patiently sort the refund items. They efficiently sort cups in one pile, plastic bottles in another and broken items in a third. Sticky liquid from the containers and dirt from the ground cover their arms and hands, while sweat runs down their foreheads in the heat from the midday sun. Finally, it is Mioara and Sorin's turn to deliver their two large bags at the refund table. The couple listens attentively to the mumbling voices of the festival volunteers who count the deposit on the refund items and compare the results

with their own calculations. As they move towards the cashier, the woman in charge points at the digital display to indicate that the total value of their refund deposit is 1250 DKK (€167). The couple nods affirmatively, and the woman then takes a swipe card and runs it through the cash register. She hands the card to the couple along with a receipt that confirms the inserted value. Mioara opens a small black leather purse and carefully inserts the swipe card and the receipt among other bundles of separated notes, coins, receipts and digital cards.

Since 2017, the annual Roskilde Music Festival in Denmark has become cashless. The aim is to make economic transactions easier and safer by reducing the presence of cash at the festival site, including in the food and beverage stands. The festival also aspires to replace previous cash disbursements at the refund stations with digital payments directly to people's credit cards when they return refundable beverage containers such as cans, bottles and cups. The festival also offers an alternative to persons who do not hold banking cards by way of issuing a digital swipe card (termed 'cash cards') onto which value, including revenue from refund deposit, can be stored.

This chapter examines the case of the cashless Roskilde festival as an entry point towards exploring potentials and limitations of cashless transactions for the urban poor. In doing so, it examines how the move towards a digitalisation of the festival refund system influences a group of cash-dependent Romanian Roma women and men who depend on refund deposit as their primary income stream. I show how the introduction of cashless transactions is not fully cashless for persons who are among the 'unbanked' population in Europe. While they might be included partially in the digital economy, it is not a full inclusion and mostly just adds another step to the transaction process of dispersing revenue from refund deposit at the festival. Consequently, such persons are compelled to carry both cash and digital swipe cards in crowded places where they



Illustration 1.1. Roma woman working with refundable beverage containers at the Roskilde Music Festival. Photo by the author. © Camilla Ravnø. l.

could be lost or stolen. The chapter thereby illuminates how the transition to cashlessness appears to be ‘exclusively simple’. While simplifying transactions for social classes in society that have access to the banking sector, these ‘cashless solutions’ are far from being as simple for destitute non-nationals who remain in the periphery of the urban economy. Notwithstanding these complications, the chapter also illuminates some of the potentials

of the cashless system for the urban poor as a mechanism for enhancing senses of personal safety. In this way, the ethnography shows how digital money as a means of payment is not only about technology but also about defining social relations and positions in an increasingly cashless society (Maurer 2015: 28).

Indebted Livelihoods

Sorin and Mioara are in their mid-thirties. Sorin is a short man who has several physical disabilities, including hearing and speaking impairments; he also walks with a limp. Sorin has large brown eyes and often smiles when he talks. His wife, Mioara, appears shy at first glance, but on closer acquaintance, I learn that she has a positive and very strong character and often takes on physical challenges her husband cannot perform. Mioara has long black hair tied in a bun and wears a long skirt, as is the tradition among many Roma women. The couple belongs to the Roma ethnicity, which comprises the largest ethnic minority group in Romania. They live in an all-ethnic Roma neighbourhood on the outskirts of a larger Romanian city with their three children and Sorin's elderly mother. The income levels of the families in the neighbourhood vary, but the vast majority live in poverty. Many families live in conditions of extreme poverty in which they cannot afford three daily meals or basic amenities. Most residents in the neighbourhood are unemployed, and many have only completed a few years of education. In this regard, the neighbourhood reflects national Romanian statistics, wherein the Roma are among the poorest and most discriminated populations, with 70 per cent living below the poverty threshold and 64 per cent unemployed and unenrolled in education (FRA report 2016: 7, 34). These conditions also prevent the majority of Romanian Roma from accessing the national banking system because they

lack the income or savings needed to maintain or open a bank account and, more importantly, to access credit, including a credit card, at the bank. For this reason, it is also common for poor families in the neighbourhood to hold large debts to local moneylenders that rapidly accumulate due to the usurers' interest rates (between 30 and 70 per cent). This is also the case for Sorin and Mioara, who explain that they have taken out informal loans with various usurers at home in order to cover costs of basic household expenditures such as food, firewood, electricity and winter clothing for the children. Travelling to Denmark to earn an income on refund deposit is one economic strategy that the families adopt in order to cover costs and repay debt (Ravnbøl 2019). Sorin explains,

This is why I come here, not because I crave money for myself, but when you borrow from the money lenders then you have to pay it back, otherwise they come and make trouble, threaten you. And you have to pay interest, so we want to pay the debt. . . . There was no food for the children, what to do—kids don't have food, you don't have wood for heating. In the winter it's more difficult. You don't have other options.

Mioara and Sorin describe a standpoint towards debt common among the poor Roma families in the neighbourhood; that is, they do not view debt as a condition they can escape. To the contrary, financial debt seems to be an integral component of the household economies of Roma families who live in poverty, which both enables and limits the families at different times. In this sense, money borrowing should be understood from a temporal perspective (Gregory 2012; Peebles 2010). Credit and loans refer to the potentiality of spending money in the future but turn into debt in the present and past (Gregory 2012: 384). It is precisely this potentiality of future spending that maintains Mioara and Sorin's household economy



Illustration 1.2. Many of the Roma families depend on the annual income from the Roskilde Music Festival, where they work up to seventeen hours a day. Photo by the author. © Camilla Ravnibøl.

as well as other poor households in the Roma neighbourhood. They are dependent on debt in its future form (as credit and loans) to purchase basic necessities. At the same time, debt repayment absorbs the majority of the family income, especially due to rampant interest rates.

From Cash to Digital Cash Cards

The Danish Deposit and Return System is one of the most comprehensive refund systems in the world, with an annual turnover of 1.791 billion DKK.¹ Since the system's establishment in 2002, poor persons in Denmark as well as destitute migrants have supplemented their low incomes with revenue from bottle deposits. Hence, it has

become a competitive economic niche of urban hunting (Højer and Pedersen 2019) that requires endurance, skills and knowledge of the practice (Ravnbøl 2018). When the Roma labour migrants use emic statements such as ‘chasing’ bottles across the city (*fugim dopu sticle*), they capture the intensity of an urban hunt (Ravnbøl 2018). The winter period is the low season, with daily incomes as low as 30 DKK (€4). The summer period is the high season, as the warmer weather conditions and a range of open-air music festivals across the country encourage the consumption of beverages outdoors. The famous Roskilde Music Festival attracts 130,000 attendants from all over Europe each summer. The event constitutes the primary household income stream for Sorin and Mioara as well as many other Roma families. During the week of concerts, they work together in pairs and intensively hunt refundable beverage containers throughout the day and night. The couples earn between 10,000 and 20,000 DKK (€1,300–€2,600) on refund deposit, depending on the weather conditions, since people consume more during the warm festival days. From this sum, a couple must deduct two entrance fees to the festival (4,250 DKK/€570).

The Roskilde Festival is far from unique in its adoption of cashless transactions; rather, this development is part of a larger trend. The Copenhell Music Festival, Grøn Koncert (Green Concert) and NorthSide Festival are other examples of Danish festivals that have implemented digital payments and digital refund systems. Most of these festivals attempt to create solutions for persons who do not have credit cards or are cash reliant for other reasons. For example, most festivals offer the possibility to make cash payments onto a digital swipe card that may be used for purchases during the festival. Revenue earned on refund deposit is likewise transferred onto a swipe card. However, not all festivals offer the possibility to disburse cash payments from the digital

swipe cards—that is, to convert digital money into cash. Some only offer the possibility to transfer the sum from the swipe card to personal bank accounts. However, for unbanked persons, this solution is unviable. In fact, some Roma refund workers have found themselves in a situation in which they could not receive disbursements of the revenue they earned on refund deposit because they did not hold a bank account.

The case of connecting digital swipe cards to bank accounts illuminates one aspect of the vulnerability experienced by Roma as their low-grade trade interfaces with cashless initiatives. Whereas the previous refund system was cash based and therefore accessible to the cash-reliant urban poor, the cashless refund system potentially



Illustration 1.3. Line in front of the cash pay-out station. Most persons who use these stations are migrants who do not have credit cards. Photo by the author. © Camilla Ravnibøl.

excludes socially marginalised persons (Maurer 2018; see also Roy 2018). Paradoxically, it is often the destitute and marginalised populations that are most dependent on earning a livelihood from scrap collection such as refundable beverage containers.

Interestingly, the Roskilde Festival differs from many other music festivals in Denmark in this regard. It seeks to redress the difficulties that cash-reliant people experience in an increasingly cashless refund system by way of setting up cash pay-out stations at the festival site. The cash pay-out stations disburse revenue in cash from the swipe cards. This, however, is only a temporary solution, according to Festival staff, because it challenges the prospect of a cashless festival when it simultaneously generates both a cashless and cash-based refund system. Roma labour migrants highlight this paradox in the next section.

A Purse of Many Values

When Mioara reveals the contents of her purse as described in the opening vignette, she also explains how the Roskilde Festival's cash card is 'topped up' digitally each time she returns a bag of refundable items. Mioara adds that initially the cashless refund system confused her because she is used to cash-based transactions, but she has become accustomed to the system during the Roskilde Festival. Mioara's main point of critique is directed not at the existence of a cashless refund system per se but rather at the coexistence of the cash-based and cashless refund systems. Mioara illustrates her point by producing bundles of digital cash cards, transaction receipts and cash (in the form of bank notes and coins). She explains that there is a limit on the cash card, and therefore they need to withdraw cash every morning at the cash pay-out stations in order not to surpass the maximum sum. Sorin supports Mioara's statements:

They told us that we are not allowed to have more than 3000 [€400] on a card because they can't give us more money. They said that we need to take out what we earn at the end of the day. If we run [after refund items] until 6 a.m., then at 10 p.m. we take the money out, because we are scared that our money is going to be left on the card since they said we are not allowed to have more than 3000 on the card.

This quote illustrates how Sorin and Mioara are not 'cashless' like the majority of festival attendees. To the contrary, the couple continues to experience the risks associated with carrying cash on their bodies as they simultaneously engage with digital transactions. Mioara and Sorin are not alone in their critique of the simultaneous cash-based/cashless refund system but share this scepticism with other Romanian Roma labour migrants who engage in refund hunting at the festival. They all underline that they would prefer to avoid daily cash withdrawals and would rather store their revenue digitally. As Mioara's friend Florica puts it: 'I think for everyone it would be better if you could take out everything at the end. You wouldn't have to worry about having the money on you.' This notable difference between the banked and the destitute 'unbanked' population illustrates how different digital services have different potentialities and how digital payments serve to highlight and at times even reinforce barriers of social exclusion in society (see also Maurer 2015, 21; Roy 2018).

Several festival staff members and volunteers at the refund stations share the Roma labour migrants' concerns about the simultaneous cashless and cash-based refund systems. One volunteer at a cash pay-out station called Martin explains that, in his view, there are two primary concerns at stake that determine an upper limit of 3000 DKK. The first concerns the security of festival volunteers, such that they cannot be responsible for larger sums in the cash pay-out stands. The second relates to the economic

security of the cash card holder, in case the chip on the card is damaged or the card is lost or stolen. In such instances, because the card is not registered in the name of the individual holder, the revenue would be lost.

In other words, the digital cash cards are insecure, or as many Roma labour migrants put it: 'The card is not tied to my identity!' In this sense, the digital cash card in fact resembles cash in its anonymity. This resemblance, however, is not a one-to-one comparison. Cash is, on one hand, risky due to its anonymity because it is more easily stolen or lost compared to digital money. On the other hand, cash offers economic security of payment in contexts where technology fails (Maurer 2015, 28) or excludes certain segments of society, as illustrated earlier. It is in this regard that



Illustration 1.4. Hands of woman holding cash, digital refund cards and receipts from the transactions. Photo by the author.
© Camilla Ravnbøl.

the cash card diverges from cash because it is still part of a technologically enabled system that creates second-class banking and even second-class money, as Bill Maurer perceptively argues (2015, 22). Simultaneously, the rationale for issuing cash cards has been to include the unbanked poor in an otherwise exclusively simple cashless system. It is precisely this paradox of simultaneous in/exclusion (Roy 2018) in the new technological refund system that causes concern among Roma labour migrants. Just as the festival promises on its website, Roma refund workers would also prefer not to carry purses full of different material forms of value. They would rather be more 'cashless' by storing revenue safely on one *personalised* digital card and withdraw one lump sum at the end of the festival.

Cashlessness as a Way to Enhance Personal Safety

Despite the difficulties associated with the digital cash cards and the continuous existence of a cash-based refund system, the majority of Roma labour migrants express that they prefer the new digital system to the previous systems for refund handling at the Roskilde Festival. They find the electronic cards easy to handle and further suggest that the system be developed so that the need for continuous cash withdrawals is minimised. One of the many reasons for their positive evaluation of the digital system is that it feeds into social relationships that are not about economic transactions but rather about legitimising social positions. The digital cards, in fact, bolster senses of personal safety among refund-hunting women and men. They all describe how police at the festival sites frequently stop, frisk and search migrants who carry bags of refundable containers. Interviews with Danish police officers have shown how many officers are aware of the stereotypes and ethnic biases they have towards homeless Roma in Denmark,

where they expect them to be involved in criminal activities (Ravnbøl 2018: 185–203). In this sense, the Roma experience what the Danish criminologist Lars Holmberg defines as the assignation of typological guilt as criminal offenders in their encounter with the police (Holmberg 2000, 182). The police officers assign destitute Roma to a category of ‘typical offender’ (Holmberg 2000) and render moral judgments based on personal assumptions about the migrants’ physical appearance, conduct and presence in a particular time and space. In this way, stop-and-search practices at the Roskilde Festival are based on an assumption of guilt until otherwise proven innocent (Holmberg 2000, 190). Notably, the digital refund system serves to counter typological guilt, as Sorin explains during our conversation:

It is safer this way [with the card]—do you know why? If a Danish person wants to pick on you or if the police come and ask, ‘Where do you have this money from?’ It can be more complicated, but like this [with the swipe card] they give me the receipt and I take out the money and I can prove where my money comes from. I like it.

For the Romanian Roma who engage in refund hunting, digital cards and receipts serve as material proof of the legality of their practices in encounters with Danish society and particularly with law enforcement. The receipts prove their whereabouts at certain times and verify that the sums of money on their bodies match the sums deducted from the cards. In this sense, digitalisation of the refund system enhances labour migrants’ senses of personal safety by validating the legitimacy of their social conduct.

Conclusion

‘When I come back next year, I want to bring a credit card’, exclaims Diana, a friend of Mioara’s, nodding

affirmatively at her own conclusion. Statements such as Diana's as well as others in this chapter have illuminated how, for the urban poor who are unbanked and non-Danish nationals, the cashless refund system continues to pose risks associated with cash-based transactions. The value cards are digital but remain an insecure means for storing revenue and have not replaced cash-based transactions; rather, they add an extra (digital) step to the transaction process and exist simultaneously with cash. Nevertheless, the Romanian Roma who 'hunt' refunds prefer the digital system to the former entirely cash-based system because it bolsters their senses of personal safety, insofar as the cards help prove the legitimacy of their activities to the public. When Diana exclaims that she wants to return to Denmark with a credit card in her hands, she expresses a desire to enhance both her personal safety and economic security. She aims to prove the legality of her conduct while simultaneously avoiding the economic risks associated with value cards and cash as well as the possibility that a festival will refuse to disburse her revenue because she lacks a bank account.

In this sense, the Roma at the cashless festival in Denmark experience on their own bodies and personhoods the potentials and limitations of a global turn towards cashlessness. They experience how such transitions can be 'exclusively simple', functioning in the interests of the banked segments of society. However, as the future of scrap collection appears to be increasingly cashless, the key challenge for refund hunters will be to develop strategies to be included into the exclusively simple system. Whether Diana will be able to fulfil her aspiration to access a banking card is less certain, as she is part of the 80 per cent of the unemployed Roma population in Europe that lives in poverty and comprises a significant part of Europe's unbanked population. These experiences are tangible examples of how digital payments are not only about technology but also about defining social relations

and hierarchical positions in an increasingly cashless global society (Maurer 2015, 28).

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Note

1. Refund amounts are one to three DKK per item (0.13 to 0.40 Euro) depending on weight, volume and recyclability. See Dansk Retur System, www.danskretursystem.dk/en/all-about-deposits/

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DEBT AND DIRTY NAMES

Tracing Cashlessness and Urban
Marginality in Brazil



Marie Kolling

‘Mom! Don’t get my name dirty!’ Ana’s daughter looked upset as she yelled at Ana upon discovering the reason that no one in the house ever answered the phone. I was visiting Ana as part of my fieldwork in a social housing complex, located in an impoverished part of the city of Salvador in north-eastern Brazil. Her daughter, Clarisa, had been trying to call for some time, not knowing that the landline phone was no longer in service because Ana had failed to pay the bills. When Ana had set up the landline phone and cable TV, she had been obliged to sign a contract for a year of service, but she quickly ran into problems paying for the monthly plan; she prioritised the water and electricity bills instead. The contract was in her daughter’s name, which meant that Clarisa was getting a ‘dirty name’ (*nome sujo*); that is, she was being registered as a bad payer with one of Brazil’s credit bureaus. Ana had asked her daughter if she could use her name because Ana already had a ‘dirty name’ herself due to two maxed-out credit cards. She had used one of the credit cards to buy furniture on behalf of her neighbour and long-time friend who had not yet repaid her debt to Ana.

In the housing complex, neighbours and their relatives were getting caught up in vicious debt cycles, part of a

wider crisis in socioeconomic development in Brazil. In recent years, Brazil's urban poor have acquired what I call a 'double burden of debt': in addition to borrowing money and making use of credit systems in the cash-based informal economy, they have also gained access to credit in the formal and highly digitalised economy. 'Name dirtying' is common to both credit systems if debtors fail to pay.

During the era of the Workers' Party government in Brazil (2003–2016), consumer credit was promoted as a means to both financial and social inclusion (Badue and Ribeiro 2018; IPEA 2010). The access to new types of credit enabled new modes of consumption among the low-income population. New livelihood strategies through credit-based investments emerged in the quest for a better life. In turn, low-income Brazilians have experienced rising household debt (IMF 2013).

This chapter traces how the urban poor juggle the double burden of debt and the entanglements of cash and financialised debts. It explores debt relations among neighbours and kin and will show how these relations are characterised by both care (Han 2011, 2012) and exploitation (Stack 1975) as well as an interdependency that reinforces the volatility of unstable household economies. This chapter draws on seventeen months of fieldwork in Salvador between 2012 and 2019.

The housing complex where Ana lives houses sixty-five families who were evicted and later resettled from a nearby slum as part of a state-led urban renewal project, Better Days (*Dias Melhores*). More than a thousand families were displaced, and the first families to receive their new homes were moved to this housing complex in May 2012. The housing project had evoked some optimism about the 'better days' to come, but when the families moved in, they found that the housing was of poor quality. It was sloppily built with cheap construction materials; residents had to do the repairs and maintenance themselves. People started investing their scarce resources

into improving their new homes out of necessity and to better suit their needs and aspirations for a proper home (Kolling 2019). As I was to discover, many of the home improvements hinged on credit.

Credit and Financial Inclusion

Brazil experienced massive socioeconomic progress during the Workers Party's first ten years in power, with a significant reduction in poverty and inequality (Cruz et al. 2012; IPEA 2010). Policies of financial inclusion aimed to improve access to banking and credit services for poor Brazilians, who had not previously had such access, by expanding the financial infrastructure of banking facilities and promoting new services and financial products (Nakane and Rocha 2012). The rollout of a nationwide conditional cash transfer program, *Bolsa Família*, distributed through a public bank, also facilitated inclusion in the financial system. By 2013, nearly fourteen million families were enrolled, receiving a monthly welfare stipend (Badue and Ribeiro 2018; Campello and Neri 2013). Despite these changes, 30 per cent of the adult population in Brazil today does not have access to a bank account; the same percentage of the local workforce receives its income in cash (Demirgüç-Kunt et al. 2018: 20, 47).

The Central Bank and federal government presented financial inclusion and access to credit as tools for poverty reduction (Central Bank of Brazil 2012). In 2003, the federal government introduced a law determining that 2 per cent of the money deposited in private banks should be lent to low-income individuals (Barone and Sader 2008). Banks offered credit through new loan options and, increasingly, through credit cards. By 2013, 76 per cent of Brazilians held a debit card or credit card, on which half of all purchases in the country were made (ABECS 2013). Brazil's financial sector continues to push for growth in debit and

credit cards as a means to expand the formal economy and increase access to financial services (Casacchi 2018). Today money spent via credit cards makes up two-thirds of formal borrowing (Demirguc-Kunt et al. 2018: 78).

The rapid proliferation of credit cards has included the urban poor in the peripheries of big cities in north-eastern Brazil, where banks and ATMs remain scarce (Nakane and Rocha 2012). In the housing complex, residents survived (on average) on 40 per cent of the Brazilian minimum wage, and the majority are recipients of the Bolsa Familia monthly welfare stipend. They are part of Brazil's lowest social class, the 'very poor', class E.¹ Yet many residents had credit cards. I was surprised to find that Ana, for example, had a total of three credit cards issued from commercial banks, despite having neither a bank account, a valid identity card nor an official address or phone number. She earned her money in cash in the informal economy and could not document her meagre earnings. Her situation illustrates that obtaining credit in the formal economy in Brazil is no longer restricted to those with bank accounts, good credit scores or a demonstrable income.

During fieldwork in Brazil in 2019, I learned that she had never set foot in a bank to get these credit cards. The cards are not tied to a bank account, but issued through some of Brazil's largest retailers and supermarkets. They issue credit cards, backed by Brazil's major commercial banks, based on a perfunctory consultation of an applicant's CPF (personal registration number with the Internal Revenue Service) and identity card, the RG, or other type of identity card with a recent photo.

A Credit and Cash-Based Income

Ana sold fruits and vegetables as her main source of income, which was small and very irregular. Ana would get up around four in the morning to arrive early to get

the ‘good deals’. The good deals Ana referred to seemed to be low prices for low-quality produce; most of the fruits and vegetables she sold were overly ripe, leaving a sweet smell in her living room where they were stored. She sold the produce in front of her house, displaying it on an old tarpaulin seen in the photo below.

The next day she would take what was left in a rusty wheelbarrow to the area where she and the other families in the housing complex used to live, about three and a half kilometres away, and where she still had a lot of regular customers. Ana sold her produce cheap and at a lower price than the local supermarkets, yet most of her customers preferred to buy on credit. She would then spend the rest of the week trying to collect debts, showing up at people’s homes, often finding that they were out of cash to settle up.

Ana’s customers’ reluctance to pay their debts was a common phenomenon in the area. People were always



Illustration 2.1 Ana selling produce in front of her house. Photo by the author. © Marie Kolling.

broke and owed multiple people (and institutions) money. When debtors did have money, there were plenty of creditors awaiting their share. Many, like Ana, depended on others to pay them back in order to pay off their own debts as well as to cover regular household expenses. This created unstable interdependencies among people in the community, a phenomenon also observed among low-income families in São Paulo (Badue and Ribeiro 2018).

For Ana, it took money to make money. Without cash, she could not return to the market. She paid bus fare in cash, as well as the fruits and vegetables and the minivan driver who transported the goods to her home. It could take weeks until she managed to return to the market. In the meantime, she survived on what she had. It was not unusual for Ana to skip a meal because there was no food in the house. She would buy on credit (*fiado*) from the other vendors in the housing complex, and occasionally she would buy groceries at nearby supermarkets using her third credit card. She only discovered whether the card had credit when she tried to use it at a store, at the risk of others witnessing her shamefully having to leave the items behind.

Ana's willingness to sell on credit made her products attractive for her customers, but it complicated her business as well as her own ability to get by given the interconnectedness of her business and her household economy. In line with Millar's work (2014) on the relationship between precarious labour and precarious life among urban poor working at a dumpsite in Rio de Janeiro, Ana's unstable work destabilised her daily life.

The Trouble with a Dirty Name

People preferred to buy on credit, and with the recent access to digitalised credit in the formal economy, it had become possible to buy consumer goods that, until recently, were unattainable for the poor in the

north-eastern Brazil (Cruz et al. 2012). Residents without credit cards tried—and sometimes had luck—borrowing someone else’s card, a practice locally referred to as name lending (*emprestar o nome*). This practice also refers to a person obtaining credit in the name of someone who is creditworthy by getting a bank loan in that person’s name or purchasing items in instalments. This is a common practice in Brazil, especially among lower social classes (Plano CDE and BF Associates 2012).

To obtain credit in someone else’s name means that the lender loses his or her access to credit until the other person has paid the debt. The name-lending practice thus entails a risk of becoming a debtor and losing one’s access to credit if the money is not paid back on time or not repaid at all, which frequently happened among the residents in the housing complex. If people are registered as bad payers in Brazil, they are denied credit for five years unless they pay off their debt. As the opening vignette demonstrated, residents were caught up in debt cycles, seeking out people with clean names in the community and trying to clean their own. A ‘clean’ name, as it is called, could easily become ‘dirty’. When a name is ‘dirtyed’, it becomes useless both to the person who possesses it and to potential borrowers of that name.

Holston (1991) described working-class people in the peripheries of São Paulo in the late 1980s whose home improvements, similar to the lower-class residents in the housing complex, hinged on credit and to whom achieving a sense of personal progress was measured by the aesthetics of their homes (Holston 1991; Kolling 2019). According to Holston, the workers made sure to pay their debt because without credit they could not be modern consumers. However, three decades later, the fear of a dirty name no longer necessarily results in people paying their debts, as I discovered in Salvador. By February 2018, more than sixty million Brazilians were officially registered as bad payers (Lewgoy 2018). For Ana and many

other residents in the area, accruing debt was a condition to making ends meet—however fragily—and to invest in her business and in a sense of personal progress, which she associated with improving her house. Residents risked going into debt—or having others go into debt on their behalf—to achieve this sense of individual progress.

When people bought on credit from each other or borrowed each other's name, it was not necessarily their intention not to repay. The lending practices of the urban poor in Brazil (of money but also of goods and services) resemble those described in Carol Stack's insightful urban ethnography from the early 1970s. Describing low-income Black Americans and their social networks, she writes, 'Friends exploit one another in the game of swapping and expect to be exploited in return. . . . Individuals risk trusting others because they want to change their lives' (1975: 39). Everyone had difficulties making ends meet, and everyone needed credit of different kinds. Although people did not intend not to pay their debts, there was an element of exploitation when seeking out clean names and asking for credit because they were aware of the dire consequences of debt.

Credit as Care?

I wondered why people like Ana, whose business and household economy were so vulnerable to debt, would allow people to buy *fiado* or lend their digital credit at the risk of being stuck with other people's debt and potentially a dirty name. When I asked Ana on different occasions, she did not answer. Clara Han's work (2011, 2012) on debt among poor families in Chile's capital, Santiago, is useful for shedding light on the name-lending practices and reasons that local small-scale vendors like Ana let their customers buy on credit.

In Chile, the proliferation of consumer credit up through the 2000s is similar to that of Brazil. Han shows that

among poor families struggling with economic vulnerability, mental illness and substance abuse, buying on credit in stores, using credit cards and other loan options and ultimately becoming indebted are part of concerted efforts to hold the family together. This is a valuable insight to understand why poor families are sometimes caught up in debt traps, which can have a marginalising and stigmatising effect but nevertheless remain willing to put themselves in that difficult situation out of care for others. Drawing on this insight, it becomes possible to perceive the offering of credit to a relative or neighbour and risk becoming indebted as an act of care. For instance, when Ana's daughter loaned her name to Ana for her to set up a landline phone, that was an act of care for her mother. Or when Ana agreed to pay for her neighbour's new piece of furniture with her own credit card, that can be understood as an act of care for a neighbour and long-time friend.

But why, then, did Ana use her daughter's name knowing the risk of falling behind on paying the bills? Or why did Ana's husband not help pay the bills while she was struggling? Whatever Ana's husband earned from his occasional day-labour jobs remained his. The household expenses and household debts were not a shared burden between them, which was also the case among other couples in the area. Meanwhile, Ana was struggling to make a living, pay the bills and improve her house and status in the community. Her house was among the 'least transformed' in the housing complex, and she was frustrated by her inability to use her credit cards to invest in her business and her house. She had plans and dreams for how to improve her house, and she wanted to apply for a micro-credit loan to improve her business, which all required her to 'clean' her name.

While name and credit lending were an expression of care, debt could shift the power relations from the creditor to the debtor, from vendor to customer, and between a husband with money and a wife with little money to

maintain her home and livelihood. In this scenario, Ana's customers probably knew that it was better for her to have bad-paying customers than no customers, which left her in a vulnerable position as she ranked low on people's list of creditors to repay. These dynamics between care and exploitation point to the ambivalent terrains of care in circumstances of poverty and economic precariousness as it becomes intertwined with vulnerability and power (Han 2011; Johnson and Lindquist 2019).

Conclusions

When people failed to pay their debts in the formal economy, they would dirty their names; likewise, debt from local cash purchases or name borrowing could disrupt the flow of credit. Care was intertwined with vulnerability and power. Once in a while, credit as care had its limits. For example, no one was willing to lend their credit cards to the neighbour who had used Ana's credit card. Ana, likewise, was not allowed to 'pay later' for the alcohol and tobacco she wished to buy from one of the next-door vendors in the housing complex. The business owner was fed up with the unpaid tabs that she had been running up for years, and one afternoon, the vendor declined to sell Ana a beer without receiving cash up front. Ana got furious over the sudden rejection of credit that not only stopped the flow of cold beer on that hot afternoon but also signalled a change in their relationship: the care as credit towards Ana had reached its limit.

In this chapter, I have shown how the urban poor in Brazil juggle a double burden of debt as they have gained access to credit in the formal economy by intertwining informal practices with formal financial institutions and becoming entangled in new debt relations as both debtors and creditors. I have described how debt created interdependencies in the community, which generated unequal and unstable

relationships characterised by both care and exploitation, infused with hope and diluted by disappointment. These insights contribute to recent anthropological literature on the ways that state policies of expanding access to credit in the formal sector in the Global South impact people's lives and their future aspirations, social relations and community life (Fotta 2018: 3; Han 2012; James 2014; Schuster 2015).

As digital credit brings new opportunities, it also raises the stakes. It enables people to dream bigger consumption dreams, but dreams and debt are two sides of the same coin for most people on the margins of the city and the formal economy. For them, the double burden of debt increases financial instability, social vulnerability and urban marginality.

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Note

1. In Brazil, financial institutions divide the population into five social classes, where A is the wealthiest and class E includes the 'very poor' (Plano CDE and BF Associates 2012).

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‘DEBT IS WHAT HAPPENS, WHILE . . . ’

The Emerging Field of Digital Finance and
Precaritisation in Everyday Lives of Young Danes



Pernille Hohnen

‘Don’t you want an arranged overdraft?’ my bank advisor asked. I didn’t really need it, because I had savings at the time. However, I thought, ‘What the heck, just let me have that as well’! It was for free, you know, so I thought, ‘Why not?’ And then I went travelling and spent all of my money, including the arranged overdraft. . .

—Erik about his first encounter
with a Danish bank

The Danes have debt—and a lot of it! Individual household debt in Denmark corresponds to almost three times the disposable income (Denmarks National Bank 2016). This is the biggest gross debt among all OECD countries, and although this does not mean that all Danish households are close to bankruptcy (as many have large values as well), it shows that private debt is a normal condition as well as a growing risk in everyday life. Moreover, access to credit (hence the risk of debt) is socially differentiated, as those with the lowest income and the highest need for credit also tend to end up with the most expensive, unsecured loans (Juul 2009; Poppe, Lavik and Borgeraas

2016). Young Danes (eighteen to thirty years) and especially those with vulnerable social backgrounds constitute a particularly indebted group; a large number of them are registered as default debtors (Jakobsen et al. 2015). The 'indebtedness of Danish youth' has been a growing political (and moral) concern in public debate. However, the Danish regulation of credit markets and debt has been characterised by passivity both when looking at the regulation of lenders and credit markets and when examining the legal possibilities for debt resettlement and debt counselling (Jørgensen 2012, 2015). The consequence of this is that subprime lenders have developed an aggressive marketing of 'instant loans' that primarily target young consumers. Prevailing explanations of debt oscillate between emphasising 'financial illiteracy' among the young (hence individualising the issue of debt) and accusing deregulated and aggressive lenders of targeting young people with 'unethical' advertisements for high-interest unsecured loans (thereby isolating and 'scapegoating' a small part of the loan market).

Based on an extended case study (Burawoy 1998) on debt, digitalisation and differentiation in Denmark, the chapter approaches the issue of debt problems among a socially vulnerable group of young Danes. To frame the case study, I draw on recent anthropological literature on credit consumption and changing credit/debt relations in digital finance (Gregory 2012; James 2015; Maurer 2014; Peebles 2010). Empirically the chapter combines insights from a debt prevention project carried out by the Danish consumer council¹ with Danish legislation and insights from participant observation around voluntary debt counselling. The debt prevention project draws on interviews with young Danes (some with debt problems and some without). Theoretically, credit and financing are viewed as socially embedded (Polanyi, Arensberg and Pearson 1971 [1957]) and as a part of emerging capitalist financial markets, practices and moralities (Palomera and Vetta

2016). The discussion is divided into three sections reflecting different dimensions in credit use and digitalisation of money. First, I look into the development of digital finance in Denmark, then I analyse dynamics of credit taking and debt among a group of socially vulnerable and indebted young Danes. Third, I discuss changing conceptualisation of credit and young peoples' difficulties in separating 'having money' from 'owing money' by drawing on Gregory (2012), Peebles (2010) and Zelizer (1997). I hereby carve out possible contours of the emerging (socially and symbolically differentiated) field (Bourdieu 1990) of digital finance that may lead to a process of spiralling debt and increasing financial precarisation (Standing 2011) among the most disadvantaged group of young Danes.

Digitalisation of the Everyday— and Cash for Rhubarb

During the last three decades, there has been a rapid increase in credit-based consumption and digital payment systems in Denmark (Hohnen and Böcker Jakobsen 2015). Starting with deregulation and liberalisation in the housing market during the 1990s, this process of 'normalisation' of credit-based consumption has gradually included social groups that did not previously have access to formal credit. The current Danish loan market is characterised by a large range of credit offers—both from banks and from financial companies offering unsecured 'instant' loans to large parts of the population, including the young (Danish Competition and Consumer Authority 2015). Parallel to this development, cashless transactions have become widespread, and young Danes in particular use digital money for everyday transactions. In 2018, 25 per cent of young Danes (eighteen to thirty) had at least one consumer loan (Danish Consumer Council 2018). The Danish national deferred debit card (Dankort) (which may also

be used to obtain credit if an arranged overdraft is agreed on by the bank) and other forms of electronic payment are widespread. In 2015, 80 per cent of all retail transactions were digital (Betalingsrådet 2016). The young Danes interviewed relied heavily on mobile payment services, all had bank accounts and all used web banking. Everyday payments and 'bookkeeping' are digital, and cash is only used on special occasions, such as for 'buying rhubarb in the countryside or tipping in for a shared birthday present', as a young woman explained it. In addition, some informants explained that they would sometimes bring cash when 'going out' in order to make sure their spending did not get out of hand. Although 'real' credit cards are not widely used, most informants had experiences with credit and lending in various forms, and credit was considered easily obtainable. Although only a few of the most indebted had experiences with high-interest 'quick loans' (some of which have annual percentage rates up to 791 per cent),² the general picture seems to be that the young use credit on a regular basis in everyday spending. This is in line with earlier findings and suggests a change in the spending/saving paradigm (Poppe, Böcker Jakobsen and Andersen 2009). The normalisation of everyday credit among the young, moreover, seems to be promoted by Danish banks, as indicated in the vignette above. Many young people spoke of being approached by their banks when they turned eighteen. Moreover, banks had offered them not only the Danish deferred debit card but also overdrafts up to 50,000 DKK. Some also recalled being surprised about the persistence of banks in their credit offers:

I told her [the bank advisor] that I didn't need a card with credit options [Dankort with arranged overdraft] but she was like: 'Are you sure you don't?' and even if I had decided not to, then it was something like, 'Imagine that you end up in a situation where you don't have money,

etc.’ . . . I basically found it unrealistic that I would find myself in a situation where I couldn’t contact my mother, where I had lost my phone, etc. I actually felt it was a bit unrealistic to imagine that so many things should go wrong. (Kristian, who does not have debt problems)

As a consequence, even informants who initially had not contemplated obtaining credit ended up getting a credit offer and, in a few cases, spent the money and had trouble paying it back. These findings reflect the role played by mainstream financial agents in normalising credit use among the young. They suggest the importance of looking beyond the more conspicuous lenders and the unsecured high-interest loans to examine the everyday of what Maurer (2014) sees as ‘a route to rent’ and Borgeraas, Poppe and Lavik (2016) define as ‘walking the thin line between welfare and catastrophe’.

For some of the young people, available credit had turned into problematic debt. Not surprisingly, many of those with debt problems had other social problems, confirming the prevailing sociological picture of risk of debt as related to weak social backgrounds, low levels of education, one-parent families and households/individuals with psychological problems (Hiilamo 2018).

Credit and Debt among Socially Vulnerable Youth

As a part of the project ‘On the right track’, sixteen narrative interviews with young Danes in debt were carried out.³ Most of the young people with debt also had lower-class social backgrounds, and several had parents with social problems. Their stories are characterised by early independence, as many left their parental home early, including starting to live on their own or with girlfriends or boyfriends in their late teens. Some were still in school and had no stable income when they made these moves.

Their narratives also reflect a process of transition to adulthood characterised by many shifts, 'trial and error' in terms of education, living conditions, partners and changing relations to parents.

The use of credit (and the risk of debt) in these stories is closely linked to a range of everyday social struggles that are related to the social situation of this group of vulnerable young adults. Contrary to prevailing ideas of 'conspicuous consumption' presented in the Danish media,⁴ credit does not appear as a choice of luxurious lifestyle; rather, it emerges as part of the unpredictability of transition to adulthood that seems particularly challenging for the most vulnerable. Such challenges may be getting into debt when breaking up and moving out from one's girl- or boyfriend, like Mia: 'I did not enter the relationship with debt, but I left it owing 42,000'. Debt may also occur simply as a result of not having any income but moving out early from one's parent's home, as with Paul, who described how he started living with (and aimed to help) a girlfriend in trouble when he was seventeen. A few others used credit in their struggle for social recognition—like Sally, who tried to deal with her experience of being obese by buying clothes on the internet to gain social acceptance using installments or available credit arrangements. She described: 'Since school . . . you know . . . I have not been thin . . . and when I had social events I just felt that I had to appear in some cool clothes . . . new clothes so that people might overlook the image of me that I saw, myself.'

Most, however, experienced a combination of issues related to coming from a precarious social background. They had limited contact with parents and were left to solve problems on their own. Some had a psychiatric diagnosis; in these cases, they were easily tricked into obtaining credit. Malin's story exemplifies the interconnectedness of these issues. She moved from her mother's place when she was sixteen and lived in various places in

Denmark. For a period, she stayed with her father, then with a girlfriend and then she attended a boarding school. She was diagnosed with a borderline disorder and took medicine daily. Her debt accumulated over several years, starting with not being able to pay traffic fines accrued from driving without a license. She also explained that her father used her identity to obtain a 30,000 kr debt in her name. Finally, Malin was manipulated into obtaining credit via phishing on social media. She recounted, 'It is not that I have 'real' bank loans or something like that, but it is more that I have debt from when I have been on Facebook and there you can win something for free if you answer some questions—and then afterwards the salespeople call you and offer you e-cigarettes or travel deals, etc.'

Together, these stories show how debt accumulates as a response to unpredictable conditions in young lives, which are enforced by social vulnerability, social class background, lack of networks and/or psychological problems. Particular groups are therefore clearly more at risk than others. In addition, although loan taking was initially the main focus in these interviews, the narratives that were told showed financial choices as deeply entangled in social life. Rather than as a choice, the accumulation of debt appears as a result of a variety of social pressures in youth life, all of which takes place in (commercialised) social contexts where digitalised credit is easily obtained.

Changing Credit/Debt Relations

Digital finance also epitomises changes at a more theoretical level in terms of the conceptualisation of 'money' and the constitution of boundaries between 'credit' and 'debt'. The development of digital and credit-based money seemingly results in a 'grey zone' between having money and owing money, raising questions related to *how one*

estimates how much money one has, when money takes the form of revolving credit lines or credit scores. This difficulty is reflected in the quote below, where Andreas tries to define 'arranged overdraft': 'I see it [arranged overdraft] as a 'buffer', that is, as a kind of disposable money because it always gets back to zero again . . . or that depends, of course, on your disposition, but you tend to aim to pay it back again. Therefore I would say that it is at my disposal'. In this definition, it is unclear whether arranged overdraft is actually a kind of debt—it is 'a kind of disposable money' that 'one has to pay back', but at the same time it is a 'buffer' that is 'at one's disposal'. This is clearly not a traditional way of 'owing money' because it 'always (as if by magic) gets back to zero again'.

A similar kind of confusion can be seen below in Sally's trouble understanding her own 'creditworthiness'. She is clearly at a loss in understanding why—given her credit/debt history and present balance, that she is allowed further credit when wanting to buy a new phone: 'I told the sales person that I considered buying this phone [on credit] and then she looked me up and said, 'Well, it looks okay . . . ' So apparently, I am creditworthy. But honestly, I don't quite understand why, when I look at my bank account. In my opinion it should raise concern somewhere.'

The examples above show how young Danes—both those in debt and those without—have trouble establishing the boundaries between 'having money' and 'owing money'. In addition, as prevailing moral connotations of credit/debt relations (Peebles 2010) are also at stake in a Danish context, where 'to owe' [*skylde*] and 'a debtor' [*skyldner*] semantically refers to being 'guilty', there is much at stake in terms of moral positioning and social status. As a response to these tensions, the young Danes struggle to create a new conceptual basis for legitimate credit/debt lines. Kathrine, who was not experiencing debt problems, explained, 'If I would take *a loan*, it would be like accepting

that I was out of control or that I was spending too much money. But with *an arranged overdraft* it is possible to say, 'Well, it is just because it is a bit difficult this month and we pay it back the next' (author's emphasis).

In spite of a widespread credit use among all young Danish adults—some of the young Danes (mostly middle class) symbolically manage to strip their credit practices of any association with debt. 'Arranged overdraft' and 'revolving credit lines' connote very different ways of 'owing money' from high-interest instant loans or other forms of unsecured payday loans—the forms of credit available to the more precarious groups already in debt.

The empirical examples indicate that the development of debt problems does not only rest on aggressive financial markets nor on the specific social situation of specific vulnerable groups, although both of these issues do play a role; financial experiences and reflections on financial choices expressed by young informants suggest a more widespread confusion around credit/debt boundary making. Gregory (2012), based on Peebles (2010), suggests that present 'credit card based financing' blurs the boundaries between credit and debt by installing a series of preliminary, liminal and postliminary credit/debt phases (Gregory 2012: 283). Credit may be granted but not yet obtained, credit may be obtained, hence taking the form of debt, but this debt may not yet be due, and so on. What seems at stake in the Danish case, moreover, is that such types of 'mediated' credit/debt relations do not only concern the temporality pin pointed by Gregory but also work as a means of symbolically differentiating financial products and mainstreaming credit. In contemporary credit markets, some forms of loans such as 'arranged overdraft' and 'revolving credit' are not conceptualised as loans nor morally connoted with debt. The emerging field of digital finance in Denmark therefore is characterised by a kind of moral 'whitewashing' by conceptual migration, as a large part of the loan market is simply semantically

disconnected from connotations of 'loans' and 'debt'. What we see is an increasing transgression and separation from the (economic) calculation of credit and debt. Not surprisingly, this makes it difficult for young Danes (probably all Danes) to estimate whether they owe money or have money. The process can also be related to Gregory's (2012) suggestion to focus on credit as a 'shape shifter', showing how the usage of words reflects local moral economies as 'credit', which is considered 'bad' and called 'debt' while 'good' money lending is termed 'credit'.

This conceptual distinction resembles what Zelizer (1997: 21–23) referred to as 'earmarking' of money. Changing the perspective on money from quantitative 'money' to qualitatively different 'monies', Zelizer suggests looking at market money as 'social currencies' where monetary payments, such as social security, women's wages, tips and pocket money were each connoting differences in usage, installing specific relationships and carrying different legitimacies for the social actors involved (Zelizer 1997: 18–19). I suggest that the emerging field of Danish digital finance also reflects such forms of stratified 'marking'. Those forms of credit obtained by the most precarious groups—such as instant payday loans, SMS loans and installment plans—are marked as debt, carrying connotations of stupidity, immorality and irresponsibility. In contrast, those targeting the middle class, such as 'arranged overdraft' and 'revolving credit lines', are not associated with debt but normalised and sanctioned as legitimate 'financial buffers'.

Conclusion: Digital Finance as an Emerging Contested and Hierarchical Field

Digitalisation and increasing use of credit characterise everyday financing in a Danish context, and increasing

usage of digitalised credit clearly epitomises changes in cultural meanings and usages of both ‘credit’ and ‘debt’. However, although all young Danes use credit on a daily basis, those who get into serious debt problems are those with lower-class backgrounds who, in their early adulthood, confront a series of challenges that can include early independence, lack of income, lack of social support or psychological problems. The lives of these young people do not follow an idealised linear transition to adulthood. They are characterised by a series of ‘emergencies’ to which they respond—often on their own. For this group in particular, easy access to (expensive) credit may appear as a solution to the various kinds of challenges they experience in the social situations in which they find themselves. The widespread availability of credit in largely deregulated markets that has developed in the last decade therefore poses a particular risk for this group. The ‘case’ of precariousness and debt among young Danes thereby shows how social and cultural processes are related to unequal positions and dispositions in an emergent, socially differentiated field of everyday digital finance (see also Hohnen 2017; Pahl 2008).

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Notes

1. The interviews with young Danes (ages eighteen to thirty) with debt problems were carried out as part of the project 'On the Right Track' (The Danish Consumer Council 2015). The project was financed by TrygFonden.
2. Commercial for 'payday loans' at Vivus.dk, www.youtube.com/watch?v=8mg7iVp1G7w.
3. Young people were recruited via different sources, for example via a network of debt-counselling offices and an announcement on Facebook.
4. An example of such a moralising discourse is the Danish TV programme called 'Luksusufælden' (the Luxury trap). This programme title also signals that having debt problems is presumably related to luxurious spending.

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PLASTIC PROMISES

Credit and Debt in Emerging Cashless Economies



Filippo Osella

Taken together, the chapters by Hohnen, Ravnbøl and Kolling in this volume illustrate how the urban poor in Denmark and Brazil navigate access and participation to cashless economies. Cashlessness here is far more than a technological innovation that simplifies market exchange; instead, it entails the deployment of novel modalities of credit that appear to produce significant shifts in the life-worlds of social actors. In this reflective piece, I will draw out some of the themes connecting these three ethnographic studies. I begin with the suggestion that the shift towards cashlessness discussed in this volume can be made sense of in the context of a progressive radicalisation of processes of financialisation of the everyday, rooted in the promises and premises of early neoliberalism. This might not come as a surprise, in that the popularisation of credit and debit cards in the mid-1980s in northern Europe and North America went alongside an extension of credit necessary to sustain and accelerate consumption at a particular time of economic conjuncture. In the midst of a crisis of Fordist models of industrial production, which led to technology-driven restructuration of industrial manufacturing or full-fledged deindustrialisation of many a centre of post-Second World War capitalist development, ‘plastic money’ became a

prosthetic to the expansion of consumption. Easy access to credit made up for the shortfalls of declining wages, job insecurity and unemployment.

The shift from production to consumption characteristic of so-called postindustrial societies—discussed extensively, for instance, in Daniel Miller’s work (see, e.g., Miller 2005)—has been undergirded not only by the expansion of credit facilitated by credit/debit cards but also by the different relation to cash and savings that these cards engendered amongst users. The whole ideological project of neoliberalism—and central to its successful vernacularisation—hinged on a progressive atomisation of the social. This atomisation was mediated by the promise of individual social mobility and middle-class status, and it was predicated on and objectified through expansive consumption. However, this required, on the one hand, the deployment of increasingly complex financial instruments to generate and securitise credit and, on the other, the implementation of various modalities of financial inclusion. Indeed, in the Thatcherite Britain of the 1980s, economic liberalisation—and the devastation of cities and communities that have hitherto thrived on industrial production—heralded simultaneously the popularisation of ‘plastic money’ and a shift in the payment of salaries from cash to bank transfers. If neoliberalism sought to engender novel configurations for the participation to the nation, such a ‘consumer citizenship’ (see, e.g., Srivastava 2007) could not have gained popular traction without the progressive virtualisation of money and the extension of credit that the latter affords; that is, the unfolding of neoliberalism over the last forty years has afforded the materialisation of modalities of ‘financial citizenship’ whereby participation in the nation is premised on the capacity to access financial instruments and technologies of credit rather than on an expansive engagement with consumption *per se*. This all-too-obvious connection between credit and consumption has been eclipsed altogether in

many a study of the cultural practices of the so-called new middle classes in the posteconomic liberalisation world.

The link is strikingly apparent in Ravnbøl's ethnography of Roma recyclers in Denmark as well as in Kolling's study of the politics of credit and debt amongst the Brazilian urban poor. It is also clear in many other contexts where, in the name of financial inclusion, digital finances and various forms of assisted credit have been promoted as a means to lift the urban and rural poor from poverty (see, e.g., Maurer 2015). The 'bottom of the pyramid' approach might have gained popularity amongst policy makers for its promise of 'helping the poor to help themselves'. Yet such an instigation to demotic entrepreneurship has come at a heavy price—the price of extensive indebtedness (Dolan and Rajak 2016; Elyachar 2012; James 2014). Here, Kolling's compelling ethnography adds to the voluminous body of work that, in recent years, has mapped out the trajectories of (neoliberal) financialisation of the life-worlds of the urban and rural poor in the global South and beyond. It is well known that, historically, the poor and the working classes need to rely on credit on a regular basis to make ends meet or to deal with life emergencies (Stallybrass 1998). Sometimes they access credit via forms of social reciprocity (Scott 1977) and more often than not they borrow money or other resources and goods from landlords, employers or money lenders. As a result, borrowers experience various forms of abjection, exploitation and debt bondage. However, we see that policies and politics of financial inclusion directed towards lifting the poor from 'exploitative' debt relations increasingly hinge on the deployment of cashless technologies (see Maurer 2015). They not only turn everyday social relations into capital or means for capital accumulation but also seek to absorb into the formal banking system money circulating in the so-called informal economy through quasi-formal credit arrangements.¹ We can see this, for instance, in Ravnbøl's Roma recyclers' cashless compensation for

collecting bottles. The card-based compensation fosters the need for a personal bank account to allow for the smooth transfer of funds. And unsurprisingly, Roma respondents understand compliance to the requirements of a cashless economy not simply as a pragmatic arrangement—in the name of personal safety, for instance—but also as means to participate in Danish society, to share a degree of citizenship.

The transformations engendered by the long march towards cashless economies are even more stark in Hohnen's chapter. Here we find that, as a result of the aggressive marketing and expansion of digital finances, in the imagination of young Danes—especially those more socially and economically disadvantaged or vulnerable—the boundaries between credit and debt, between having and owning money are all but clearly drawn. What is significant here is not just that easy access to credit lines and the practice of cashless transactions blur the boundaries between credit and debt and, hence, make these youths vulnerable to spiralling debts but also that credit lines offer the illusion of an income or salary. Whilst such a conceptual shift might find resonance with current debates and experiments on the provision of a universal basic income, it is also the case that generating and maintaining access to credit requires skills and labour. It also requires—as in the case of Kolling's Brazilian urban poor—the capacity to mobilise extensive social relations. But participation in cashless economies does not merely require the labour of the urban poor; it also requires that poor people cultivate specific dispositions towards cashless economic practices—to access credit and consumption, for instance—and the embodiment of (a degree of) financial discipline. Indeed, all three chapters make evident several significant shifts. These include not only increased levels of indebtedness but also changes in how the poor understand the temporalities of credit and debt and how they understand the morality, accountability and reciprocal responsibilities

of both lenders and borrowers. And yet such a process of subjectivation is at best fragmented and shot through with contradictions, seldom acquiring the all-encompassing sway evoked in Lazzarato's much cited *The Making of the Indebted Man* (2012).

As a counterpoint to the Danish youth discussed by Hohnen—and to Lazzarato's reductionist understanding of the relation between neoliberalism and lived experiences or subjectivities—cash exchanges and cashless transactions amongst the Brazilian urban poor continue to coexist, just as different forms of credit and of the relations between creditors and debtors interact or overlap with each other; that is, cashless economies—and the technologies that make them possible—are inevitably embedded in particular cultural understandings and social relations through which they are made sense of, experienced and, at times, bent to fit the predicaments of the poor. This is starkly revealed in the complex negotiations and multiple relations that the poor need to mobilise to access credit lines and to service ensuing debts. It is equally evident in the moral evaluations of the technologies and practices of cashless economies. As evident in this volume, cashless economies have become the object of social critique and, in some instances, allow for radical reflections on existing social hierarchies (see Sen, this volume). Here I am neither suggesting an anachronistic tension between 'tradition' and 'modernity' nor do I conjure forms of demotic resistance against the financialisation of the rural and urban poor's lives; rather, the three chapters I discussed underscore—in time-honoured anthropological fashion—the contingency and contextuality of cashless economies and of the credit arrangements they conjure up, whose unfolding and consequences seldom fit the anticipations of banks, government or development organisations. Here it would have been useful for the authors to hint towards the ways respondents might differentiate between different types of debts—and the moral

obligations of repayment they might carry—as well as the processes through which credit/debit relations turn into extensive debt accumulated by the poor (Gregory 2012; James 2014; Peebles 2010).

These ethnographies of emerging cashless economies open two further lines of enquiry. The first concerns the vast amount of individual data generated by the practices of cashlessness and how they connect to the collection of electronic data in parallel realms. In India, for instance, the recent demonetisation that has been taken up by many contributors to this volume and the shift towards cashless transactions has happened alongside the introduction of biometric identity cards and of online payments for a new unified value-added tax and more. By considering the wider environment of cashless economies, anthropologists might interrogate the ways through which cashlessness becomes a technology for governing social bodies through the collection and management of individual users' data. This, in turn, should lead us to consider processes of financial individualisation produced by the compilation of users' profiles based on individual credit histories, whereby the lives of social actors are stripped of sociality, fragmented into behavioural data and then reassembled to stand for the subjects of financialisation of everyday life.

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Note

1. See, for instance, Timothy Mitchell's critical study of property titling programs in Peru (2005), and Julia Elyachar's appraisal of micro-credit programmes in Egypt (2005), or Deborah James' discussions of the outcomes of measures enacted in South Africa to deal with the legacies of 'credit apartheid' (2014).

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II

CASHLESSNESS AND NEW INFRASTRUCTURES

ECOLOGIES OF IMMATERIALITY

Remittances and the Cashless Allure



Ivan V. Small

Introduction

A ‘kill cash’ sentiment was widespread among the participants at a ‘Mobile Money for the Unbanked’ workshop that I attended in Nairobi in 2013. It was organized by the Global System for Mobile Communications Association (GSMA) and included representatives from a range of international organizations, start-up tech companies, government central banks and telecommunication operators. Halfway through the first decade of ‘mobile money’ (Rea and Nelms 2017), the event was held in Kenya in part to highlight the success of M-Pesa, a remittance service through which even those without bank accounts can use their mobile phones to deposit, transfer and withdraw value for a small fee. Run by Kenya’s Safaricom, M-Pesa demonstrated the benefits of government-industry cooperation in that it enabled users to bypass banks by allowing the telecommunication firms to cash in and cash out money. Introduced in 2007, Safaricom’s M-Pesa-related services have since grown to include a range of other offerings, from loans to payments, tied to an emerging industry goal of never having to cash out one’s original monetary deposit. The value stored in the mobile money account can be connected to options to pay electricity

bills, buy groceries or insurance, apply for micro-loans and even play games. By promoting a ‘cashless ecology’, companies intended to reduce the burden of having to deal with the inevitable liquidity shortfalls that result when the majority of deposits are made in cities but most withdrawals are in the countryside. They also benefit from profit made from small fees for transfer and payment services. And from a development practitioner perspective, mobile money services, in expanding this ecology of interlinked and operable services, effectively worked as an on-ramp to banking (Rea and Nelms 2017).

The celebration of M-Pesa at the Nairobi unbanked workshop reveals a significantly shifting policy landscape when it comes to remittances. Remittances—those ubiquitous monies sent by migrants to families and home communities—have captured the poverty-alleviating imaginations of a generation of development economists. Changing calculation mechanisms have sought to highlight the significance in particular of cross-border migrant worker financial flows, resulting in notable annual quantitative increases since the turn of the twenty-first century (IMF 2009). In the process, private value transfers have, in many ways, become public goods. As anthropologists Hernandez and Coutin (2006) point out, development discourses surrounding issues of remittances and migrants often become a governance process of ‘responsible subject making’, where states put the burden of development on migrants and ‘discount’ the accrued social costs of migration rather than administering more effective policies to produce sustainable economic livelihoods for their populations—hence the visibility of remittances as a thing that can be named, facilitated and directed by development practitioners.

This chapter examines how ‘remittances’, as an issue of development intervention, has shifted over the last decade and a half. This includes a turn in policy attention from international to domestic remittances and also

to the emergence of ‘cashlessness’ as a mode of remittance transfer. Cashlessness, although conceptually and practically recognized as generally preferable by migrants as well as migration policy makers, has been harnessed as an issue by the latter and evolved in its definition to represent a particular type of financial technology solution requiring intervention and oversight.

Visualizing Remittances

Maimbo and Ratha’s book, *Remittances: Development Impact and Future Prospects* (2005), was one of the early studies that enthusiastically highlighted the quantities of informal aid sent by migrants to home communities. The authors celebrated the ‘recent revival in interest in migrant remittances’ due to the ‘sheer size these flows have acquired’, second only to foreign direct investment and higher than overseas development assistance. Since then, the general assumption among development practitioners has been that with the right guidance and incentives, remittance recipients can become primary agents for reducing poverty in their own lives and communities. Economists Adams and Page (2005) estimate that a 10 per cent increase in remittances can reduce poverty in the receiving country by 3.5 per cent. These kinds of predictive impact models are in high demand in policy research circles.

In 2017, the World Bank estimated that over 600 billion dollars cross international borders each year in migrant transfers, well over four times the amount estimated by Ratha and Maimbo just ten years before.

And yet, while remittances have become visible as a tangible action issue for policy makers, in other ways they are also becoming less so. For one, attention to the development potential for remittances is increasingly turning towards domestic remittances (Binci and Gianelli

2016; Rahman, Bari and Sayeda 2015; Technoserve/Visa 2016), which, due to the internal state nature of their primarily urban-rural flows, cannot be as easily tracked as cross-international border flows. International remittances are recorded by central banks or at least can be roughly calculated based on GDP growth surpluses or deficits. For example, in Vietnam, one of the top international remittance recipient countries, household surveys have revealed that while international remittances reach a bit less than 10 per cent of households, well over 80 per cent actually receive some form of domestic remittance transfer (Pfau and Long 2009). The latter therefore emerges as a more significant indicator that has called for a refocus of policy attention. But also notable within the policy awareness shift from international to domestic remittances is where attention has focused on the *medium* of remittance transfer.

In a domestic framework, financial as well as material value transfers are more easily portable within state borders and do not face the regulatory scrutiny of international remittances. This scrutiny includes fears of money laundering and terrorist financing, which have dominated international financial policies and created regulatory barriers to transfers. To confirm this phenomenon, one only has to observe the long-distance buses across many countries in the global South, from Vietnam to Mexico, where package delivery frequently coincides with passenger transportation services as business incentives for coach operators. Frequently they go together: migrants returning from the city to country carry material goods purchased in the city—from water faucets and pots and pans to televisions, microwave ovens, generators and even motorcycles—as forms of material value that can be put to practical use or reconverted to financial value through market exchange. Value arbitrage of this kind is a common form of material remittance flow among domestic corridors. As one man transporting goods from Danang

Vietnam to his central coastal hometown once explained to me, ‘My family needs these products from the city, so it is better to buy and carry them with me rather than just bringing cash when I return home.’ But of course many migrants who are personally transferring items of material value back to home communities also often carry cash on their bodies, reflecting diversified value transfer strategies.

Despite the obvious and widespread material value transfers by migrants from cities to country, it has been the visibility and, by extension, the assumed risk of cash that has received the most attention from the financial inclusion world, revealing what James Ferguson might describe as a kind of development “ ‘problem’ that requires the ‘solution’ they are there to provide” (1994, 70). In a Reboot publication on financial service design by Lee, Ainslie and Fathallah (2013), for example, the authors focus on monetary rather than material remittances in describing the plight of an informant picked for their China study:

Zhang Qi was waiting to buy tickets for his day-long ride home to Anhui Province when he got into a tussle with another man. There were thousands of migrants jostling for tickets at the Beijing Railway Station; in a flash, someone thrust a knife into his jacket, ripping it open and grabbing a thick stack of RMB notes out of his pocket. It was more than RMB 5,000 (USD 775)—his entire years’ savings. Before he realized what was happening, it was too late. Later, as he replayed the incident over and over in his mind, he realized that the thieves must have known which pocket to go for because he’d been touching it repeatedly, nervously anticipating his long ride home. Zhang Qi was devastated and blamed himself. The police at the railway station were no help. His money gone, Zhang Qi traveled home to face the shame of not bringing any money. He’s working to save RMB 75,000 (USD 11,600) for each of his two sons, who are still in primary school, so they can one day build homes. At his current rate of earnings, it will

take him approximately 30 years to save up enough, and now he's one year behind. (68)

And thus the need for technological design innovations for remittance services, particularly targeted to un- or barely banked migrants like Zhang Qi, which offer the benefit of dematerialized value that cannot be easily and physically stolen. No matter that Zhang Qi's train was most likely full of migrants also carrying, from my own observations of trains and buses while working in China, material goods of value that would be more difficult to rob. Rather, it is precisely the cash risk issue that a development intervention can address. This is where financial inclusion advocates have come to embrace the cashless mantra for the global South. And yet, as Janaki Srinivasan notes,

Time and again, we have seen that the design of technologies (and policies) starts by identifying a problem and solutions that are assumed to be desirable (cashlessness), and a vision that is neutral and unproblematic on the surface . . . without consulting its diverse potential users. . . . It is perhaps time to explore in parallel how 'desirable' solutions get constructed in the first place and on whose interests and experiences of desirability these are based. (Dalinghaus 2018: 47)

Conceptualizing Cashlessness and Fintech Emergences

The cashless-financial technology nexus has been widespread in development circles for some time. In the last decade, proposals have focused on the potentials of the cellular phone—not just smartphones but also basic 'dumb' phones that are more affordable to the poor. In 2008, development economist Jeffrey Sachs identified the cell phone as 'the single most transformative technology

for development'. In the decade since then, 'mobile', phone-based 'money' (MM) has been a central focus for development practitioners seeking cashless transfer solutions. The United Nations Capital Development Fund (UNCDF) hails 'digital finance' as the 'gateway to financial inclusion'. The Better Than Cash Alliance, based out of the United Nations, defines itself as 'a partnership of governments, companies and international organizations that accelerates the transition from cash to digital payments in order to reduce poverty and drive inclusive growth'. An analysis of its partners reveals a unique assortment of bedfellows, including nonprofits such as the Bill and Melinda Gates Foundation, the Omidyar Network—a 'self styled philanthropic investment firm'—and for-profit companies such as Mastercard and Visa. Their diverse interests have all come in various ways to collude around developing a cashless ecology in the form of MM in which value moves within a contained payment ecosystem so as to ideally never have to be cashed out in material form.

From Nairobi to Singapore to New York, the notion of 'ecologies of cashlessness' came up frequently in industry and development policy discussions that I participated in as a researcher between 2012 and 2017. What exactly are the contours of this cashless ecosystem, and why has it found support across such a diverse group of nonprofit and for-profit stakeholders when it comes to remittances? Mobile money, the primary model of cashlessness in the global South, appears to hold promise as an effective and accessible tool of financial inclusion for the poor. However, it also reveals that the poor have always, in fact, managed diverse forms of value and that there is a market to be tapped if one looks to the many other ways the traditionally financially excluded are also economic actors in their own right (Rutherford and Arora 2009). For this reason, industry designers, government regulators and development practitioners have all been interested in learning more about the needs of the largely unbanked—the

so-called bottom billion, in financial-inclusion speak—and how and why uptake and participation in MM ecologies happen. As one industry representative put it at a Mobile Money for Development conference in New York in 2014, ‘we have the technology but we need to stoop down and meet our customers, get them to use our mobile wallets and then connect everything to them so that they never cash out . . . we’re on a long path towards total global interoperability’.

This emerging interoperable infrastructure of cashlessness has practical and sociocultural consequences for those ‘stooped down to’ users of MM services. Much of the industry and development research on MM is premised on a user-uptake approach: how to effectively model the cashless benefits introduced by MM to new and emerging markets. Mobile money, similar to the remittances they technically channel, has become a silver-bullet solution to poverty and urban/rural inequalities and mobilities for the majority of applied researchers studying the potentials for cashless futures in the global South. The widely accepted doctrine has been that with access to mobile phones and accompanying technologies to transfer, save and borrow digital values, poor people will be able to effectively transform their lives. This is assumed to be true whether MM operates in Cameroon, Colombia or Cambodia. And yet an emerging field of para-ethnographic social science research collaborations investigating how people manage MM systems—including the ways they intersect and overlap with other modes of value management, saving, borrowing and payment—is showing us that MM as a straightforward cashless technology for financial inclusion is actually a rather complex issue (IMTFI 2020). At a basic level, the complexity is seen in the difficulty of assembling the right combinations of product design, regulatory frameworks and mobile network infrastructure and agents in order to create a MM system that effectively operates and provides financial services. But more

importantly, new research on MM practices from around the world illustrate that local repertoires of money management significantly shape the ways users relate to the introduction of MM technologies and systems designed to promote cash-lite or cashless societies. A study by Eric Osei-Assibey (2014) looks at Ghana, asking why MM in that country has not taken off to the same extent it has in Kenya. Why do people in two countries with similar MM infrastructures respond to them differently? Osei-Assibey finds that using MM as a function for savings has not yet mapped on to local *Susu* savings practices in Ghana in which collectors physically travel from household to household to collect money for personal and collective savings schemes. Here, the physical presence of the cash collector cannot be matched by the digital anonymity of MM, which, he argues, accounts for the low levels of adoption of the new technology. Yet while local monetary repertoires may shape uptake patterns, it is also true that the introduction of dematerialized MM technologies can affect and reorient sociocultural notions of value and exchange, sometimes in ways that are not always obvious at first but can have a variety of impacts and unintended consequences (Greeley 2013).

Extending Mobile Money Horizons

Mobile money has been heralded for its promises of financial inclusion and the allure of a cashless horizon, but in actuality, its adoption has been uneven across different countries, regions and communities. To understand why that is, one must continually look at how context matters, and how technical, legal, physical *and* social infrastructures (Elyachar 2011) come together in particular ways to reflect and produce existing and emergent forms of exchange and value recognition. Southeast Asia is a region of the global South where the allure of cashless

remittances has been abuzz. Mobile money has been widespread since the mid-2000s in the Philippines with G-Cash and the promotion of cashless technologies in the development arena (GSMA 2012; Gusto and Roque 2018). It is also being actively explored in countries like Laos, where the use of cell phones has been central to borderlands arbitrage practices (Huijsmans and Tran 2015; UNDP n.d.); Cambodia, where the technology may allow users to bypass financial intermediaries in isolated rural areas (Fang, Russell and Singh 2014) and Myanmar, where political changes have brought dramatic telecommunications transformations (Tay 2014). In Vietnam, mobile value remittance practices that promote cashlessness are starting to emerge. Mobile penetration in Vietnam is 130 per cent—in other words, 1.3 mobile phones on average per person (Tellez 2011). In recent years, users within the same telecommunications provider network have been able to transfer airtime credit domestically via phone. There has also been experimentation with electronic kiosks, where users can deposit money and input a phone number to which the credit will be sent. Some companies like Momo have moved from airtime credit transfer to mobile wallet and e-payment services, reflecting the general trend in cashless ecology promotion.

The Vietnam Bank for Social Policies, in partnership with Mastercard and the Asia Foundation, ran a feasibility study and implemented a pilot project for mobile banking in that country in 2014, clarifying the technological and banking potential but remaining vague on the specifics of regulatory support for MM. Here we see the limits of MM modeling. Kenya's M-Pesa success story, after all, is more than a technological innovation. It is also a regulatory alliance between central banks and telecommunications companies that essentially allows telecom operators to act as banks to cash money in and out for customers. The particular arrangement that made M-Pesa successful in Kenya limits it as a replicable model, especially given

the international frameworks that pressure central banks to maintain strict oversight over money laundering. While the range of payment options within mobile value ecosystems is rapidly expanding in Vietnam, from games to bills and transport payments for ride-share services such as Grab, in the end there is not yet a way to cash out such credit person-to-person (p2p) without a bank account, remaining a barrier in a country where more than half the population remains unbanked (World Bank). Nonetheless, the Vietnamese government continues to advance policies to promote greater cashlessness, with 2020 as its arrival goal (Vietnam News 2017). In January 2020, Vietnam's minister of information and communication, Nguyen Manh Hung, made further commitments to trial MM licenses, admitting that regulatory barriers were impeding innovation but that MM offered a promising pathway to 'accelerate non-cash payments' among the unbanked poor. Again repeating the general discourse around this particular fintech solution, he stated that 'mobile money will train people, and turn them into banks' clients' (Vietnam Ministry of Information and Communications 2020), and MM payments should therefore not be viewed as a threat to the formal banking sector. It remains to be seen how the contours of Vietnam's cashless agenda play out, but the state continues to commit itself to an increasingly digital economy, and many tech start-ups are jockeying for an anticipated place in it, a pattern that is growing across the region.

Conclusion

In this article, I have considered how the shift in attention from international to domestic remittances has brought new challenges for development policymakers' capacities to visualize and manage the specific contours of their moving poverty reduction target. Domestic remittances

are more difficult to track than international ones and can take a broader and more creative variety of material forms that often elude easy categorization and quantification. In the drive to visualize the new focus of the remittance landscape as it relates to urban-rural transfers, analysts tend to overlook what is most immediate—those very material practices in which migrants arbitrage and transport material value on a bus or train or truck. The risk of transporting physical cash from one locale to another is real but also recognized by many migrants, and thus, transporting material goods is itself a cashless solution to remittance transfers. When it comes to this commonplace practice, however, there is not much that development practitioners can contribute and little money to be made by the financial industry that it bypasses. Financial inclusion advocates have turned instead to what they can more simply, quantitatively and tangibly grasp as a value concept—money. They then dress it up with what they can add—namely, technology—while often downplaying the more challenging regulatory accompaniments that are required to make MM work. This extends to recent attempts to introduce blockchain technology, from Bitcoin to Ripple, as yet another solution to easing remittance transfers. In doing so, monetary remittances become a reformed target of intervention as banks, money transfer operators, the telecommunications industry, NGOs and a variety of other stakeholders attempt to ironically ‘cash in’ on and aid the until recently invisible unbanked ‘bottom billion’, bringing them back into the domain of institutional surveillance and management via their brokerage.

Cashlessness through digital value transfer technologies has been the latest tool in the ongoing quest for financial inclusion. Mobile money appears as a ready cashless solution to what has been presented as a cash risk problem. By encouraging a utilitarian turn away from the most recognizable form of value—cash—to digital finance

ecologies through technology while also ignoring existing alternative material remittance practices, the array of for- and nonprofit interests that are promoting MM in the global South are once again, as they have done with international remittances, making migrant value transfers a visible and, hence, governable policy issue. The construction of this particular cash problem and subsequent cashless solution is entangled with business agendas that scale far beyond the ‘poor’ users such services are intended to benefit. In doing so, they illuminate and tap financial and gift flows across transnational and now domestic kinship networks that once remained largely below the radar of inputs that format the formal economy (Callon 1998). These so-called informal economic systems are adapting, but they also reflect long-standing and diversified financial strategies that exceed singular value transmission solutions. As Ursula Dalinghaus has pointed out, ‘poor and marginalized individuals and communities who are (or have been) excluded from the formal financial system depend on cash *and* alternative payment arrangements to make their livelihoods, save and invest, and support family members through remittances’ (2018: 34).

As the informal and formal economic ‘sectors’ become increasingly merged and visualized, remittance transfers are being further capitalized upon—in all of their forms, with ‘cashlessness’ as the new mantra. Mobile money is now the latest intervention promoted by the new constellation of intermediaries who seek to track, govern and extract value from migrants and the hard-earned fruits of their labours. While MM undoubtedly offers benefits for domestic migrants, one must also be cognizant of the interests of those stakeholders promoting it as a macroscopic and portable silver-bullet solution, especially when a burgeoning collection of localized ethnographic studies offer growing proof that the mobile money bullet is not always shiny silver . . . nor the only solution.

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‘CARDS ARE FOR SHOWING OFF’

Aesthetics of Cashlessness and Intermediation
among the Urban Poor in Delhi



Emilija Zabaliūtė

Introduction

‘Payment cards are for malls’, said Sanjeev, sitting on the rooftop terrace of his family’s *jhuggi* (hut) in Rajeev Camp, an area inhabited by the urban poor on the margins of Delhi.¹ He animated the incompatibility of bank cards with the deprived urban landscape with a nod towards a dusty road bordering Rajeev Camp. Here, where his family buys nearly everything from street vendors, one spends small amounts, mostly on food, as large purchases are rare. On 8 November 2016, India’s prime minister Narendra Modi announced demonetisation and the withdrawal of 86 per cent of cash from circulation in India’s economy. Our conversations about the event that had stormed India and shaken people’s perceptions, trust and engagement with diverse forms of payments inevitably drifted to the topic of Sanjeev’s repeated job losses and bank accounts that were no longer accessible to him due to employments being terminated. Recently, he has lost his job again. Sanjeev is a man in his late twenties, living in an extended-family household with his parents, his wife, Sunita, and their two children. Despite having had a few bank cards linked to bank accounts, none of the family members used them in their daily lives.

Sanjeev's reflection expresses aesthetic categorisation of forms of payments and moneys, marking an increasingly heterogeneous payment landscape in postdemonetisation India. New (and old) technologies—such as payment cards, mobile payments and wallets and small multiservice micro-banking offices—have mushroomed in urban India and expanded to the peripheries of the city and daily lives of the poor—a process accelerated by the recent demonetisation. Examining this new technological landscape indicates more than a linear change in what is often termed 'technological progress'; such exploration highlights how payment technologies are refracted through existing social relations and inequalities.

The aim of this chapter is twofold. First, I seek to explore how emerging payment technologies pertain to the lives of the urban poor in postdemonetisation India. In contrast with the settings in which payment technologies are seen and utilised as drivers of development by governments, private companies and NGOs (Maurer 2015; Musaraj and Small 2018), in India, technological financial innovation aimed at poverty reduction has been relatively scarce—which is unexpected for a country known for its highly skilled IT sector. The unique identification number, Aadhaar cards and linked bank accounts for cash transfers for the poor has been an ambitious but widely questioned project. Most of the cashless payment technologies, such as mobile money, operate on unequal infrastructural terrain, as the vision of technological advancement does not necessarily encompass a universal access to these infrastructures. The drive for demonetisation was, thus, not fuelled by developmental technological innovation promising concrete benefits for the poor but by the demands of 'sacrifice' from the poor (Vasavi 2017). This logic of 'sacrifice' envisioned the immediate difficulties and promised long-term benefits of demonetisation by means of eradicating intermediation and corruption. The use of money-related technologies, however, increased after the

demonetisation, during which the scarcity of cash has compelled the middle class and the poor alike to search for alternatives to paper money.

Secondly, I explore what aesthetic meanings the urban poor attribute to the new payment and money-storing methods enabled by technological change and how they act upon these perceptions. By aesthetics, I mean the social life of sensory and embodied experience (MacDougall 1999) underlined by subjects' social positioning. Studies on aesthetics of payment technologies have demonstrated how forms of mobile money are absorbed into culturally informed aesthetics of wealth concealment or how they enable smooth unmediated operations without obtruding on the convenience of fellow citizens in shared public spaces (Mainwaring, March and Maurer 2008; Taylor and Horst 2014). I examine aesthetic expression and production by users—the urban poor—who engage with payment technologies. Anthropologists' understanding of aesthetic production that exceeds the focus on valuing and appreciation and pays attention to social utility (Sharman 1997) is particularly relevant for exploring the uses of technology. Technology exceeds its intended designs and uses in the hands of 'unimagined users' who not only read and utilise technology in ways previously unforeseen but also mediate these meanings amongst each other (Bray 2007; Burrell 2011; Horst 2006). By using technology, people engage in both evaluation of its aesthetics and intended designs as well as production of new aesthetic values through innovative use of these technologies. I show how aesthetic production that underlines the use of payment technologies by the urban poor unsettles demonetisation's technological promise of what Mazzarella calls the politics of 'immediation' in his discussion of e-governance initiatives and its paradoxes in India: immediation is 'a political practice that, in the name of immediacy and transparency, occludes the potentialities and contingencies embedded in the intermediations that

comprise and enable social life' (2006, 476). Engagements and aesthetic production of the urban poor with these technologies highlight how intermediation, unexpected uses of technologies and differentiation of varied forms of moneys take place.

While payment cards were rarely used in Rajeev Camp, small-scale entrepreneurial ventures, which provided financial payment and transfer services that turned cash into digital payments, were common. Their presence responded to the uncertain household economies by bringing technological solutions to the daily needs of the urban poor, such as easy payments of bills, money transfers to villages and purchases on credit. Turning cash into digital money, these service points refashioned urban exclusion into modes of participation. This creative use of technology also subverted the public and government discourse about the potential gains of demonetisation and drives towards cashlessness through a technological change that promised to eradicate corruption through disintermediation—the ability to participate in the formal economy and markets without the 'informal' mediators and accumulation of 'illegal' cash.

This chapter draws on my ethnographic fieldwork in Rajeev Camp, where I have worked since 2012. Rajeev Camp is a poor, urban area located in Delhi's margins. In contrast to poor urban areas located close to the middle-class 'colonies' (gated neighbourhoods), which provided poor residents opportunities for domestic work, in Rajeev Camp, residents do not have access to patronage from the middle-class households (see also Sen, this volume). Most of Rajeev Camp's residents are daily wage labourers—they rely on low-paid casual jobs in construction, manufacturing and logistical companies or in flower farms and hotels. These companies flourish in the area due to the Camp's proximity to the international airport. Many households fall below the national poverty line. Families often rely on

one or two employed persons whose combined salaries must sustain a large extended family. In 2018, I revisited Rajeev Camp with a new interest in the effects of transition towards cashlessness and demonetisation on the daily lives of the urban poor. By attending to how cashless technologies pertained to the lives of the urban poor shortly after the demonetisation, I build on my long-term ethnographic fieldwork with the residents.

Demonetisation and the Promise of Disintermediation

The demonetisation resulted in a series of reported practical challenges and anecdotal incidents of long queues at the ATMs, scuffles in the banks, unpaid salaries and even deaths. Critics have argued that the effect of demonetisation has been most dire on the poor because due to the shortage of cash, many were not able to meet their basic needs. Yet demonetisation did not provoke public resistance, as it took the shape of a 'politics of deception' of the general public as it promised the eradication of corruption and intermediation in the 'informal' economies, which allowed the rich and politicians to accumulate wealth illegally (Mathur 2017; Vasavi 2017). This deceitful promise hinged on the vision of cashlessness technologies as enabling 'immediation' (Mazzarella 2006). Such a vision of 'immediation' seeks to redefine certain human acts that are social and relational—and potentially corrupt—into the technical; its ambition is underlined by imagined neutrality of technology that helps to achieve effective and technocratic governance. In the case of demonetisation, the desire for immediacy was constituted by proposing technology as neutral ground, enabling humanless transfers that would be less susceptible to human error and corruption.

Ironically, demonetisation generated and unfolded through networks and socialities that were anything but unmediated. Sanjeev told me how, during that time, he was asked by persons vaguely known to him to store some of their money in his account. Amidst the circulating news and political rhetoric that demonetisation would enable the government to track illegal money, he refused this offer to avoid potential trouble. Similar stories about emerging intermediaries and brokerage during that time are abundant. Since its inception, an economic policy promising more clarity and regulation for all was absorbed into the existing social hierarchies, precarity and the unforeseen complexity of creative and unregularised economic activities that characterise urban India. These initiatives marked the difficulties of a smooth transition towards cashlessness in contexts where access to financial infrastructure is fraught and limited, as I discuss below.

Poverty and Temporalities of Cash in Rajeev Camp

While on my last visit the family relied on Sanjeev's casual income, in the past, there had been times when the family were running a small shop selling cheap toys and women's accessories and had benefited from Sanjeev's father's salary. Sanjeev's unstable employment was not news, and his job losses in the past had been a source of family conflicts (Zabaliūtė 2016). These pressures from the family to secure a job usually intensified when the family took loans—before or after life events such as weddings or illnesses. Attempts to repay these debts by securing different forms of income and employment were interrupted by frequent job losses. On my last visit, the family was also recovering from a debt they had recently incurred for Sanjeev's sister's wedding.

These economic conditions did not inevitably entail an exclusion from financial institutions and participation in cashless economies (Musaraj and Small 2018). But Sanjeev's example shows how the family's unstable income patterns and poverty determined the nature of this access. While Sanjeev had had a few a bank accounts to which his salaries used to be transferred, he did not use cards for payments and usually encashed all the money after receiving a salary. Loans, too, were largely spent as cash and not kept in the bank accounts. Residents in Rajeev Camp who received welfare payments, such as a pension, also had and accessed bank accounts. In order to receive a governmental cash transfer of Rs.600 (US\$ 8.3) for giving birth at a hospital (instead of at home), Sanjeev's family opened an account in Sunita's name. However, because the transfer required paperwork for which Sanjeev would need to take a day off and lose a day's salary, the family did not finalise this undertaking. Sunita's account remained empty and, by now, as the family wondered, also frozen. Contrary to the popular economic opinions about the 'unbanked' poor, this exemplifies that the poor may have access to bank accounts, often several at a time. However, in Rajeev Camp, the (limited) access to banking services did not extend to the everyday use of digital money, as means of payment were almost always in cash (see also Kolling, this volume).

The world of digital money, like the world of cash, was complicated, unreliable and uncertain for Rajeev Camp residents. As Guyer (2017) notes, people's uses of money are aligned by the temporalities of life as lived. Cashless transactions demanded a different mode of income temporalities than those that marked the daily lives of the poor. Using bank cards requires not only a certain amount of wealth but also a continuous uninterrupted income. In turn, bank cards allow unplanned and spontaneous payments and extend temporalities of consumption (Mathur 2017; Swartz 2017). Possession of a bank card also allows

card holders to enact socialites through status displays. Less subject to open-ended negotiation, cards embody fixity of the transaction. Cash, however, enables immediate and straightforward payments and quick transfers of value that are more subject to change and negotiation over time. Bank accounts and cards thus rarely had financial value among the poor, whose indebted livelihoods relied on daily cash circulations. The unstable incomes of poor households did not sit easily with the financial stability stipulated by financial institutions and cashless infrastructures. Instead, this volatility generated the emergence of payment modes that mediated between the two forms of money transfers—cash and digital money—and relied on the human intermediary in the chain of transaction.

Aesthetics of Intermediation

Over the years, Anita, my other interlocutor, worked as a local social health activist for a governmental health programme. Her husband's entrepreneurial ventures—ranging from contractor, to a chicken-and-egg shop and grocery shop owner, to auto-rickshaw subcontractor—have rendered them better off than many other residents. In 2018, I found them living in a newly built house. On the ground floor, a signpost indicated they owned a new business that accepted *Paytm* payments (mobile-payment and e-wallet system). Named after their son, Raju, the 'shop' was run by her husband. Operating rather casually, it provided several services, such as the purchase of train tickets and items from a TV shop for people who did not have access to or knowledge of online and mobile payments and technologies. At Raju's shop, customers mostly paid in cash, and only customers from outside of Rajeev Camp, who had 'good jobs', Anita said, paid by *Paytm*. For the trusted customers who were known to them, the shop provided services on credit.

Anita was not much involved in the venture, but she had a bank account and used it regularly. She also had a bank card that she did not use and preferred to encash any money in her account. In her words, using a card for payments was 'showing off' (*dikhava*): 'I like it simple', she said. Fearing that her money would be stolen if someone discovered the card PIN code, she avoided using her card and even forgot the code. Anita's misgivings about bank cards resonated closely with those of Sanjeev's. When Sanjeev pointed out that one cannot pay for his vegetables with a bank card and that cards are for malls, he juxtaposed a street vendor and a modern supermarket, linking specific methods of payments with specific shopping venues. Indeed, the idiom of *simple* had undertones of urban divides in Delhi. In Rajeev Camp, 'simple people' (*saral log*) stood in contrast to 'high-class people' (*high-fi log*) living in the city's middle-class colonies, shopping in malls and having good jobs. These evaluations expressed the aesthetic regimes of a divided urban India, where the promise of modernity and desired forms of life were underscored by consumption, malls and cleared urban space, juxtaposed to the slums, urban poverty and street vendors (Ghertner 2011). The credit or debit card not only required and signalled the extended and uninterrupted temporalities of income but was also a commodity that indicated social status.

But Anita's reflection also exceeded this dialectic, as it critiqued the aesthetics of class (and wealth) display and its moral underpinnings. Where aesthetic evaluation exposes the balance between function and form (Sharman 1997; Welland 2018), payments by card here expressed the primacy of form while cash represented a puritan aesthetic and functionality. Rather than indicating functionality (see also Mainwaring, March and Maurer 2008), payments by card indicated class performance, associated with wastefulness and surplus of leisure (Veblen in Sharman 1997). For Anita, 'Simple' did not signify simplicity



Illustration 6.1.
‘Raju’s Shop’:
money transfers
and cyber café.
Photo by the
author © Emilija
Zabaliūtė.

of cash transactions for the presumably illiterate poor, nor did it only point to a lack of access to technology. Visiting a bank, standing in a queue and filling out a form just to withdraw money was a far more arduous and demanding task for a working mother of three children than relying on cash for daily transactions. Rather, 'simple' stood for a no-frills payment act that allowed immediacy of value transfers in a straightforward way. The notion of cash as *simple* thus marked the desires for a more universal, accessible system of payment that did not involve displays and differentiation of class.

Anita's family's shop responded to this modality of aesthetics of transactions by providing a service that connected the 'simple' to the 'digital'. The shop was neither 'simple' nor a mimicry of the mall-like shopping experience reproducing middle-class urban aesthetics of consumption. It performed a labour of mediating between the two. A similar function was achieved by another, more formalised service point called 'micro-ATM', which replaced an old printing and internet café in Rajeev Camp after the demonetisation and provided small-scale banking services. These services primarily included money transfers and payments of bills. Customers brought cash, which was then turned into digital money for further transfers and uses. These locales enabled different forms of payments and shopping among those with limited access to digital payment methods, and conventional infrastructures and they responded to the diverse daily needs of the urban poor.

The principal function of these service points allowed more human interaction and inserted social relationalities back into the transfer envisioned to be machine run. Digital technologies were reabsorbed into the complex social and economic relations of urban India. Anita's shop, for instance, provided services on credit for those the owners knew well. The micro-ATM worker juggled a multiplicity of services while being hurried by his customers ('brother,



Illustration 6.2. 'Micro-ATM': Aadhar-linked money withdrawals, transfers and bank account opening services. Photo by the author © Emilija Zabaliūtė.

do [the transfer] well—it's an emergency in my village'). Such transfers were creative, flexible and more malleable in terms of payments amidst unstable incomes and uncertainty among the urban poor. Yet an effect of this intermediation was a new form of technological engagement. The aesthetic appeal of intermediation here overturned the dominant discourse about the technologies enabling 'immediation' and expressed a capacity to respond to the unequal terrain of everyday economies among the poor.

Conclusion

In this chapter, I have shown how new payment technologies unfold in urban India and how these technologies are subject to aesthetic critique and production by the urban poor. While globally, virtual wallets threaten to replace plastic cards, the case of payment technology development and use in India suggests a leapfrogging technological landscape, where multiple new forms of payment technologies coexist alongside cash. In this context and amidst demonetisation, money's role as a universal referent for value that flattens social relationships becomes less obvious (Gamburd 2004; Maurer 2006). My informants made social distinctions by means of evaluating and producing new meanings about new and old methods of payments in terms of aesthetics and value. This aesthetic production was inflected by their experiences of belonging and urban exclusion, notions of social status, labour patterns, strategies of livelihoods and the difficulties that emerged in their daily lives.

Historically, payment technologies such as credit cards excluded the poor from membership in this 'transactional community' and the associated lifestyles promised by technological change (Swartz 2017). This is visible in the divided landscape of urban India. Yet, in this context, the aesthetic sensibilities among the poor suggest that the

dominant narrative about the technological change is subverted through both critique of, and creative participation in, the technological change. By turning cash into digital payments and technologies of ‘immediation’ into tools of intermediation, the urban poor engage in the production of new aesthetic regimes of digital payments.

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Note

1. All names and titles are changed to protect the privacy of research participants.

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BoB¹ AND THE BLOCKCHAIN

Anticipatory Infrastructures of
the Cashless Society



Michael Ulfstjerne

‘I’m BoB’, his black T-shirt reads. But he’s not BoB. He’s Simon.² In the attempt to gain a better understanding of what drives the recent blockchain hype, I’ve met Simon along with his colleagues and friends at their shared penthouse apartment in Malta. Simon has a background in information technology engineering and is the chief technical officer of a new start-up that aims for large-scale adaptation of cryptocurrency, namely Bitcoin. Simon is a sworn libertarian and a self-proclaimed ‘anarcho-capitalist’. He recently moved from Sweden to Malta, the Mediterranean Island that is gaining increasing attention for its crypto-friendly legislation and outspoken optimism about blockchain-related services and industries. I pay only scant attention to Simon’s T-shirt until he and his colleague bring ‘BoB’ into the conversation. It turns out that BoB is an acronym for ‘Building on Bitcoin’. The slogan originated at a grassroots conference held in Lisbon in July 2018, which was primarily oriented towards the technical community that strives to create applications that build on the initial Bitcoin protocol. ‘For us’, Simon explains, ‘blockchain is sort of a bad word.’ Simon and his colleague’s critique resonates with other voices in the cryptocurrency community who remain sceptical of state

adoption, empty hype, scams and the increasing connivance of powerful financial stakeholders. Bitcoin, however, seems to retain a ring of autonomy and remains a model for people like Simon. In spite of often being confused and used interchangeably, Bitcoin and blockchain may be heading in different directions.

Honing in on the anticipatory infrastructures of a cashless society, this chapter follows the blockchain as it travels from its original use in Bitcoin. What ideological bearings travel with it, what is left behind and what new diverging interests are manifest in the transformation from cash to code? Answering these questions, I draw inspiration from critical writings on infrastructure (see Chu 2014; Harvey, Jensen and Morita 2016; Larkin 2013; Star 1999) as well as recent work on payment systems. Echoing Susan Leigh Star's (1991: 1) early call to take a closer look at 'boring things', I follow recent scholars (Dodd 2018; Maurer 2012, 2017; Nelms et al. 2018: 15, 22; Swartz 2017) who study money's underlying 'rails' and 'pipes'.

Abetted by the incremental loss of faith in fiat currencies and the apparently tireless streak of financial debacles and fraud in existing financial institutions, Bitcoin and its underlying technology, the blockchain, represent alternative visions of money in a digitalised world and have thus helped voice popular concerns over the future of money and the current directions of fiscal policy. As recent research has shown, however, there are limits to the dominant ideals and economic imaginaries of openness, transparency and peer-to-peer (P2P) transactions intrinsic to much debate on cryptocurrencies and distributed ledgers. Nelms and colleagues (2018: 24) observe how the economic imaginary of 'just us' is actively corroborated in the payment industries sector, where a broad line of start-ups, fintech entrepreneurs, and payment professionals invoke the 'social aspects' of payment under the auspices of a peer-to-peer economy (see also Tooker and Clarke 2018). While these emerging

technologies to some extent challenge the status quo of states and banks, they simultaneously position these new agents in their place as ‘disintermediaries’, paradoxically seeking to ‘disappear into the very relations they facilitate’ (Nelms et al. 2018: 15).

Taking a point of departure in these insights, the aim of this chapter is to show how not only these ‘disintermediaries’ but also more conventional intermediaries aim to seize the opportunities offered by the recent blockchain hype. This is particularly evident as states such as Malta opt to become frontrunners in the blockchain industries. The ‘just us’, in turn, makes evident an eerie cohabitation of agents with widely diverging interests: between the ‘just us’ of libertarians and cypherpunks like Simon and his peers, the ‘just us’ of payment professionals and now also the more conventional financial intermediaries.

The arguments put forth in this paper rest upon one year of episodic on- and offline ethnography among investors, programmers and fintech enthusiasts. My research also included reading whitepapers, conducting participant observation in encoded and decentralised social media platforms such as Medium and Steemit and participating in discussion groups on Facebook, Twitter, Telegram and BitcoinTalk. The article also draws on two brief research sojourns in Malta before and during the 2018 Malta Blockchain Summit, which was composed of legislators, investors, start-ups, Bitcoin maximalists, day-trading syndicates, lawyers, accountants and blockchain researchers at the University of Malta.

The following is structured into three parts. First, to understand what is at stake in the much-debated shift from ‘cash to code’, I provide a brief background of blockchain’s first use, Bitcoin, before I move on to list other embryonic use cases of the blockchain. Next, to illustrate the above-mentioned divide, I juxtapose Bitcoin with blockchain’s *travels* by returning to ‘BoB’ and the ‘Blockchain Island’. Here I relate recent writings on digital

finance's 'relational' and 'social' bearings (Dodd 2018; Nelms et al. 2018; Tooker and Clarke 2018). On these grounds I point to an inherent paradox regarding the contemporary hype: what was initially meant to cut off third parties and intermediaries has seen the proliferation of financial intermediaries, brokers and interests that break with initial tenets of the Bitcoin protocol.

From Cash to Code

To understand the widening gap between Bitcoin's ideological underpinnings and blockchain's present travels, the following briefly recaps two central characteristics of Bitcoin: the idea of obliterating the need for so-called trusted third parties through code and Bitcoin's emphasis on a peer-to-peer economy.

Bitcoin's initial protocol emerged at an auspicious moment: the recession following the 2008 financial collapse, the credit crunch, regional hyperinflation and so-called currency wars (Richards 2012). As a consequence of the increasing loss of faith in existing financial systems—and aided by the ease with which current technology can invent new forms of money—monetary experiments have proliferated. These range from local community moneys such as Ithaca Hours and Brixton Pounds to gaming money like World of Warcraft Gold and ironic money memes like Dogecoin, which suddenly took on unimaginable value as it went viral. Of these alternative currencies, Bitcoin has emerged as one of the most successful in terms of scale, reach and publicity (Dodd 2018: 38).

Behind Bitcoin is the pseudonym Satoshi Nakamoto. Despite myriad attempts at uncovering the identity/ies behind the pseudonym, Satoshi is still engulfed in an air of mystery. While Satoshi's real identity may not be revealed, the thoughts behind the Bitcoin protocol

are readily available on early online discussion forums between pioneers from around the time of its conception. Bitcoin and its most central tenets are also accessible in the whitepaper: ‘Bitcoin: A Peer-to-Peer Electronic Cash System’ (Nakamoto 2008). As implied in the whitepaper’s title, Bitcoin’s imagined use recalibrated the anonymity of cash transactions into the digital sphere. Prior to Bitcoin, digital transactions relied almost exclusively on established financial institutions serving as what Nakamoto describes as ‘third parties’. He writes,

What is needed is an electronic payment system based on cryptographic proof instead of trust, allowing any two willing parties to transact directly with each other without the need for a trusted third party. (2008: 1)

One of the challenges that Bitcoin is trying to address is the problem of double spending in digital payments. In other words, how to make sure that one coin has not been spent multiple times. This is where a third party usually comes in to protect transactional parties from fraud and the identities of the transacting parties. This ‘protection’ nevertheless allocates substantial power to these third parties, primarily by making stored information about parties exposed to hacks, leaks, governments’ requirement of data disclosure and so on. Nakamoto solves this problem by giving every transaction a timestamp and making all transactions publicly available in a comprehensive audit trail that is openly accessible to everyone. So-called public keys act as accounts in the network, yet by ‘keeping public keys anonymous’ (Nakamoto 2008: 6) the Bitcoin protocol doesn’t disclose the identities of the parties in a transaction, making it more akin to peer-to-peer cash transactions.

The transition to Nakamoto’s ‘electronic cash system’ is premised upon making two aspects of monetary trust redundant. First, through an ‘algorithmic control of the

money supply’ (Maurer, Nelms and Swartz 2013: 273), it does away with the need to trust that central banks execute a responsible fiscal policy. Second, as stated in Nakamoto’s quote above, Bitcoin is designed to obviate the need for trust between transactional parties through cryptographic proof—that is, a particular system of verification.

A payment can be thought of as a digital message. Once you make a transfer of funds, the digital message is translated into a long line of numbers and letters called a ‘hash’. It is then sent out into validation nodes in the network, popularly called ‘miners’. A central feature of Bitcoin is that every computer on the entire network registers every single transaction in the ledger. Miners update the ledger by gathering all encrypted messages, duplicating the entire record and employing computational power to authenticate the transactions.³ Each transaction is stored in a block and each block becomes part of the chain. In this sense, Bitcoin is at once a currency and its underlying ‘rails and pipes’.

Bitcoin, however, is only one of several possible applications that blockchain enables, and it is important not to conflate the two. The blockchain is an example of a distributed ledger technology (DLT) in which there is no authoritative account holder or central location for data storage. Given that the blockchain, in principle, cannot be altered or tampered with, the ledger takes on the function of a collective database or transactional archive. But not only economic transactions like in the case of Bitcoin but also many other kinds of information (contracts, records, personal data, etc.) are potentially processed and verified through a network of distributed computation. A quick glance into the cryptocurrency sphere provides plentiful examples of the diverse uses that blockchain serves beyond financial P2P transactions termed ‘privacy coins’. Other examples include use-tokens that are similar to limited-use coupons. Blockchain is also supposedly curbing

the circulation of counterfeit commodities by archiving the biography of luxury items, high-end consumer products and cars. Other industries prone to be ‘disrupted’ by the technology include supply-chain management, real estate, creative content sharing, advertisement, transparent electoral and public opinion systems, P2P remittance transaction systems, payment user systems, renewable and green energy and miscellaneous variants of Bitcoin like PotCoin, HashCoin, SpankCoin, JesusCoin and PonziCoin. With more than two thousand⁴ different tokens and coins listed at the moment of writing, the list could be made longer. In the case of many of these embryonic use cases, the technological infrastructure is not singularly premised on openness and transparency. Both permissioned and private blockchains exist, in turn countering central ideas in the Bitcoin protocol.

Besides the ever-expanding numbers of tokens and coins, one needs simply to consider banks’ quick adoption of the technology. Already in 2015, the head of the Federal Reserve Bank of St Louis, David Andolfatto, expressed openness to offering digital and even cryptocurrency money services at retail and wholesale levels (Andolfatto in Birch 2017: 188).⁵ A recent report on monetary policy in the digital age issued by the International Monetary Fund posits that cryptocurrencies may prove capable of reducing demand for central bank money, given that ongoing technological innovation succeeds in addressing current deficiencies (He 2018).⁶ Scepticism towards such a transition, however, remains widespread, and a survey of legal landscapes around the world show the widely disparate nature of national policy, which ranges from criminalisation and bans to regulation and adoption of the technology.⁷ Clearly, blockchain’s role in the future of money is found not only at the frontiers of technology but also in the rhetoric of state leaders. Nations such as Venezuela, Russia and Azerbaijan are launching their own cryptocurrencies and blockchain uses, and smaller jurisdictions are

competing to become the most attractive locations for blockchain-related industries.

BoB and the Blockchain Island

Within the last year, Malta has placed itself on the map of aspiring blockchain-friendly jurisdictions. In a speech at the UN General Assembly on 27 September 2018, Malta's prime minister proclaimed that cryptocurrencies make up the 'inevitable future of money'⁸ and that the blockchain will help bring about a more transparent and equal society. Muscat's speech resonates with Malta's recent rebranding of itself as the 'Blockchain Island' and have taken serious steps to regulate what has up until now been considered a speculative Wild West frontier and a regulatory no man's land. At his keynote address at Malta Blockchain Summit, 1 November 2018, Prime Minister Joseph Muscat expressed Malta's ambitions in the succinct terms:

This is the land of opportunity for blockchain. . . . The seed landed on very fertile soil, and as a government we saw the opportunity to start watering carefully the seed to make sure that it grows in an organic way, yet building the blocks around it to make sure that when the time is right it starts bearing fruit.⁹

Modelled on its economic success as a leading jurisdiction in the I-gaming industries, Malta is embarking on creating on what local, Maltese stakeholders refer to as an 'ecology' for blockchain development. But what does this 'ecology' comprise?

First and foremost, it entails a comprehensive legal framework. On 4 July 2018, three bills were passed in the Maltese Parliament and are among the first steps taken to regulate cryptocurrencies, blockchain, and distributed

ledger technologies. The three bills are the Malta Digital Innovation Authority Act (MDIA), the Innovative Technology Arrangement and Services Act (ITAS) and the Virtual Financial Assets Act (VFA). The first (MDIA) relates to the instalment of a new authority responsible for regulating the technology sector in a way more aligned with the new competences needed. The second (ITAS) sets out a framework for the registration and auditing of new ‘technology arrangements’, such as DLTs, smart contracts and related applications. Through this legal architecture, the so-called decentralised autonomous organisation (DAO) exists to obtain rights and responsibilities just like other registered companies. Finally, VFA’s main purpose is to create a legal architecture aimed at auditing initial coin offerings, digital wallets and cryptocurrency exchanges. This will not be done directly by the authority itself but by VFA agents. Servicing the anticipated influx of start-ups, several hundred certified VFA agents, also called prospective agents, of chiefly advocates, accountants and auditors, are set to act as a new kind of intermediary between ‘prospective clients’ (i.e., the companies) and the new financial authority of the Malta Digital Innovation Authority Act (MDIA). In addition to the legal architecture, education plays a central role. The University of Malta is launching cross-disciplinary courses for blockchain-related industries. Finally, the thriving community of blockchain and cryptocurrency start-ups is further incentivised to set up shop in Malta through a competitive tax regime. The new legislation took effect on the same day that Prime Minister Muscat delivered his keynote address at Malta’s Blockchain Summit, concluding, ‘We are open for business [and] now have a playing field designed: touchlines, goal lines, goalposts and flags. We are now inviting people to come and play in our field. . . . Our philosophy is to be honest brokers to know where we all stand with each other’.

Back with Simon and his peers, we talk about BoB and the increasing divide between blockchain and Bitcoin.

Blockchain wasn't always a bad word, Simon explains. Now, at tech-community meet-ups, when someone says 'blockchain', they go to great lengths to excuse even using the term. As a response to the recent buzz of 'blockchain, not Bitcoin', Simon and many like him frown at the blockchain hype: 'In my view, coming from the technical side of things, the blockchain itself is just a piece of the puzzle. Not even the most important one. . . . So we have this piece of technology that is very slow. It has very little capacity. It's like a database, but a very bad database. . . . It's something that we need because we can't do it [distribute the ledger] any other way'.

A few months earlier, the young entrepreneurs set up Malta's first two-way cryptocurrency ATM that enables customers to buy Bitcoin with fiat and, conversely, to change Bitcoin to Euro. In spite of its pronounced blockchain ambitions, Malta is cash driven, and ATMs make up a considerable part of the island's monetary infrastructure. Simon and his colleagues therefore reasoned that a Bitcoin ATM was a way to build a bridge between cash and fiat money and, in that way, push for more mainstream adoption of Bitcoin. While working hard for their own start-up to thrive, both Simon and his cofounders depend on other sources of income. While some sources of employment relate directly to cryptocurrencies and blockchain-related industries, others include remote accounting jobs and programming. Despite the pronounced divide, Simon and his peers nevertheless seem to retain some optimism about Malta's recent steps towards legislation. They hope it will take shape in a way that helps start-ups and cryptocurrencies flourish and, moreover, that there will be broader adoption of Bitcoin by local businesses.

The distinctions, hopes and dedicated labour found within the Bitcoin community alerts us to Bitcoin's political and affective undercurrent, which goes beyond innovation in payment technologies. As Maurer and colleagues write, 'Bitcoin is meaningful and valuable not so much

as an actual complementary or alternative currency, but instead as an index of much broader discussions over the nature of money, credit and capital in the world today. . . . The point is not whether Bitcoin “works” as a currency, but what it promises: solidity, materiality, stability, anonymity, and, strangely, community’ (2013: 263). Sociologist Nigel Dodd takes this idea even further, pointing to an inherent paradox that lies at the heart of Bitcoin—that is, that if it succeeds as money, it will necessarily collapse as ideology. Despite its emphasis on obliterating the need for trust or social relations through code, Dodd (2018: 37) argues that the Bitcoin network thrives exactly because of its strong community and, therefore, essentially despite and ‘not *because of*, its reliance upon machines’.

‘BoB’ and its tightknit community of libertarians, cypherpunks and anarchists might well still benefit from the recent blockchain hype by way of their technical knowledge, the more ‘friendly’ regulatory environment such as that offered in Malta as well as social networks that increasingly connect with traditional intermediaries. But whether the ‘the world of Bitcoin’ (Maurer et al. 2013: 262) will continue to be composed of heterogeneous interest groups is largely an open question that depends to a great extent on the ongoing contentions over the anticipatory infrastructures of the cashless society.

Conclusion—If Not Just Us, Then Who?

In a recent article on the nature of money as record in distributed accounts, Bill Maurer asks, ‘Can there be a democratically decentralised database, owned by none or owned by all, without the intercession of any scribes, bookkeepers, banks, or governments? Just how far can the distribution of agency go?’ (2017: 112). While many voices in the Bitcoin community certainly seem to believe in the credo of a democratic and flat peer-to-peer network

with no intermediaries, the emerging blockchain ‘ecologies’ suggest otherwise, as states compete to become ‘honest brokers’ and provide ‘a fertile soil’ for cryptocurrencies and decentralised organisations. In this regard, the predominant imaginaries of decentralisation and the peer-to-peer economy come across as increasingly contradictory constructs. Such imaginaries are not only actively corroborated by fintech ‘disintermediaries’ but also fraught with the sedentary and territorial ambitions of aspiring blockchain nations. Against this background the ‘just us’ expands to include a new line of ‘prospective agents’, lawyers, advisors, managers, marketing agents, accountants and so on. Returning to the initial question, the blockchain travels light in the sense that it does not automatically reflect Nakamoto’s ideological bearings, often held to be critical of nation-states, banks and conventional intermediaries. Nevertheless, in spite of their seemingly contradictory nature, these imaginaries prove resilient—for now, at least.

Bitcoin represents an ambiguous figure in the current race towards a cashless society: while governments such as Malta and even central banks largely endorse Bitcoin’s underlying technology, the blockchain, they simultaneously go to great lengths to condemn and curb Bitcoin, just recently coined as ‘the evil spawn of the financial crisis’ by an executive board member of the European Central Bank, Benoît Cœuré.¹⁰ As implied in the above, however, this may be less than black and white. Agents with widely disparate political interests coinhabit the same spaces and gain from the expectations of wide-scale adoption. But wherein the real disruptive innovation lies is less clear: ‘Bitcoin, not blockchain’ as Simon believes, or vice versa, ‘blockchain, not Bitcoin’.

Present scholarship has brought critical attention to the mundane things of payment technologies and their ideological formations. The archives of economic transactions and historical money forms are consulted to shed new light

on infrastructural innovations and monetary policy. Less attention, however, has been given to growing blockchain ‘ecologies’ and the ongoing negotiations between central stakeholders in the field. Attending to these ecologies—including the ‘anarcho-capitalist’ ‘BoBs’ as well as their sedentary ‘broker’ twins, I argue—may help avoid *a priori* ethical divides and deepen our understanding of how such cashless ecologies take shape and with what implications.

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Notes

1. ‘BoB’ is an acronym for ‘Building on Bitcoin’, a slogan coined at a developer community meet-up in Lisbon, 2018.
2. In reality, he’s not Simon either. Apart from public figures, I use pseudonyms throughout the chapter.
3. To create incentives for miners who are essentially nodes in a network to ‘stay honest’, miners obtain a credit line in the Bitcoin ledger (Nakamoto 2008: 4). In other words, they receive a bit of Bitcoin for their efforts.
4. Information retrieved from www.coinmarketcap.com, 10 November 2018.
5. More recent discussions within the Bitcoin community does not entirely exclude the existence of central banks but instead considers the opportunity of ‘Bitcoin-backed banks’, in turn rendering Bitcoin as a form of ‘high powered money’ that acts as an underlying reserve currency for central banks (Finney in Ammous 2018: 209–210).

6. Dong He, 'Monetary Policy in the Digital Age', *Finance & Development* 55, no. 2 (June 2018). www.imf.org/external/pubs/ft/fandd/2018/06/central-bank-monetary-policy-and-cryptocurrencies/he.htm.
7. 'Regulation of Currency around the World', The Law Library of Congress, June 2018, www.loc.gov/law/help/cryptocurrency/cryptocurrency-world-survey.pdf.
8. Joseph Young, 'Malta PM at UN General Assembly: Crypto Is the Inevitable Future of Money', CCN, 30 September 2018, www.ccn.com/malta-pm-at-un-general-assembly-crypto-is-the-inevitable-future-of-money/.
9. Fieldnotes from Malta Blockchain Summit at the InterContinental Malta, 1 November 1 2018.
10. Benoît Cœuré made his statement at the Economics of Payments IX conference, November 2018. For the entire talk see Nikhilesh De, 'ECP Official Calls Bitcoin "Evil Spawn of the Financial Crisis"', Coindesk, 16 November 2018, www.coindesk.com/ecb-member-praises-blockchain-potential-in-central-bank-use.

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AS ABOVE, SO BELOW

Reflections on the
Democratisation of Demonetisation



Gustav Peebles

Although ‘demonetisation’ is only referenced directly in one of these chapters, all three authors prod us to question the meaning of this mysterious notion. Might it hold a key for us to better understand the entire spectrum of cashlessness, from its old-as-the-hills incarnation as ‘cash scarcity’ to its latest emergence as ‘the replacement of paper money with e-money’? In their telling, each author describes how an ethereal thing known as ‘value’ can flit from one object to another. Cash is the material body that houses the soul qua value; demonetisation is simply the death of a given material body. But the soul—the value—is far harder to kill and simply moves on to its next shell. Taking his cue from the theologians, Marx called this sort of movement of abstract value from one concrete shell to another ‘metempsychosis’, as his understanding of the economy matched Hegel’s and others’ choice of terminology for the transmigration of souls (Marx 1992).

And yet we are accustomed to thinking of demonetisation as something that only governments manage to achieve. As if with a magic wand, they can suddenly announce that a given denomination of money has lost its capacity to represent value; governments have the bizarre capacity to convert treasure into trash by fiat. But

how does this happen in reality? After all, just because a government announces a sudden severing of signified (value) and signifier (cash), the citizens could—in theory—choose to keep valuing the object. The ethnographic record, in fact, informs us of instances when colonial money had been demonetised but still circulated as value. The United States recently had a similar battle outside of the monetary sphere when some governments chose to remove statues that commemorated Confederate Civil War leaders. The municipal governments had hoped to merely cart the objects off to warehouses where they would die a slow death. But many Americans (far too many, in my opinion) protested the initiatives of their government, insisting that the statues retained intense value for them. We must, therefore, ask why and how governments seem to retain such power to instantly demonetise specific denominations of cash or coin and if the power to demonetise is perhaps more democratised than we have hitherto recognized.

As with so many other daily practices, the dominant form of demonetisation may be blinding us from seeing its many subaltern forms. The practice may have been seemingly monopolised by the state, but we should open the concept up to reinterpretation. By probing demonetisation more closely, perhaps we can begin to see it ‘from below’ and not only from above. Perhaps, in other words, it is not only states that have the capacity to demonetise but so too do Bitcon bandits and migrant labourers. Witnessing the power that such actors have to demonetise, we can more clearly see why governments would so forcefully want to maintain the fiction that they are the only monopoly players that can cause the death of cash.

Zabiliūtė’s contribution provides the clearest point of departure for this investigation, as she explicitly refers to one of the world’s most infamous demonetisations, carried out by Narendra Modi’s government in India in late 2016.¹ As she explains, Modi justified this to his followers

as an effort to end the corruption that was occurring due to ‘intermediation’—that is, the various third parties that were making money off of cash. As with countless previous political scenarios in this vein, such intermediaries were considered unnecessary middlemen who siphoned off the wealth of the working poor. Modi, therefore, campaigned via a ‘politics of “*immediation*”’, wherein, as Zabiliūtė tells us, technological solutions were held out ‘as a neutral grounds for human-less transfers and therefore less corruptible’ (5). It is, perhaps, unsurprising that a nationalist such as Modi would critique a broad swath of ‘money lenders’ while simultaneously calling for the soul of money to become purified from its crass material shell. A politics of immediacy, in this sense, fits perfectly with Georges Sorel’s early inspiration to appeal to emotion and ‘inner’ sensations in order to mobilise the masses to defend the nation (1999).

In practice, Zabiliūtė finds that the Indian working poor followed an odd and dichotomous mixture of both Modi’s logic and standard monetary reliance on intermediaries. On the one hand, Zabiliūtė details how they eschewed credit cards, which are but a new modality of intermediation. The working poor, she finds, instead retained a commitment to the aesthetic and social performances that cash facilitated. On the other hand, she also shows how they found themselves turning to a variety of private intermediaries that could help them jump into the blossoming digital-based payment ecosystem, even when they did not have formalised access to it themselves. In a way, this gives the lie to Modi’s project, as he was not so much opposed to intermediation as such but, rather, the informal modalities of it (see Peebles 2014). In Modi’s India, then, intermediation continued apace, just following new vectors and pathways.

But more importantly for our considerations here, we can see how Modi only managed to demonetise, not to devalue; that is, Modi’s blunt manoeuvre only killed cash, not its soul, which merely moved into bank accounts and

into new fees paid to new intermediaries. Upon killing the cash, Indians of all stripes conceded rather than contested its death. The reason they did so is significant—cash is tethered to the government’s operations, not least through its demand for payment of taxes.² Once the government had deemed a given note valueless, no one else wanted to trade for it either, as its ‘promise-to-pay’ function—as grounded at the governmental level—had been nullified. Interestingly enough, this standard insight from within Modern Monetary Theory (MMT) fits precisely with Weiner’s arguments that lesser values are issued by a powerful holder of an inalienable possession as a means of keeping the inalienable possession from transferring to new ownership (1992; see also Ingham 2004 and Wray 2012).

Small’s chapter moves us beyond the world of standard money by reminding us that money is just one item of value, circulating among countless other items and traded in exchange for them. Typically, we think of cash as unique, but Small’s ethnographic evidence challenges us to think of motorcycles and TV sets as substitutes for the cash form; in Marxian terminology, such items are held as exchange value rather than as use value. If this is true, then what his ethnographic data presents us with is a sort of metempsychotic (see above) chaos—a tableau of mundane-to-monstrous shells that can all house economic value just as readily as a piece of paper or a set of digits. Small coins a useful term for the movement across and within this tableau, calling it ‘value arbitrage’ to emphasise the manner in which economic value continually traipses across the borders of space and time, spilling the banks of any one material shell as it does so.

The scene Small sets for us could be thought of as a mode of mundane and subaltern demonetisation. He depicts people who are more than happy to abandon cash, contesting its value as a device for usefully representing economic value. Cash may seem convenient to many of us, but Small shows us that the typical appeals

of cash—its portability and divisibility—may pale in comparison to the more theft-proof nature of a motorcycle. Cash, in other words, does not acquire all of its value purely from its issuance by a government but also from its capacity to outcompete other goods that are also carriers of economic value; typically, it wins this competition, but not always. As he writes, ‘the poor have always in fact managed diverse forms of value . . . there is a market to be tapped if one looks to the many other ways the traditionally financially excluded are also economic actors in their own right’ (Small, this volume: 5). By opting to carry such items to trade with people instead of cash, they are posing, just like Modi, a threat to the role of cash in the marketplace. Here we find a subaltern challenge to the famous ‘sound money’ that bankers have always demanded; these people are also hoping for material forms that can transport stabilised value through time and space, but by opting against cash, they are threatening the standardised sound money that bankers seek.

Small is asking us, therefore, to pay closer attention to the myriad ways in which remittances flow, far beyond mere cash. As he explains, ‘transporting material goods is itself a cashless solution to remittance transfers’ (8). But importantly, such value arbitrageurs are avoiding theft not simply by common bandits but also from an array of intermediaries that seek to track and tax the movement of cash by pushing it into the digital realm. Transferring a motorcycle across a country keeps it under the radar of this ‘constellation of intermediaries’, allowing the working poor to hold onto more economic value for themselves. In other words, they are contesting the introduction of the digitised cashless economy by turning to a far older form of cashlessness.

Ulfstjerne provides us with a dispatch from the most notorious of threats to traditional cash, the Bitcoin bandits. In so doing, he affirms for the well-to-do what Zabīlūtè insists is true for the working poor—that people

continually reimagine and redefine the technological infrastructures of money rather than passively receiving them.³ In the case he describes, Bitcoin and other cryptocurrency proponents actively seek to transfer economic value from traditional cash into cryptocash. Via the standard techniques of trading, plus the new technique of digital mining, they become renegade demonetisers, contesting the value of state-issued cash.

Part of their inspiration for doing so comes from the ideology espoused by Bitcoin's elusive and cryptic founder(s), Satoshi Nakamoto (see also Dodd 2017). Ulfstjerne encounters libertarians and cypherpunks who hope that the blockchain can loosen the state's hold over currency. In their analysis, currency only needs the state because of its capacity to stand as an outside third-party monitor of economic transactions; once the DLT (distributed ledger technology) was discovered, this need for the state's imprimatur became redundant. The power to continually monitor currency devolved to its users, the 'just us' of Bitcoin participants.

In this chapter, we learn that currency is not merely economic value travelling on 'rails and pipes' (see Nelms et al. 2018) but also part of a state regulatory apparatus that Bitcoin activists claim to bypass. Peer-to-peer DLTs can ensure that no one individual Bitcoin is used more than once for any given transaction, but they cannot ensure that the transfer of economic value that follows is guarded by an entire legal system that protects buyers and sellers. Beyond this, additional new intermediaries pop up in Ulfstjerne's field site of Malta, mimicking the same ones that emerge in standard currency systems. To wit, we find not only an array of private, fee-demanding consultants who help smooth the running of cryptocurrency but also webs of academic researchers dedicated to its issues. As a result, Ulfstjerne notes the irony that a currency that sought to minimise the state and its infrastructure has ended up depending on it nonetheless. For this reason,

here I have referred to these advocates as ‘Bitcoin bandits’, for, just like Hobsbawm’s bandits (2000), they are not so much ‘anti-state’ actors as they are ‘quasi-state’ actors. Once again, they are hoping to kill cash, but not to kill value itself. They simply want the latter to metempsychotically leap out of state-governed currency and into bandit-governed cryptocurrency.

Demonetisation from Below, Remonetisation from Above

All of this harmonises nicely with my own findings while studying the Swedish Royal Bank’s (the Riksbank) recent effort to build a so-called e-krona. When I first heard about the project, I dismissed it as pop gimmickry. It felt almost pathetic, watching an august state chase after the latest fad. But as I dug deeper, the e-krona project illuminated similar issues of demonetisation that are raised in these other chapters.

Most crucially, I learned that the Riksbank was embarking on this novel experiment precisely because of demonetisation from below. Riksbank reports and government workers emphasised that the circulating Swedish paper currency (the krona) is a good that competes on the marketplace. As such, it requires consumers who actively choose to use it, or it will die a slow death no different from any other commodity. As a monopoly good, it never used to worry about finding consumers, as it never suffered competitive pressures. It also carries high degrees of utility. But the digital world has altered all of this—and altered it fast. Suddenly Swedish cash users are ‘voting with their cards and phones’, eschewing the paper krona so much that the premier scholar of cashlessness in Sweden asserts that by 2025, 50 per cent of stores and restaurants in Sweden will no longer accept cash at all (Arvidsson, cited in Dillén et al. 2018: 13).

Responding to this catastrophic lack of demand for its premiere good, the Riksbank is now responding by taking steps to implement a national digital currency. It cannot idly stand by and watch as its hard cash is gradually demonetised by the citizenry. It recognizes—in a roundabout way, and without attribution—that the power to issue currency stands as part of a Weinerian struggle over hierarchy (Weiner 1992); it doesn't intend to lose the social status conferred by holding this 'inalienable possession'.

For our purposes, all of these different ethnographic portraits tell us something more about cash and the world's emerging cashlessness. To wit, eliminating the seemingly unnecessary mediation of third parties stands as the utopian dream of cashlessness. But notwithstanding these recurring utopian dreams, value operates via a Peircian logic.⁴ Our utopian spirit may hope to find, at the bottom of a chain of value, some single object that perfectly and permanently fuses together economic value and its representation, making them one and the same—a transcendental signified (as Derrida would call it). But, alas, value is an inherently social process, emerging *out of* the denigrated 'third-party monitoring'—the intermediaries—impugned by so many. A given material object can only house economic value because *outside others* continually affirm its legitimacy. If they stop seeing it as a vessel for carrying economic value, then the value slips away. As such, the metempsychosis of economic value that occurs during a demonetisation process is neither some aberration that can be eradicated nor some tragedy that can be averted. Rather, such metempsychosis is the warp and woof of a social process that binds together economic value and its representation. From this perspective, we should assume that demonetisation—and *all* the forms of cashlessness that emerge in its wake—are here to stay.

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Notes

1. See the many contributions to the HotSpots Forum edited by Dharia and Trisal for more on this historic event (Dharia and Trisal 2017). Modi's sort of demonetisation opens up people's eyes to the fact that the cash they are holding is not quite 'theirs' but is, rather, owned in part by the government. Cash, in other words, is a walking contract between citizen and state; though this is often forgotten, demonetisations such as Modi's powerfully reminds people of this contract, as they suddenly learn that their personal 'hoard' can be turned to dust without their say-so. I discussed this counterintuitive 'co-ownership' of money in Peebles (2012).
2. As documented extensively both in this volume and elsewhere, many Indians were, of course, immensely frustrated at the demonetisation. Some even died, as they waited in the hot sun to trade in their dying cash. My point is only that they did not try to keep the cash in circulation and contest the government's killing, though, in theory, they could have.
3. See also Zelizer (1995) for an earlier version of this argument.
4. See, for example, Kockleman (2016), Parmentier (1994), Peebles (2014), all of which describe Peirce's famous triadic relation among signs, objects, and so-called 'interpretants'; in this model, the connection between signs and their objects is constantly reaffirmed, and questioned, by interpretants, thereby creating fluidity—rather than the seeming stability that connects signs and objects.

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III

CASHLESS FRICTIONS AND NEW MONETARY TRANSITIONS

BORROWING FROM THE POOR

Informal Labour, Shifting Debt Relations and
the Demonetisation Crisis in Urban India



Atreyee Sen

Introduction¹

Between November 2016 and January 2017, the government of India announced the demonetisation of large currency notes, which meant that 80 per cent of national currency units were retired as legal tender. In an unscheduled televised address, Prime Minister Narendra Modi stated that people could deposit or change their old notes in banks until 30 December 2016, and new rupee notes would be issued to them in return (see Zabaliūtė, this volume). Despite the initial confusion about the abrupt implementation of this economic measure, ordinary citizens realised that large cash notes in their possession had no value (Kumar 2016; Mukhopadhyay 2016). Giant crowds started flocking to banks and ATMs to withdraw fresh cash or exchange old notes for new denominations. The serpentine queues were unusually long and spilled over into main streets. The police had to be called in at some banks to calm down agitated people queuing for long hours in the sun. The government responded to cash shortages in the banks by reducing the amount of cash that could be withdrawn at a time, from 4,500 rupees (€55) per day to merely 2000 rupees (€25). Those who

didn't follow these newly implemented strict laws and tried to use multiple ATMs to withdraw cash had their fingers marked with indelible ink.² Average citizens struggled to purchase daily essentials without cash, and many people, despite standing in queues, could not access cash as the bank coffers ran dry after so many withdrawals.³ This fiscal policy led to massive cash shortages in both rich and poor households across the region and created the multiple cashless conditions that are the subject of this chapter. I refer to cashless conditions as the material absence of valid money in circulation (Batiz-Lazo and Efthymiou 2016; Guyer 2012; James 2014), which can influence and potentially 'recalibrate' everyday human exchanges to new economic realities and, in the context of my research, create opportunities to amend, however insignificantly, routinised models of social and monetary debt.

In December 2016, in the middle of the demonetization period, I went to meet Jayati, a low-income cook (with a salary of €6/day) who serviced several middle-class apartments in a housing colony in Calcutta, a city in eastern India. One of her affluent employers, Mrs Das, had not been able to stand in line in the scorching heat to retrieve even small amounts of new cash from the ATMs. Most of her household staff did not hold formal bank accounts, so she could not offer cheques or digital payments. Some of the migrant staff had refused to work without regular cash remuneration or returned to their villages to tide over the demonetisation period. Some others used entrepreneurial opportunities offered by the crisis, such as mediating barter exchanges for a fee (e.g., assessing whether fish could be exchanged for a bag of rice in the slums) to take a break from the low-wage service sector in the city. I was scheduled to meet Jayati in front of Mrs Das' door. I found her in conversation with her employer. Mrs Das was tearfully thanking Jayati for turning up for work every day, even though her employer could not pay daily wages.

Jayati was reassuring Mrs Das that ‘we are in it together’ and, with flailing arms, dramatically underlining the importance of the rich and poor surviving the demonetisation crisis together. Mrs Das was still in tears. She said, ‘For two months, no salary, Jayati. How will you manage? We have no cash, but take whatever you want from the storeroom. There is rice and lentils.’ While Jayati tried her best to wriggle out of the conversation and escape with me, Mrs Das was relentless. With her voice cracking with emotion, she expressed deep gratitude to Jayati. Repeatedly using the Bengali word for debt (*reen*), she expressly stated how indebted (*reeni*) she was to Jayati, who cooked food for her sick child and elderly parents-in-law in such a time of crisis. Turning to me, Mrs Das said, ‘Jayati is so kind to us. Usually she is quiet. But today I see her in new light [*natun alo*].’ She kept standing at the top of the stairs, teary-eyed, while Jayati and I walked away. Jayati paused at the bottom of the stairs and winked at me. We both burst out laughing. ‘What melodrama!’ she said. ‘New light? She has suddenly woken up to the fact that I am human?!’

This chapter ethnographically explores small shifts in the micro-politics of debt that emerged in the context of an economic crisis in urban India. Using petty exchanges and enactments of indebtedness between rich and poor urban households as a central thread, I show how certain cashless conditions can generate opportunities for both moneyed and marginalised communities to briefly reflect on—if not renegotiate—their unequal economic relations in the city. The cash debacle in India was precipitated by Modi and his economic advisors, who claimed that such drastic actions would curtail the shadow economy in the region (Dasgupta 2016), especially the circulation of illegal, ‘black’ money in the city (Ghosh, Chandrasekhar and Patnaik 2017). However, many economists critiqued the impact of this move on the urban poor, as their small-scale, cash-reliant businesses and services became

vulnerable to bankruptcy and closure (see also Dharia and Trishal 2017; Midthanpally 2017). Against the backdrop of this financial emergency, this chapter highlights the reasons why some poor slum dwellers, despite their precarious financial lives, carried on servicing a middle-class housing colony in south Calcutta. I bring forth the voices of four slum inhabitants—Jayati, Rameshwar, Gopal and Gurupada—who worked without any wages for several months. The slum area, my ethnographic landscape, was the main supplier of domestic servants, employed as temporary maids, cooks, cleaners, gardeners, janitors, security guards, garbage collectors, carpenters and plumbers in the surrounding housing estates. They carried out a number of other small jobs to facilitate the daily lives of the affluent households in their neighbourhood. While their selective decision to work without a cash salary during the demonetisation crisis would appear to be a product of historically entrenched conditions of servility to wealth (see also Pocock 1973), I suggest that sections of the urban poor had an additional social reasoning behind supporting well-off households. Their actions were motivated by their collective vision of an improved, integrated financial future in the modern city.

It is estimated that over 60 per cent of Indian citizens do not have formal bank accounts, and the fully unbanked populations remain clustered below poverty line (BPL).⁴ Most of the slum dwellers within my ethnographic landscape did not have access to formal banking services. They usually remained financially indebted to families in high-income residential areas. These recently built housing sectors were occupied by nuclear families. These smaller households did not have multiskilled servants associated with long-term patronage networks that sustained traditional, extended family circles and demanded a range of personal sacrifices from the servants (Chopra 2012; Frøystad 2003). At some stage in their unreliable and scattered employment journeys, slum dwellers have

relied on informal cash loans from wealthy employers for family weddings, medical treatments, buying agricultural land or home repairs. However, during the demonetisation months, unpredictable cash scarcities within wealthy households made these households unexpectedly financially indebted to the poor, as they received daily labour without offering any immediate remuneration. The affluent families also felt morally obliged to the goodwill of slum dwellers for supporting their daily lives, knowing well the burdens they were imposing on the poor who were likewise negotiating the financial crisis.

It is possible that this sudden, performed sensitisation to the humanity of the poor is intended to manipulate workers into attending work. However, from the perspective of slum dwellers, this monetary and moral indebtedness expressed by the wealthy was an opportunity for the urban poor to accrue leverage. They could ask middle-class families for more empathy and financial support in the future and use their loyalty to challenge stereotypes about slum dwellers as an unscrupulous urban underclass. In this chapter, I want to emphasise this strategic ability of the poor to endure even greater economic hardship, often in the unfeasible hope of impacting the nature of everyday distrust of lower-class citizens in the city.

Suspicion and the Debt Receivers

Gopal and Gurupada were both lower-caste, economic migrants from a village in north Bengal. They shared a small slum tenement. When I returned to the area in early December, I became interested in the economic complexities caused by the cash crisis among the semi-literate migrant population in the slum. While Gopal served a nearby housing colony as a cleaner, Gurupada had a higher status. He had a driving license and held long-term employment with an elderly couple living in

the same colony. Gopal showed greater humility in both spoken and body language during work, as his position was more precarious; he worked for many households, with no enduring relationship with the inhabitants. Both Gopal and Gurupada had on various occasions borrowed money from their employers for family weddings and buying land. Gurupada had also borrowed money from his employers to start building a permanent house in the outskirts of Calcutta and pay the deposit for his daughter's school. They often discussed the disdain they faced when asking for a loan and how they had to bargain, beg and constantly perform the role of trustworthy employees who would not flee with the cash lent to them.

Jayati and Rameshwar had become known in the slum as a couple who would never return to their villages. Jayati was a Bengali village woman and Rameshwar was from a rural area in neighbouring Bihar. They had secretly married, even though Rameshwar had a wife in his native village. Jayati became estranged from his parents when they came to know about Rameshwar's second family. With no kin support and with little option of returning to their native homes, the couple relied entirely on their income from the housing colonies. Jayati cooked in several homes, and Rameshwar washed and ironed the clothes in the homes that were not modernised enough to have washing machines. Rameshwar and Jayati usually worked in a household for several months, displayed their loyalty and hard work, and then plucked up the courage to ask for a loan to be deducted monthly from their salaries. Rameshwar's requests for loans were rejected easily because employers believed he had 'a gambling problem', as he occasionally played cards with the security guards. Many employers were aware that Jayati was Rameshwar's illegitimate wife, which added to their distrust of her. From Jayati's perspective, it was precisely the fact that she was socially ostracised in the village that kept her permanently tied to the urban labour economy. She had

nowhere to run. As the city underwent periods of development and the number of housing projects increased, the slums around modern apartment buildings became more populated with such rural migrants who offered a range of services to middle-class families.

Demonetisation and (Dis)trust

Gopal and Gurupada woke up to the huge shock of demonetisation when their neighbours informed them that the money they had stored under their bed was redundant. ‘It was just paper’, said a distraught Gurupada. It was the beginning of November, and they needed to send money to their families. While Gopal found a distant uncle, Gurupada persuaded a bus driver who drove his vehicle to Gurupada’s village. Both the men had refused to carry the cash since it was now useless. Not sure how to respond to the situation, both Gurupada and Gopal went into work to discuss the matter with the educated families who employed them.

Gopal was deeply anxious when he knocked on the door of one of his employers, who looked equally perplexed by the central government’s decision. Gopal heard words like ‘reserve bank of India’ and ‘prime minister’. All he understood was that his money was no longer viable, and his family would not get any cash to make it through the month. He sat with his head in his hands, and his employers offered him tea to calm him down. Gurupada had suddenly realised that his employers were old, didn’t know how to use credit cards and did not have the stamina to stand in long-winding queues for new currency notes. Even if they did manage to reach the beginning of the queue, they would not be able to withdraw enough cash to pay Gurupada, settle bills and buy their groceries.

When the demonetisation crisis hit their little shack in the slum, both Jayati and Rameshwar also decided to

knock on the doors of employers. Holding up their small bags of cash, they asked the families to recycle their meagre savings through formal bank accounts. Many of the employers were kind enough to take a bit of their cash and help with recycling. Others were unable to do so because the banks randomly asked for supporting documents to ensure that the cash deposited was officially accounted for. Some employers claimed that they were not sure whether Jayati and Rameshwar had earned all their cash legally. Some claimed that the couple had not cleared earlier debts. There were still others who did not want to touch the cash that had lived in a smelly, dirty bag in their slum shack for fear of contracting disease from greasy notes. The couple returned home both relieved and dejected. They had split up their earnings and had found enough homes that would exchange the cash for them. But they were also painfully aware that so many households continued to treat them with suspicion.

The preceding narratives highlight the everyday politics of distrust that underlined informal debt exchanges between the middle classes and the poor living in proximity to each other in an urban neighbourhood. The middle-class employers historically imagined themselves as the 'givers' of financial assistance to the poor. The slum dwellers felt that they were cast as rootless people with no ties to the city who had migrated to make a living off the wealth of urban upper classes. According to all my informants, affluent families believed that obligation and honesty were not moral values appreciated by the poor—hence the humiliating questioning of their reliability was central to discussions on debt, which was a basic survival strategy for slum communities. While there were migrants who did 'run off' without repaying debts, many of my informants resented being labelled as ungrateful. The cash crisis in some cases accentuated this feeling of distrust, especially with the initial absence of support from rich householders. Even words of comfort or offers to recycle

cash by middle-class families generated feelings of indebtedness in my informants. Over a short period of time, however, the crisis precipitated expressions of empathy and reliance between sections of distinct economic classes (as seen in the introductory vignette), even as each group manipulated the vulnerabilities of the other in the context of the cash crunch affecting all urban households.

Middle-Class Gratitude Towards the Poor

Scholarship on the anthropology of the aftermath (see also Das 1995) often states that in postcrisis scenarios, the memory of a calamity continues to play a decisive role in determining the nature of social action. According to Perez (2008), who studies the aftermath of violent conflict in Latin America, it is the fear of the repetition of a crisis that often binds social relations in postconflict societies. The paranoia of another catastrophic event destabilising everyday life thus tempers the display of routine hierarchies, lest disparate communities need to coalesce again to survive more crises in the future. This tempering of economic hierarchies has become relevant again in the context of the current corona crisis (May 2020), as 1.3 billion people have been placed in quarantine in India, which in turn has had a grave impact on the livelihoods of urban migrant workers. Yet again, domestic workers are offering their services for reduced or delayed salaries, as elderly and upper-class employers are concerned about their vulnerability to contagion, and resist standing in queues and withdrawing cash from ATMs.

Despite the mockery of middle-class entitlements reflected in Jayati's laughter at Mrs Das, it contained the essence of some performative indebtedness that eventually emerged in the middle-class housing colony. Gopal offered two months of services without remuneration. Those families who had worried about catching germs

from Rameshwar's cash later displayed gratitude that Gopal's cleaning services would continue. Many of them promised Gopal a raise in the future in exchange for his kindness. Gurupada was suddenly told he was 'like a son' to the elderly couple. He was given gifts, such as old T-shirts, a cheap watch, and an outdated mobile phone. In addition, the couple was exceptionally affectionate, which made Gurupada feel good about his generosity. Rameshwar initially had a raw deal, as many housewives started to grumpily wash and iron household clothes. However, because he offered not to take a salary, the employers repeatedly thanked him for his supportiveness. While my informants would often discuss these expressions of appreciation with surprise or humour (sometimes even with sexual overtones), I observed how middle-class employers often expressed their gratitude in stairwells, doorways and even on the streets while bumping into their staff. These performances were usually interpreted by the slum dwellers as a bit bogus, but they were still valued as a public exoneration of the poor as merely corrupt. Because this fieldwork was based in the context of a particular financial fiasco, I argue that slum dwellers in that moment of crisis aspired to this toning down of distrust in precarious employer-employee relationships. I suggest that these enactments of gratitude from the rich, while perhaps disingenuous, gestured towards the possibility of moderately tolerant labour-related interactions and a collaborative future in the crisis-riddled city.

My ethnography also illustrates that a fragile enactment of codependence that emerges during a financial crisis can minutely subvert some aspects of a quotidian politics of debt. While the middle-class families in Calcutta were far more accustomed to being creditors to the neighbouring slum dwellers (offering them loans, writing letters for them, filling out forms in English, not sacking them when they were sick, putting up with their unskilled labour), they were not prepared to face a social situation

when they would *feel* indebted to the poor. Gurupada's employers told me: 'We once wrote a letter to the police to not arrest Gurupada when some money had gone missing from our housing colony. He was so grateful. And look at us now, not being able to pay a poor man who is taking us around everywhere. How will we repay this debt?' For the slum dwellers, this potential to remove the tag as criminals 'turned the tide' (*ulto deu*, as described by Gopal) of debt. They had managed to use the financial crisis to temporarily enter the game of obligations, and it was not a 'one-way street' (*ek torfa*), as imagined by upper-class employers. Even offering gifts did not balance the financial equation of 'service with no salary'. Anthropologists who explore the ways in which the urban poor seek acceptance in the city (see also Holston 2011) argue that slum dwellers can develop various political strategies, ranging from demonstrations to the threat of political reprisal, to give visibility to their presence within labour networks. My chapter shows that outside the remit of high politics, there are low-end affective spaces that can also offer a sense of urban inclusion to the poor. As Mrs Das showed when she said, through tears, 'I will always remember how a poor woman didn't take a salary to help me out', cashless conditions generate unusual debt-related *sentiments*, which in turn engender a fleeting awareness of mutual responsibility amongst diverse populations in the city.

Conclusion

According to Peebles (2010), who explored how the moral and material components of debt can rarely be separated in any culture, debt exchanges create possibilities for communication. Despite the instrumentality embedded in the binding nature of contemporary debt relations, I argue that the experience of generosity that goes hand

in hand with incurring and offering debt also opens up a space for analysing unconventional shifts in informal financial practices. My ethnography has shown how a massive state-led economic disruption precipitated minor but atypical performances of shared sympathy between different classes of urban communities. David Graeber (2011), while reflecting on the history of debt, argued that 'human economies' were built on trust. Even though obligations were imprecise, they facilitated community building across social stratifications. Money, argued Graeber, made debt relations more market oriented, hierarchical and mathematical. He views this form of quantifiable exchange as divisive for society and criticises the ways in which the state uses its violent authority over monetary economies to create social apathy. According to Graeber (2011), debt is 'not the measure of the value of an object, but the measure of one's trust in other human beings'. In this essay I argue that fiscal ruptures have the potential to briefly impact, if not interrupt, the direction of debt from the powerful to the powerless. While Graeber examines international loans, I argue that small modifications in more quotidian forms of debt flows between the rich and the poor have the potential to shift the weight from debt's calculated monetary component and return changing concepts of trust and tolerance found in unusual encounters to the heart of understanding shared living in the city.

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‘Torture and Laughter: Naxal Insurgency, Custodial Violence, and Inmate Resistance in a Women’s Correctional Facility in 1970s Calcutta’, *Modern Asian Studies* (2018), and “‘Teach Your Girls to Stab, Not Sing’: Right-Wing Activism, Public Knife Distribution and the Politics of Gendered Self-Defense in Mumbai’, *Signs: Journal of Women in Culture and Society* (2019).

Notes

1. I am grateful to the Asia Research institute at the National University of Singapore for offering me a senior research fellowship, during which I presented and revised parts of this chapter.
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3. ‘Demonetisation: 33 Deaths since Government Scrapped Rs 500, Rs 1000 Notes’, *The Indian Express*, 18 November 2016, <https://indianexpress.com/article/india/india-news-india/demonetisation-suicides-heart-attacks-and-even-a-murder-among-33-deaths-since-decision-4378135/>.
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NOTES ON THE 500 EURO

On Mafias and Instituted Precarity



Theodoros Rakopoulos

Between 2001 and 2016, there was a purple paper commodity in circulation within the Eurozone that encapsulated the highest denomination within that currency union—and, indeed, the world. No other major economy¹ (not the United States nor the UK, for instance) had in circulation such a strong (in terms of its purchasing power) means of currency as the purple-coloured €500 note. It should come as no surprise that the vast majority of residents of many Eurozone countries (including Greece or Italy, the places where I have pursued fieldwork) actually never got to see the note up close during its sixteen years of circulation. For most, the €500 measurement never materialized as cash.

As it drew, in its brief life, the licit and illicit together in a symbolically loaded material artefact, the €500 note calls for a shift of analytical priorities in our understanding of money and the symbolic power of hard currency. This is because there is currently much demonetisation of cash, as it has been deemed a culprit of potential corruption. Certain cash units (especially strong denominational notes) have raised concern for their role in facilitating illicit dealings. But while polite bourgeois media and autocrats like India's prime minister Narendra Modi are busy demonising cash, other current economic practices,

such as the institutionalisation of precarious labour, go unnoticed and naturalised. This points to the need to review not so much the scandal of the existence of illicit cash markets in the midst of legality so much as the real—and obfuscated—scandal of devaluing labour within licit labour markets, where precarious workers are paid in small amounts of cash. Focusing on the corruption that cash, as a corrosive material, instigates in the economy entails a degree of fetishism that shies away from the real corrosive forces behind money (Dodd 2014): the unaccountable extraction of value from workers through the institutionalisation of precarity.

I argue that the very system that erupts with outrage about the shady and potentially criminal properties of cash allows routine precarisation to go unchallenged. I propose here to prioritise the internal contradictions of ostensibly licit markets over the obvious scandal of marginal illicit markets. The moral outrage of the €500 note is therefore as much about this devalorisation of labour as it is about its role in the illicit economy.

Shady Purple

After having been introduced in the licit euro economy, this valuable purple matter undertook a second life at the urban peripheries of Europe and beyond. Roberto Saviano's (2006) book, *Gomorrah*, after it became a grassroots best-seller in its native Italy (2.25 million copies), attracted global attention to Southern Italy and the mafia—most specifically to Naples and its organised crime constellation, Camorra. One of the most intriguing chapters of the book speaks at length about the apparent 'obsession' among young *camorristi* with the €500 note. By virtue of the country's membership in the Eurozone, Italy and other crisis-affected countries participated in the circulation of extraordinary amounts of currency²

in a single banknote. And its *mafiosi* were reportedly delighted.

Conducting research in a Sicilian village where Cosa Nostra was the axis of the local economy throughout the 1980s and 1990s, a site that remains a mafia stronghold today, I came across not the note itself but similar narratives on its symbolic significance. They often diverged from a simple rendering of the note's embodiment of a certain dear amount of money to encompass a sense of a cultural symbolism. Cosa Nostra means '*our thing*': the term has been conceptualised in terms of an ensemble of social relations solidified in a 'thing'. In light of discussions on the materiality of moneyed exchange, however, we need to rethink the term '*our thing*' in terms of its implicit materiality. This approach revisits the conversion (aptly named) of material culture into political economy. Such conversion is made explicit in the tangibility of the €500 '*thing*'. In the juncture of the material and business, we can benefit from reviewing certain artefacts that are common—in fact, central—to both the licit and the illicit market, in light of their cultural significance with certain groups with common economic interests, such as mafias.

In Cyprus, where I am currently pursuing research on the makings of a tax haven, big suitcases of money, often stuffed with the €500 bill would arrive to be banked in the island's erstwhile no-questions-asked banking system, especially until around 2004. Since then, the country rearranged its offshore status, not least due to entering the EU and, eventually, the Eurozone. Many among my current informants are, however, rightly pointing out that continuing Cypriot money scandals are peanuts in comparison to the 2018 Danske Bank debacle, a corruption case in the midst of ostensibly transparent Scandinavia and arguably one of the largest money-laundering cases in history—an outrage that has nothing to do with cash.³

The Danske Bank money-laundering case of about €200 billion was a cashless and shameless story that

amounts to many times the budget of many mafias (or, indeed, states). However, organised crime's fixity with the cashed economy that Saviano notes is indeed associated with the more territorial and face-to-face economy of classic mafias. A classic sociological example would be the *mesata*—the monthly cash pay to wives of imprisoned *camorristi*, taking place in a personalised fashion, with a respectful monthly visit to their doorstep. Some of the qualities that mafia men and *camorristi* often recognise in the note is its portability and accountability (aptly named). In a business environment that is criminalised and where amounts of money must be stored in safety and outside conspicuous circulation, the availability of a form of currency that capitulates the ability to carry vast amounts of money in one go (in a briefcase, in a pocket) is highly valued. A note apparently tailored for business also caters, in the grounded reality of Southern Italy, to the needs of *mafiosi*, who need liquidity in their affairs but fear to register their money in a system ostensibly inimical to them. Mafia is a capitalist enterprise, after all. If cashed territorial control is exorcised as 'mafia' while banking and big corporate scandals are portrayed as mere side-effects of the system, we must sharpen our analytical tools in the analysis of corruption (Gledhill 2003).

Nonetheless, global mafia and huge cash transfers—material or otherwise—can work together. It is estimated that the *'ndrangheta* (the Calabrian mafia), having acquired a quasi-monopsony situation in Medellín, imported 80 per cent of the cocaine consumed in Europe during the decade of the 2000s. The Calabrian organised crime actors, active on both sides of the Atlantic (largely working through kinship and origin ties, via the historical Calabrian diaspora in Colombia), have established *'ndrangheta* as the main middlemen in the cocaine importing business. This is because they allegedly always pay on time and eliminate other antagonists, as they presumably did in the Bratislava journalist murder case that

made international rounds in March 2017.⁴ Part of their success could be also attributed to the €500 note capacity to carry large amounts of money in need of laundering because bank transactions are often not possible in such circumstances and middlemen would, in the past, carry briefcases crossing the ocean themselves.

There is ample evidence to suggest that the Italian mafias' revenue is a fair share of the Italian GDP, at an estimated 7 per cent last decade (Calderoni 2014). Calabria is hailed by mainstream discourse as a 'failed state', a region living the 'contradiction' of being the poorest in Italy while hosting the presence of one of the most powerful mafias in the world. In this context, and as the majority of the Calabrian (or Italian, for that matter) population did not come across the €500 artefact, the *mafiosi* are amongst those most familiar with its material form. These high value notes, anthropological research also points out, can be associated with criminal networks (Maurer 2011: 357).

Rare Purple

The rarity of the purple note rendered it, therefore, ideal for shady dealings among the criminally powerful and the powerfully criminal. Its scarcity is, however, rooted in a broader political economy of inequality, one prioritising entrepreneurship (with criminal vicissitudes as its side effects) over formal wage labour. This is particularly significant in a context where €500 (encapsulated in a bank note 'thing' or as an abstract numeric sum) are increasingly becoming a rarity for many, a scarce matter in the midst of the crisis of Southern Europe largely caused by sovereign indebtedness. The €500 note implies, in this context, an average monthly wage for a young person, for many of these countries. In Greece, the *nominal* minimum wage, on which many young skilled workers are

employed, is €586, but most young people are paid less than that.

In Italy, there is no minimum wage legislation, but many of my interlocutors were hardly crossing the €500 threshold. The informal economy rampant in Italy or Greece would most often imply that, in fact, the worker might see their labour valorised per month in an amount considerably smaller than that note. In many cases, this monthly wage comes under the table, in informal, uneven deals between the employer and the cornered employee. The informality of such valorisation is interestingly mirroring the implicit promotion of informal deals mentioned above. University graduate informants in both Palermo and Thessaloniki were often in employment for a €300–€400 wage.

These young people ('young' being a contested, ambiguous term often used to expand and obfuscate their exploitation) live in the shady—but expanding—realm of the precarious informal economy of their respective cities. They did what in Italy is called '*lavoricchiare*' (doing small jobs, doing petty work, organising one's livelihood around stuff that cannot fully sustain one). All of them, and particularly those who were economically and financially active when the euro was introduced between 2001 and 2002, without a single exception, complained that the euro *changed their lives* for the worse. They all noted that their purchasing power was dramatically reduced ('what was 1,000 lire became 1 euro, that is 2,000 lire, overnight' was the Italian mantra I would hear) when the Eurozone was created. The Greeks were particularly adamant about how the euro was still a weight on their shoulders and a hindrance to any new job formation. Some were even nostalgic of the drachma, although those who would openly root for it were not too many. What was universally agreed upon was that the condition of precarity they experienced was to a large extent an outcome of the Eurozone policies—and the euro was the symbol of that process.

A particular significance was attached to the €500 bill. The note, remote from the majority of the populace that does not have access to steady wage employment, is often considered a ‘businessman’s note’, as many of my informants would sustain both in Sicily and in Greece. Interestingly, this shared jargon on both sides of the Ionian Sea might reflect an embedded stratification in the materiality of money. In what is a detachment from both sides of the coin (to paraphrase Hart 1986), many Europeans are unlikely to actually know or remember what the colour of the note is, never mind what it depicts.⁵

Apart from the obvious, symbolic scandal embodied in a piece of currency suggested to exacerbate illicit dealings, there is another scandal in place: the symbolic paradox that a note can be worth more than a wage. We should notice that the note is worth more than the *actual* minimum wage in a range of European countries as well as all of the Central and Eastern European area—barring Slovenia. This includes Eurozone economies like the Baltic countries and Slovakia. That means, in short, that millions of Europeans could be paid a month’s labour with one banknote—and still owe their employer money. This is particularly significant, if not indeed urgent, in a context where the €500 note implies an average wage for a precariously employed young person for most of these countries.

Purple Matter

Where does this leave us? The story of the €500 note calls for a renewed look on the materiality of money in the form of bank notes as artefacts of huge symbolic power and practical significance. This is because of its dual oxymoronic backdrop, firstly as an element of unintended facilitation towards organised crime and secondly as a material solidification of the intrinsic stratifications of

the newly precarious European economies. The euro is a postnation state currency, one that opens markets beyond nationalisms, evoking varying degrees of suspicion among national publics (Peebles 2011). It does not, in this agenda, have room for alleviating difference in purchasing power; on the contrary, it exacerbates that difference.

The euro operates as a straightjacket, a material formation for the new hierarchies of austerity, themselves embedded in long histories (Hart 2018). The transnational validity of the euro notes, with local differentiation in purchasing power, comes thus to symbolise the global life of austerity (Rakopoulos 2018) in its local contexts. This suggests that there is no contradiction between living under austerity and living within the Eurozone, the safe space of the largest economy in the world. In fact, these structural conditions are, to an extent, part of a zero-sum game in which one relies on the other because fragile postindustrial economies like Greece are integrated in a single currency with export giants that need a strong currency, like Germany (see Powers and Rakopoulos 2019).

Money surely *matters* as matter. Paying attention to that often-overlooked characteristic of cash economies, especially vis-à-vis criminal affairs, is important. However, it might also be productive to be reminded that drug dealings in the Deep Web and the Silk Road took place in the now universally celebrated cryptocurrencies (Ulfstjerne, this volume). It is in the cryptic, inside language of the algorithm that individual transactions on illicit commodities are made; thus, not only cash moneyed exchange bears the potential of corruption. Surely, the €500 note, with its materiality, stands as a case of institutional culprit for more generalised transactions of this sort. Yet to ascribe corruptive capacities to the materiality of cash money would mean to stick to a symbolic anthropology that overlooks the real political economy stakes.

Amidst the heat of the ECB's role in the revelations on how the Eurozone is a two-tiered system, the note met

its demise, and it has been decided that its purple matter is not going to be part of our euro future. The note was discontinued as this article was being written in 2018. The production and issuance of the note was terminated precisely because the ECB noted that the bill was facilitating illicit activities.⁶

Money is both personal and impersonal, noted Keith Hart in his famous “Two Sides of the Coin” essay (1986). He extended the point to conducting business, shady or otherwise (2000). The ‘don’t take it personally’ agenda of a hit man is intrinsic to our capitalist culture, which has to neatly separate between the ‘proper’ industrial and financial ethics of impersonal business behaviour and the deviations from that abstraction—that is, the real life of real people meeting in what we conventionally call the economic field. The domain of deviation from the impersonalised abstraction involves money’s ‘tail’ and the potential violence attached to it. In no other case is that more evident than in what Hart called the informal economy and its subspecies, the illicit and illegal economy, the areas where organisations like the Camorra or the Cosa Nostra thrive.

The above remarks that tell the story of the €500 note concern what is arguably the highest and one of the most potentially corrupting cash deposits of value in recent history. To argue that illicit money is cashless and, thus, impersonal, while cashed money is very personal, would be stating the obvious. The one thought with which I would like to end this essay, instead, is that we might need to precisely rethink, like Hart’s hitman, the very pillars of licit and illicit in the realm of conducting business with money. The cash-carrying mafias are thus a relatable phenomenon, one that anthropologists might have something to say about and one easily ostracised from polite society and thoroughly criminalised. At the same time, the digital mass corruption of Danske Bank, while not condoned, raises less of an eyebrow or moral panic—indeed,

sadly, less of an anthropological interest. Alongside the digital, not cashed, scandals of European banking that go relatively unnoticed and warrant attention is the ongoing tacit scandal of the precarisation of underemployed masses of crisis-ridden European populations.

Therefore, we need to set our political and analytical priorities of shaming straight when it comes to appreciating structural violence. Surely, the doings of the Camorra and other mafias are repugnant and, of course, criminal. Why and to what extent, however, it is legal to premise wage labour on instituted precarity in which people are paid the equivalent of a bank note for a month's wage in generally high-income economies with expensive commodity markets remains to be explored. The real scandal here is not a corrupting currency that allows for illegal hoarding as much as the material fact of cash scarcity across generational and class divides in the new Europe—a continent seemingly further divided, rather than unified, by the euro. How are employer practices to pay so little not talked about publicly as deeply immoral, how are corporate cultures still legitimised, and how do these practices function as fully legal? To inquire on how these conditions are constitutive of the responses to the crisis underpinning Europe should be the main—the structural, if you will—concern here.

The EU has withdrawn a silly currency that obviously ended up assisting with the development of an illicit economy, but it has no plan of fixing the structural inequalities pertaining to its wage structures in the area of the single currency. The €500 note never became adult; it died at a seventeen-year usage—the first and only material debris of the Eurozone's cash currency history until now. Demonetisation happened with very little debate, as it was agreed across the board that the corrupting properties of the note were not worth the risk.⁷ The demonetisation was introduced to prevent illegal hoarding outside the system. The challenge is to penalise those inside it as well as to alleviate its inherent contradictions.

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Notes

1. For a comparison with the majority world, at the time of writing, India's most valorised rupee stands at 2,000, a new addition in postmonetisation era, but still the equivalent of only €25; the South African Rand's 200 note is worth little over €13; same for China's 100 Yuan bill, while Brazil's highest real stands at €25. Even the most valuable note for the Russian ruble is the equivalent of €75.
2. Extraordinary, but not unprecedented: in Italy during fascism, notes were small. A pink 10,000 lira note was introduced postwar, standing for the promise of wealth in the brave new world of a fairer economy. That fairness is not anywhere in the euro horizon, despite the withdrawal of the €500 prodigal note.
3. Juliette Garside, 'Is Money-Laundering Scandal at Danske Bank the Largest in History?', *The Guardian*, 21 September 2018, www.theguardian.com/business/2018/sep/21/is-money-laundering-scandal-at-danske-bank-the-largest-in-history.
4. 'Slovak Journalist's Murder Was Contract Killing, Says Prosecutor', *The Guardian*, 26 March 2018, www.theguardian.com/world/2018/mar/26/slovak-journalists-was-contract-killing-says-prosecutor.
5. Cris Shore notes how, in a mysterious fashion, the €500 note is the only banknote of the ECB that has an effigy representing an *actual*—rather than imaginary—building in Europe: a Brussels office block (2000: 112).

6. 'ECB Ends Production and Issuance of €500 Banknote', European Central Bank, 4 May 2016, www.ecb.europa.eu/press/pr/date/2016/html/pr160504.en.html.
7. 'European Central Bank to Withdraw €500 Note', BBC News, 4 May 2016, www.bbc.com/news/business-36208146.

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AT ONE WITH THE GOODS

The Politics of Liquidity on
Ulaanbaatar's Market Scene



Morten Axel Pedersen

With the so-called transition from state socialism to market capitalism in the early 1990s, Mongolia entered a phase of enduring crisis (Bruun and Odgaard 1996). Thousands of collective farms and state-owned factories closed down, and people desperately started to look for new ways to earn money in the 'age of the market' (*zah zeeliin üye*). Meanwhile, significant changes occurred in the composition and stability of kin groups, friendship circles and social networks due to increasing job uncertainties, business opportunities and migration patterns (Højer and Pedersen 2019; Sneath 1993). Compared with the socialist 'economy of favors' (Ledeneva 1998), this postsocialist informal economy involved wider and fuzzier chains of mutually indebted people, some of whom hardly knew each other. It also sometimes involved bigger sums of money, just as it became less common for creditors to fulfil the obligation to return money borrowed or the favours bestowed on them. Accordingly, money in the form of wads of cash was on constant demand, as people spent a considerable amount of their time securing enough informal loans and credits to get by to the next month, week or, indeed, day (Fox 2019; Højer 2012; Højer and Pedersen 2019; Pedersen and Højer 2008; Pedersen

2012; Plueckhahn and Terbish 2018; Waters 2018). The result, people complained, was that ‘no one pays back what they owe’ (Pedersen 2016; see also Empson 2014; Sneath 2012).

Liquidity, Douglas Rogers argues, is the “‘grease” that creates the conditions for any sort of exchange’ (2005, 64). The aim of the present chapter is to explore a distinctly Mongolian—and perhaps distinctly urban—version of this postsocialist ‘politics of liquidity’ (Rogers 2005). Based on fieldwork at Ulaanbaatar’s markets in 2003 and 2004, I explore how, in urban Mongolia after socialism, ‘liquidity [was] unevenly distributed along—and help[ed] to create—[new] lines of social distinction’ (Rogers 2005, 64). I show this by homing in on the so-called changers (*chyenjüüd*), who played a prominent role at Ulaanbaatar’s markets around the turn of the millennium. A substantivised Mongolian appropriation of the English verb ‘to change’, *chyenj*, which in all likelihood became part of popular discourse with the advent of capitalism, became associated with different kinds of middlemen (indeed, they were almost always men) who had carved out a niche in the capitalist market by identifying gaps in commodity chains that others found too dangerous, immoral or not profitable enough. Indeed, the word *chyenj* was specifically associated with informal—and sometimes shady and downright illicit—business *between* or *within* market places, what many people in Mongolia and elsewhere in the postsocialist world dismiss as ‘speculation’ (Humphrey 2002). As Otgonbaatar, a male shoe trader in his twenties who was running a successful stall at Ulaanbaatar’s Karakoram Market explained to me: ‘To be a changer means exchanging things, right? Changers are not sellers. Changers are people who increase and centralise the exchange of things’.

Unlike the so-called big *chyenjüüd*, who from a smug position behind the scenes controlled much of Ulaanbaatar’s meat, cashmere, metal and used-car-businesses

(Højer 2007), these more petty changers were poor, disliked, mistrusted, stigmatised—and supremely visible. Because they did not have a stock of goods, let alone a permanent market stall, these *chyenjüüd* were constantly on the move, always trying to position themselves at strategic locations in and around the market. They sought the places from where they could best spot their customers and their customers could spot them. Apart from the capacity ‘to increase and centralise the exchange of things’ (as Otgonbaatar emphasized), this was what being a successful *chyenj* was about—to put oneself in a position from which one could see and be seen. In that sense, we can think of the changers as the ‘grease’ that creates the conditions for any sort of exchange (Rogers 2005: 64). For more than anyone and anything else at Ulaanbaatar’s markets, changers facilitated flows between otherwise disparate domains of postsocialist life. But that is not all. As we will see, through the intense material and bodily engagement that changers had with the goods they sold, these ‘market tricksters’ also came to disturb otherwise prevailing distinctions between subjects and objects and between living beings and dead things. In that sense, I suggest, the story of the emergence and prevalence of ‘changers’ during Mongolia’s first decade of postsocialist transition does not just show what happens when the flow and the availability of money and cash is radically disrupted; it also offers a rare glimpse into the affective and embodied processes that lie at the heart of market capitalism.

‘Chyenjüüd Are Chyenjüüd’

Under normal circumstances, Otgonbaatar came across as calm and laidback, but there was clearly something about the changers that got under his skin. After all, as he went on, the problem about them is that:

They don't work. They are liars by profession. They trick people by selling our goods too expensively. A changer may hold up a pair of shoes and show it to the crowd, and then make false advertising like this: 'Look! I bought these shoes in town yesterday. Alas, they are too small for me. See, it is original skin! Notice this sole and that stitching!' Changers tell lies behind our backs. This is how they con people.

But this perception raises a question: If ordinary marketers such as Otgonbaatar did not like the *chyenjüüd*, why did they allow them to 'borrow' their goods and sell these 'too expensively'? On the one hand, as noted above, changers would 'work for' prominent traders, wholesale traders and other market bosses. But, on the other hand, changers also obtained their goods from ordinary vendors who, unlike themselves, had both a permanent stall at the market and an actual stock of goods. This was done in form of a 'loan' (*zeel*) so that the changer, when 'borrowing' an item from a vendor, would promise to pay back its 'real price' once he managed to sell it. Yet given their forthright and sometimes aggressive manner, one might question whether ordinary vendors had much of a choice. Unless one was under the protection of powerful people, one was not in a position to say no when a changer wanted to 'be friends' and 'do business'.

'Let us say', Otgonbaatar sighed, 'that my partner and I have just brought in some Nike trainers from Beijing. If, say, we are selling these at our stall for 30,000 MNT [approximately US\$25], then a changer will borrow them and manage to sell them for 50,000 MNT [approximately US\$42] via false advertising. This is happening a lot here at Ulaanbaatar's markets. If the changers were good businessmen, they would have started doing their own trading long ago. But they are not, and will be *chyenjüüd* all their lives'. As this observation by Otgonbaatar indicates, vendors' attitudes towards the *chyenjüüd* were ripe with

contradictions. For while changers were considered both morally dubious and inept at planning, they were not simply looked down upon like the drunks and other ‘market outcasts’ (Pedersen 2007). Changers were also perceived as personifying the very idea of what people saw as good salesmanship, which—in the words of Otgonbaatar—‘boils down to telling lies. Wheeling and dealing. The point is to trick people’. Instead of being dismissed as annoying nuisances who did not belong in a proper urban market, *chyenjüüd* were perceived as a necessary evil that should not—and indeed could not—be done away with, even if one had the chance to do so.

It is this ambivalence—the fact that changers were both talked about as very similar to and radically different from ordinary vendors—that makes them so anthropologically interesting. Said another vendor, ‘If they weren’t here, the bosses could not sell their things’. What this and other similar comments indicated (without vendors wanting or perhaps not being able to admit) was that the changers helped boost their profits. This happened both in the concrete and practical senses. *Chyenjüüd* increased the sale of goods by acting as middlemen for vendors. In the more intangible and abstract sense, they also embodied ‘the flow’ (*güidel*) of the market as such.

A key concept in postsocialist Russia, Nancy Ries writes, is “*krutit’sia*”, meaning simultaneously “to turn, spin, revolve, whirl, squirm, circulate, twist, and contort”. . . . The Russian mafia are, in a sense, the masters of this dance. Their occupation entails a kind of “meta-spinning” among different realms of enterprise, within and between different social fields and different levels of hierarchy’ (2002: 290). Similarly, *chyenjüüd* were perceived, by themselves and by others, as the masters of a particular ‘dance’—namely, the constant movement, manoeuvring and ‘meta-spinning’ required to stitch together the various components (sellers, buyers, goods, cash) of a fragmented market.

In that sense, the changers can be formally compared with the ubiquitous pickpockets, who also never stood still, both for fear of being recognised and potentially caught as well as because the nature of their trade led them to seek out those spots at markets where, at a given time, people happened to cluster the most. As a Mongolian friend once remarked to me when I expressed surprise that there were so few *chyenjüüd* to be seen: ‘Trust me, they are here: it is just that they prefer to be somewhere around the middle of the market at the place where most people gather. Just like the pickpockets!’

Yet at the same time, there is also a sense that changers and the pickpockets are diametrically opposed figures, for while changers try to be seen by as many people as possible, pickpockets do their best not to be seen by anyone at all. And further, whereas the pickpocket performs singular acts of theft, the changer, via his ‘false advertising’ and aggressive ways, rather makes visible the overarching asymmetries at the heart of market capitalism and arguably all exchange relations (Pedersen 2016). Like a classic trickster figure, the *chyenjüüd* makes a disorder visible that otherwise remains invisible: the otherwise hidden trickery and violence needed to sustain the market and its flows. As Mongolia’s meta-spinners or market tricksters *par excellence*, the changers personified both the possibilities and the perils of subjecting oneself unconditionally to the at once centripetal and centrifugal economic forces set in train by the country’s transition from socialism to capitalism.

‘Give Me the Money. It’s Yours Now!’

Changers, it is now clear, were not just simply marginal and stigmatised figures struggling to survive at the margins of the new market economy. On the contrary, they played an important practical and symbolic role in the

dissemination and internalisation of the moral discourses and bodily affects associated with market capitalism in Mongolia and postsocialist contexts. In fact, I shall go as far as suggesting the changers were a sort of hyper-traders who, in both their excessive behaviour and labile bodily comportment, personified the very essence of the market as a place and an idea.

Chyenjüüd, as we saw, were constantly on the move, trying to position themselves at strategic intersections of busy alleyways from where they could best see and be seen. Along with being present at the heart of the densest of crowds, they would also seek to physically place goods into the hands of potential buyers against their will, bringing the notion of middleman to new heights (or, depending on one's perspective, low points). Known as *shakhah* ('to squeeze, to press'), this was a widespread sight at Ulaanbaatar's markets around 2000. Possibly it was due to this 'inverse stealing' that ordinary vendors perceived the changers to be 'selling too expensively', to the point of pushing their customers to keep the goods that they had imposed on them.

Another key thing that set apart the changers from more ordinary vendors was the fact that they were using their own bodies to display their goods. Indeed, one of my most lasting memories from fieldwork is the simultaneously tragic and comic, frightening and hilarious sight of wildly gesticulating changers wearing five or more leather jackets, sweating profusely while overeagerly trying to attract customers. The changer, I suggest, quite literally is perceived to be what he sells. Like the wheeler-dealers populating some beaches with their entire arms fitted with fake golden watches for sale at 'a special price for you', the *chenjüüd* stand out from others (barring, arguably, fashion models) in appropriating their own bodies as a platform for displaying the goods for sale. To borrow Lemon's formulation, these commodities are 'clinging onto their bodies, as if made of like substances' (1998,

25). The concept of commodity here reaches a limit point, for the goods worn by the changers are not perceived as more but rather as *less* abstract than other objects. In line with Marx's concept of fetishism proper—the sensuous worshipping of noncommoditised objects (Stallybrass 1998: 184; Graeber 2005)—the goods put on display on the bodies of changers and other market tricksters were 'material presence[s] that [did] not represent but t[ook] one's fancy' (Pels 1998: 114).

We can, then, conceive of changers as inversions of the *flaneur* figure of mid-nineteenth-century Paris's shopping arcades discussed by Walter Benjamin (1997). Instead of being a mirror image of the commodities that he buys, the changer is a reflection of the goods he sells. For if the *flaneur* is defined by his boundless desire for commodities, which he tragically tries to satisfy by window shopping in the Parisian arcades, the Mongolian changer seems to be defined by an insatiable desire for *selling* commodities, which blurs the ontological boundaries between living beings and dead things. This, after all, is what being a good changer is all about (apart from always 'telling lies'), to temporality become equipped with another kind of body—namely, could we say, a commodity body. Small wonder, then, that the *chyenjüüd* were called what they were. These people were not just exchanging goods like other traders; they also *changed themselves*, to some extent, into what they sold; that is, their own bodies momentarily became fused with the wares. Not unlike the manner religious specialists like shamans become one with their gods (Pedersen 2011), economic specialists like *chyenjüüd* are capable of becoming one with their goods.

Conclusion

Much has been written about the new kinds of subjectivities forged through consumption in the postsocialist

world (see, e.g., Fehérvári 2013; Patico and Caldwell 2002; Sampson 1994). Aside from the work of a few scholars (Hohnen 2005; Humphrey and Skvirskaya 2009; Konstantinov, Kressel and Thuen 1998), significantly less attention has been paid to what happens on the other side of the shopping counter, as it were, among the people who are *selling* the goods. Possibly, this relative ‘indifference of researchers may mirror the perspectives of traders themselves—that this activity, widespread though it is, is considered unimportant and not a serious economic sphere’ (Konstantinov, Kressel and Thuen 1998: 731). Or could it be because anthropologists ‘think that we know intuitively what a market is, [that] surprisingly little has been written about how [people] actually think about their activities as traders’? (Stewart 1997, 11).

It is precisely this lacuna I have attempted to fill in this chapter by focusing instead on a certain kind of trader *subjects*. The sprawling markets of Ulaanbaatar, I have shown, were vital to the coming into being of new economic subjects after socialism, but the selves forged were not just consumer identities but also sites for the emergence of new ‘economic sentiments’ (to use Adam Smith’s term; see also Rothschild 2011) for the people trading and selling goods. Yet it would be a mistake to reduce these subjectivities and sentiments to the ‘violence of abstraction’ and the ‘creeping commoditization’ (Comaroff and Comaroff 1999) allegedly caused by the transition from socialism to capitalism. Certainly, *chyen-jüüd* were about as far as one could be from the idealised image of ‘economic men’ who, at the moment of trade, become particularly detached from their surroundings. On the contrary, their tricks of the trade involved an *enhanced* engagement with their surroundings, both in the sociological sense of being able to anticipate customers’ desires ‘to the point of clairvoyance’ (Simmel, quoted in Astuti 1999: 91) and, in the more material sense, as they almost fused with the substance of the commodities they were

trying to sell. After all, recall how, according to Otgonbaatar, changers ‘increase and centralise the exchange of things’. *Chyenjüüd*, then, were the market’s true middlemen who, instead of making new value by moving things from one place to another (let alone producing them), made their profits by ‘adding to the velocity of dealing as a whole’ (Stewart 1997: 158). Small wonder, then, that the changers were grudgingly tolerated by ordinary vendors, despite their obscene, threatening and sometimes violent behaviour. Both literally and symbolically, it was due to the presence of *chyenjüüd* that the invisible forces of the market could be made visible and fully harnessed.

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MONEY IN THE MATTRESS AND BODIES IN THE MARKET

Reflections on the Material



Inger Sjørsløv

The reflections in this piece rest upon a conviction that while the materiality of money in the shape of coins and banknotes disappears with cashlessness, a material milieu of exchange does not. Exchange implies social relations, and it is still embedded in processes that imply both material things and human bodies. While physical contexts and what may be subsumed under the broad label of materiality are significantly reshaped with socio-political changes towards cashlessness, these dimensions of exchange remain of importance and may also impact how issues of debt are addressed. Ever since Mauss and his ground-breaking exchange theory of the gift (Mauss 1990), anthropology has had the ambition of applying a holistic outlook to the role of economics in social life. The rich potential of fulfilling such an ambition comes to the surface in the three chapters in this section.

The chapter by Sen provides insight into the life of the ‘unbanked population’ during the demonetisation of large currency notes in India in 2016 that created cash shortages. Sen’s investigation of the demonetisation and analysis of what she calls multiple cashless conditions and issues of debt enforce fresh understandings of economic behaviour in the line of Karl Polanyi’s classic idea of economic embeddedness (See Polanyi 2001 [1944] in Block 2003). This is an illuminating example of the significance

of the concrete materiality of money in the shape of certain banknotes and, at the same time, the immateriality of 'debt' that Sen speaks of. The significance of the physicality, represented within the materiality of cash, is a key element in both Sen's and Rakopoulos' chapters. Rakopoulos deals with the materiality of money in a most direct way and shows us what happens when its value disappears from human hands. With an elegant pun he points to the relationship between demonetisation and the demonisation of the €500 bank note due to its role in the illicit economy. As this bank note appeared as a suspicious and symbolically loaded material artefact, its demonetisation can be seen as a form of demonic exorcism.

Pedersen deals with materiality in a different form, namely in the performing body of the salesperson within a particular market-related physical environment. All three chapters consider the role played by money in its concrete shape of material cash. Cash appears as banknotes under some circumstances, and under other circumstances, such as in the curious and coercive interaction of bodies in a market (as in Pedersen's paper), it is key to the physical environment of exchange. In their own ways, the chapters bring us into the issue of money and materiality with inspiration not only from the material turn in anthropology but, most of all, from the perspective of ordinary people navigating the modern and highly globalised world of money and debt.

When reading Sen's and Rakopoulos' papers, I was reminded of the many anecdotes about keeping money in its material form in the mattress. Most readers will be familiar with this idea of keeping one's money in the house—hiding it in the mattress, sleeping on it, guarding it day and night, being able to touch it and perhaps counting it again and again—even sewing it into the fabric, hidden away so thoroughly that it is forgotten. I heard of such a case recently—of a woman who had made a fortune during her long life, and after her death the heirs

wondered what she had done with the money, as there was none in the bank. They had not thought of cutting up the mattress before it was thrown away. Long after her death, her confidante told the heirs about the fortune in the mattress.

The mattress story took place in Denmark, a modern welfare society in which banks are generally trusted. Or at least they were until the economic crisis of 2008 and the more recent scandals of Danske Bank mentioned by Rako-poulos. In Danish society, anyone who receives a wage or transfer payment from social welfare is obliged to have a bank account, so everybody is expected to have a relation, if only minimal, with a bank. So why keep money hidden in the mattress? What makes people living in a modern society keep their money in physical forms in the house instead of trusting the bank? Since money in the mattress is an old custom, it may not be entirely a response to the recent economic crisis and bank scandals. One reason could be that ‘the one who lives hidden, lives well’, as the saying goes in Danish, implying that tax evasion is a dominant motive. Money in the mattress could also be connected to eccentric behaviour, a variant, perhaps, of the well-known Disney figure Scrooge McDuck, who takes pleasure in having so much material money that you can play golf with the coins or take a bath in the banknotes.

To ‘live well’ by keeping money hidden is sadly ironic when millions are discovered in a mattress at the death of an owner who had lived an extremely poor and ascetic life. According to Peebles, who studied how practices of banking and hoarding can be tied up with subject formation, ‘The key to the rhetoric that aims to expand formal banking to new populations resides in its insistence that money hoarded in a mattress cannot circulate as savings, and is thus an irrational waste of capital. But even in the stereotypical understanding of a hoard as a buried treasure, the ethnographic record shows that, in most instances, people are “gaining credit” from local knowledge that said hidden

treasure exists' (2014: 599). As the folklore goes, there is usually no criminality involved in this form of hoarding. Money in the mattress thus represents a distancing of oneself from the system, a general mistrust of it. As such, it is a material variety of the many forms that mistrust may take (Carey 2017).

The disappearance of certain physical forms of money point us towards understanding the role and significance of money as something physical. Money surely *matters* as matter, as Rakopoulos says. The disappearance of cash also reminds us that the meaning of money goes beyond economic value. The fact that there is sometimes a hasty and sudden disappearance of cash enforces an understanding of money in its physical form, which is opposite of Simmel's insight into the role of money as an abstract, generalised means of exchange. Simmel wrote about the 'intermediate link to be inserted in the teleological chain' that allows A to convert his goods—a—to something—b—in the possession of B when B is not at all interested in A's good' (Simmel 1997: 234). However, he also wrote the following:

It is interesting, therefore, to see how this psychological interruption of the teleological series appears not only in direct greed and miserliness, but also in its apparent opposite, the pleasure in simply spending money as such, and finally in pleasure in the possession of as many things as possible from whose specific usefulness and the reason for which they are produced, one does not profit, but which one just wishes to 'have'. Ordinary people compare this type of disposition to that of hamsters. (1997: 235)

What money can buy grows to become an end in itself, but what would Simmel think of physical money that grows to become an end in itself, without even being spent on things that one desires to possess? What happens when money becomes an end in itself, not only psychologically as Simmel discussed but also in a concrete

material sense? When money becomes a thing-in-itself, fetishised, as the worship of the thing-in-itself has been defined (Ellen 1988). This is the ‘full stop’ of exchange.

The reason these questions seem particularly relevant is that the three chapters have in common precisely the significance of the material. In Pedersen’s chapter, it is not the physicality of banknotes or coins but the physicality of the salesman—quite simply, his body—that is critical. It is the exchange embodied in the ‘changer’, a middleman of the trickster type, who embodies the flow of the market, that makes it pertinent to bring the three chapters within the same analytical frame. Furthermore, the materialisation of exchange—in objects, such as material cash, or in a subject, such as the changer in the market—invites elaboration of how cashlessness, the body and forms of debt are connected. One of the challenging questions in combining these two issues is how debt works in social relations in terms of its physicality. How is debt materialised in different social contexts? Does debt become more abstract in the cashless society? Debt has always had the double character of abstract immateriality and concrete materiality. William Pietz has elaborated on the concept of ‘material consideration’, which refers to a social object that embodies the power to transform subjective promises into objective obligations (Pietz 2002). While he deals with legal liability, his thoughts could also apply to debt, which is a relation between two parts. One part has given something to another part on the promise that this other part will return it—not in the shape of a gift but based on a contract, imaginary or real, that what has been given will be returned in somehow equal value.

Debt is implied in the Maussian gift but articulated differently from the ‘pure’ gift. As Mauss has shown, a gift is hardly ever ‘pure’, as it requires a ‘return gift’ at some point. Often, as Bourdieu emphasised, a lapse of time passes between the gift and the counter-gift (Bourdieu 2011; Muthu 2016). The difference between gift and

debt is not so easily identified because in the Maussian perspective of gift exchange, the significant point of giving a gift is that it brings with it a debt in the shape of the obligation of a counter-gift. However, while gift giving most often implies a material object, the materiality of debt is harder to find. When moving outside the formal economic systems within which debt figures as numbers on paper and is based on legal contract, it can take many forms but is rarely material. When held together with the issue of the cashless society, the question arises as to whether the character of debt changes when cash disappears and is substituted by other forms of payments. Does debt become even more abstract and immaterial? And if it does, how does this change the character of social relations?

Keith Hart has said that ‘consumers expand and contract their level of indebtedness in rhythms that are not understood by the economist, but clearly reflect their own collective determination of when they feel comfortable with debt and when they don’t’ (2000: 274). This is another way of talking about what I would here refer to as the horizontal relations between people—meaning relations that are experienced as relatively egalitarian as opposed to those that are experienced as hierarchical. I call the latter ‘vertical’ in order to emphasise the experience rather than the structural perspective. It raises the question of how macro-conditions affect micro-levels. What is the role of the state, and how does the balance—or unbalance—of the state and market in globalized neoliberal society affect people on a micro-level? How do people rely on or escape the regulating role of the state in dealing with the market or, vice versa, try to escape market dominance by appealing to state regulations? Or how do they cope with macro-conditions in micro-relations in civil society, whether formal or informal? Cashlessness affects all of this but in different ways, and new relations of debt arise.

Sen's and Rakopoulos' cases persuasively show how state and bank initiatives affect social relations between people, hierarchical or equal as these may be. Sen's case strongly illustrates how small shifts in the micro-politics of debt emerged in the context of an economic crisis in urban India. She convincingly argues that these 'small shifts' that are affecting social relations in terms of both debt and generosity offers an opportunity to analyse unconventional modifications in informal financial practices. What is the character of a social relation in which debt is an element, and how may such a relation be different in a cashless society? Debt is the 'gift' that has not been returned. Setting out from the social relation, the questions asked can be anything from what determines the aspect of the relation—money lenders and loan takers—to the significance of the character of relations between those who become debt partners, such as kinship or friendship. Does debt always imply a dependency relation? A cash transaction terminates a relation immediately, trust is not an issue, and there is no dependency. However, cashlessness—the absence of the concrete, materialized value—does not seem to make debt relations more abstract.

A materialist approach to the issue of cash, debt and forms of economic exchange surely opens up a series of questions that are worth pursuing further. Pedersen's paper about bodies in the market adds yet another perspective to this. He presents us with the case of the 'changer'. Of critical importance to the argument is the changer himself, his physical body. The description is vivid and recognizable from other contexts in emphasizing the performance of the salesman. The argument is that in the moment of selling, the changer, in a sense, embodies the goods. In this case we seem to have to do with a kind of embodied potential value. In a very real sense, the body of the changer attracts candidates for exchange

and, thus, the creation of economic value. It leads us to the question of whether banknotes and bodies can be considered within the same analytical perspective when dealing with exchange. Are Mongolian changers really to be regarded as a kind of bodily ‘currency’? In a materialist perspective (which would also be a postanthropocentric perspective), banknotes in the mattress can be seen as the most personal material form of possession. If bodies are also to be drawn into an analytical frame that encompasses the materiality—or lack of such—of money, then bodies may indeed in some contexts be regarded as a form of material currency.

Keith Hart has said that business is always personal at one level and impersonal at another, and the trick is to learn how to manage the tension (2005: 5). He is thinking of both the impersonal economic institutions that take care of ‘business’, such as the market *and* the gangster hit man. The dilemma, or paradox, of the latter is revealed when he says, ‘it’s nothing personal’ before taking the life of his victim. The changer is, in Pedersen’s interpretation, as personal in his ‘business’ as it gets, and money is no doubt more ‘personal’ in its material shape in a mattress than in the forms of value employed in a cashless society. Such a focus on the materiality and ‘personality’ involved in economics again inspires a question on how debt is materialized and how its abstractedness or concreteness affect social relations of debt. How closely is the material to be related to the personal—as the case of money kept in the mattress illustrates in its extremity? And if exchanges become more and more immaterial, does this mean that social relations become less personal? It remains to be seen. So far we have learned from these three chapters that the picture is not a simple one. Indeed, new social relations may emerge from macro-moves away from certain forms of materiality such as banknotes of a certain size.

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