

Introduction [Who This Book Is For]

This book aims to spur innovative thinking in anyone interested in the future of money.

Around 2007, I began research into the use of mobile phones as channels for financial services—the so-called mobile money phenomenon, primarily taking place in countries in the global South. Safaricom, Kenya’s M-Pesa service, which permits people to send money to one another via their mobile phones, is by now legendary among those interested in the future of money, and it is what got me first interested in payment technologies. By 2014, however, services like M-Pesa occupied a newly exciting and crowded field. New startups in the global North with names like LevelUp and Boku harnessed smartphones for payment services; Apple launched a new iPhone payment system; and experiments like bitcoin, a digital cryptography based

peer-to-peer payment system, started gaining traction — at least among venture capitalists and the tech world’s media machine. A lot of people in the technology sector were suddenly thinking about money, its future, and how we pay for things — and how we might do so differently.

As I started talking and collaborating with professionals involved in creating new payment services, I was struck by the little revelations these professionals were having every day, the flashes of insight as they worked with and thought about money. Although I’d been writing and teaching about the cultural meanings and dynamics of money for almost twenty years, I was reminded just how surprising money can be once people start seeing it with new eyes. Mobile money and digital currency provocateurs and professionals were having the same kind of “ah ha!” moments that I had always tried to create for my students.

It is one thing to go about your daily life using money in various forms or via various technologies: coin, cash, check, plastic card, and now the mobile phone or other electronic devices. It is quite another to work at a firm or nonprofit where your boss suddenly tasks you with redesigning money and imagining its future. Many of the people I have interacted with and interviewed over the past several years have had the experience of abruptly finding money strange, unfamiliar, even improbable, and more open to change than they had ever imagined. In being jarred out of their commonsense assumptions about money, they had had a very anthropological experience: they had abruptly come up against the arbitrariness of a cornerstone of their world.



I.1 Using M-Pesa in Maasai country, Kenya (photo by Ndunge Kiiti).

In my conversations with such professionals I found that they appreciated the anthropological perspective on money's uses and meanings that I brought to the table, as well as anthropology's rich record of diverse forms of money around the world and throughout history. It offered a way to look more closely at their own money worlds, and the forms of currency and kinds of monetary practices going on all around them.

Given their generosity in allowing me into their lives and workplaces, I felt it time to return the favor, so I wrote this book with this diverse group of people in mind. They are computer programmers, artists, and interaction/user interface designers interested in money or working for payment industry startups; development practitioners looking at mobile money as a means of poverty alleviation around the world; innovative banking, finance, and telecommunications professionals charged with developing mobile or digital money systems and applications; silicon chip and device manufacturers wondering what always-online devices and embedded chips might mean for money; and advocates, activists, policymakers, bureaucrats, regulators, and others who seek to understand and to help shape the new technologies of money.

As we look back on the development of successful mobile phone-based money services like M-Pesa, or speculate about a future of digital currencies like bitcoin, we should not assume that they are the culmination of thousands of years of human cultural evolution, the next step in an ever-advancing trajectory. To do so would be to overlook the persistence of millennia-old traditions and institutions. Those traditions and institutions matter. Each new form for money co-exists and interacts with

those that preceded it. Technology changes a lot, but not everything, and not all of the technology changes, either. Just look at the coins rattling around somewhere in your purse, briefcase, car, or sofa cushions — this is a technology that dates back nearly three thousand years, one that has remained remarkably stable in form and use. More interesting than trying to specify the direction of change, from my point of view, is to explore the interaction of different registers of meaning and practice when seemingly incompatible systems mix, and reach into one another and outward to new worlds.

This book seeks to open the door to those worlds so that people currently thinking about money might start thinking about it in new ways.

Many of the examples are taken from my own research and the research of others, including some of my undergraduate students at the University of California, Irvine. The latter have been collecting and documenting nonstandard uses of money in a course on the anthropology of money that I regularly teach. As a result, a fair number of the examples herein are from southern California. Others come from researchers supported by the Institute for Money, Technology and Financial Inclusion, which I direct. IMTFI has provided small grants to researchers around the world to explore people's existing practices involving money and other means of exchange and value storage. The purpose of the Institute is to gain a better understanding of what people are doing now, the everyday uses and meanings of money and other currencies, at a time when mobile telecommunications and digital technologies are transforming the everyday act of payment, and may be changing money itself.



1.2 Coins in automobile cupholder—an ancient but sometimes forgotten technology (unless otherwise credited, photos by the author).

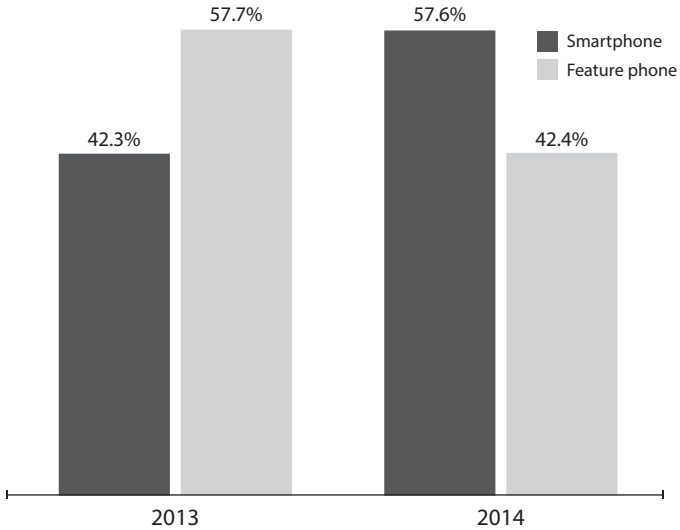
In the course of my research, I have repeatedly been told it is still “early days” in the development of mobile money and digital currency. In fact, digital currency experiments go back many years. The original card networks that eventually became today’s Visa and MasterCard began in the 1950s. Magnetic stripe payment cards go back to the early 1970s. In 1982, the computer scientist David Chaum devised a cryptographic protocol for untraceable, secure digital cash. He commercialized the idea and founded the short-lived DigiCash in 1990. PayPal, which permitted easy, secure person-to-person online money transfers, came into being in 2000. The combination of credit and debit cards, the Internet, and personal and later mobile computing changed how many people around the world spend their money and altered the experience of payment into an increasingly digital affair.

But not everywhere, not always, and not for everyone. Many lack access to bank accounts, either because bank branches do not exist in their community, will not accept low-value deposits, require identity documents people simply don’t have, or actively or passively dissuade poor clients from stepping foot inside. Many lack access to the Internet. By 2012, 80 percent of the world’s population had access to a mobile phone, mobile service, and electricity to charge the phone, even if they did not own the phone or subscribe to a service. It was only in 2013 that smartphones overtook basic feature phones in worldwide sales. While Apple Pay got a lot of media attention in late 2014, the simple feature phone is the star player in the story of how technology has changed the act of payment.

Mobile money services like M-Pesa are the first new digital

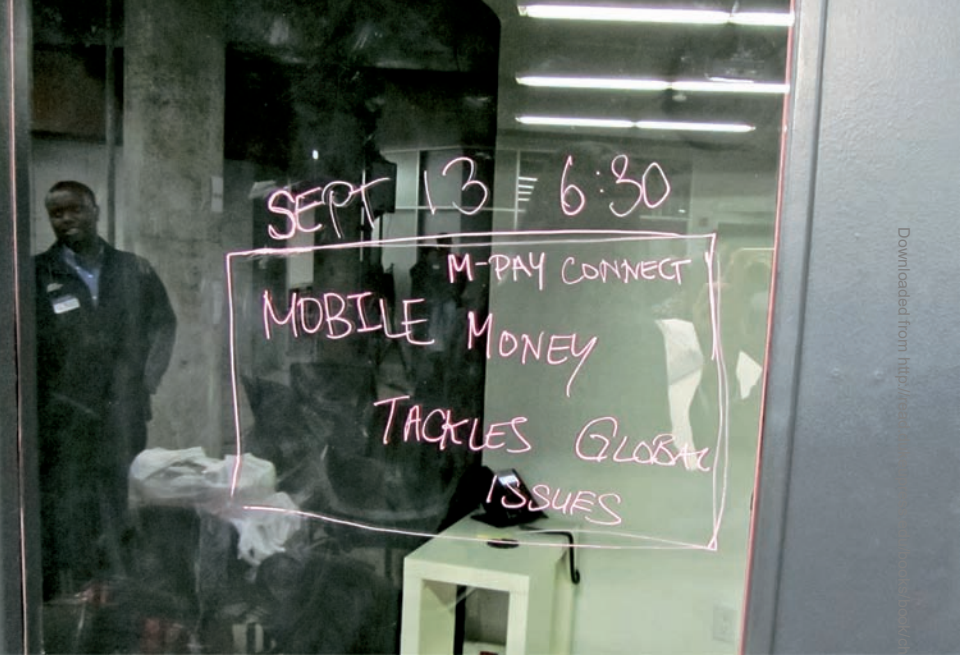


I.3 A clay money box for storing money, Nigeria.



1.4 Feature phones vs. smartphones. Global worldwide sales of smartphones vs. feature phones (“Gartner Says Annual Smartphone Sales Surpassed Sales of Feature Phones for the First Time in 2013,” Gartner Inc., Egham, UK, February 13, 2014, press release).

money platforms to have achieved any significant scale since the electronic charge card networks were created. In the short space of seven years since its launch in 2007, M-Pesa has attracted more than seventeen million customers, in a country of forty-four million people. By 2010, more people subscribed to M-Pesa in Kenya than had a bank account. Hence, development practitioners’ hope that services like M-Pesa can become a route to financial stability and inclusion for people without access to or, more important, the means to afford a bank account.



1.5 Mobile money tackles global issues: Hope and hype in San Francisco, 2010.

Much initial excitement in mobile money focused on using the mobile phone as a means of facilitating the large-scale remittance flows that immigrants working in the developed world send to their relatives in their countries of origin. However, the success of early entrants M-Pesa in Kenya and GCASH and Smart Money in the Philippines, together with regulatory and technological hurdles around international money transfers, led many in the industry to focus on domestic, urban-to-rural money transfers.

M-Pesa is still the only mobile service that has really taken off, but its competitors are closing in, and other services are being rolled out in other countries. M-Pesa also changed the lives of the poor. But mobile money is at a crossroads. Will it really be a route to financial inclusion? Will it be a gold rush for businesses eager to make a profit from a new, untapped market segment, a bubble that will burst as soon as they reach the limit of fees they can glean from this new market, or as soon as they stop focusing on this market segment and seek out wealthier and potentially more remunerative customers?

M-Pesa also inspired many of the new “disruptors” in the global North, who seek to create new ways to pay for things, and even new moneys. So far, such innovations promise greater convenience, money-saving coupons, or special offers for loyal customers. Wouldn’t it be nice if they could promise more? To begin to imagine what that “more” might be, however, we have to delve more deeply into money itself, and how it is that how we would like to pay can encode a host of alternatives for how we shall like to live.