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INSTITUTE FOR MONEY, TECHNOLOGY
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Wednesday, December 4, 2013

Burning a Hole in Your Pocket: Cash and Cashlessness



At the Fifth Annual Conference for Funded Researchers, the center's director Bill Maurer opened the proceedings both by speaking for the IMTFI and by offering his official greeting in his new role as Dean of the School of Social Sciences for the entire UC Irvine campus. Maurer explained how the Institute for Money, Technology, and Financial Inclusion approached the financial inclusion paradigm more capaciously by thinking about "not just money as cash" and how it had encouraged researchers to think about how money stores value -- as "value" is imagined very broadly, serves as a medium of many kinds of exchanges, and facilitates the transfer of wealth. In other words, money serves as an important actor in a multiplicity of relations between people and between people and objects. He noted that the Institute is also devoted to in-depth qualitative research that emphasizes "voices from the Global South" rather than parachute surveys that only confirm the findings that researchers cue subjects to produce. Furthermore Maurer asserted that the institute is committed to "building, nurturing, and sustaining a network people from different disciplines" and providing a scholarly and social space where anthropologists and economists can be in dialogue.

Speaking as a [scholar of digital media](#), who is interested in thinking about money as media, as [Marshal McLuhan did](#), I can attest to the warm welcome that the IMTFI provides to those of many disciplines and my own pleasure in serving as a guest blogger each year. Because of my own training as a rhetorician, I was drawn to the institute's work in uncovering narratives that sometimes contradict the official story about mobile money and bottom-of-the-pyramid economics. As Maurer observes, the "risqué" findings about the existence of gambling, fraud, and other behaviors in a more complex "moral gradient" than boosters may acknowledge can also include surprising findings, such as when monies supposedly designated for "school fees" that serve the development model paradigm are actually used for religious rituals, such as circumcision.

In "Cashless or Cashlite? Mobile Money Use and Currency Redenomination in Zambia" by Vivian Dzokoto and Mwiya Imasiku, the authors explore the interactions that resulted from two nearly simultaneous financial transformations that took place in the country: 1) the introduction of technology-based payment systems and 2) the reconfiguration of currency in its most basic form of cash. As Imasiku explained, the national bank changed the currency not only to increase citizen confidence but also to ease business transactions, which were to be made less complex by jettisoning three extraneous zeroes of place value. Thus Dzokoto observed that Zambia offered the opportunity to contrast the state of "cash-liteness" with the state of "cashlessness." When the Zambian Kwacha was changed as a unit of currency, researchers tried to look beyond big institutions to consider the impact on those considering the merits of cashlessness and cashlightness in the occupations of daily life and interviewed people such as fuel attendants who might be grappling with radical adjustments. They noted that a

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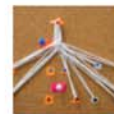
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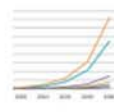


The Economy of the Quota: The Financial Ecologies and Commercial Circuits of Retail Credit Cards in Santiago, Chile



Don't Take the Money and Run: Architectures of Mobile Money

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surprising 31% of those surveyed disliked the new currency and that approximately equal numbers thought businesses had and had not been affected by the currency change. Of particular interest to those thinking about money as an interface with material culture were the findings about how the public viewed the circulation of low denomination coins, which was much less positively than government policy makers had anticipated: with 16% of those surveyed expressing negative feelings about handling coins. In the researchers' study of whether or not passersby would pick up coins in public: 26% avoided picking up lowest denomination coins, and 8% would not pick up even the highest value of the coins. Ironically, people also thought coins were more useful to themselves than to others. Mobile money also faced challenges to implementation with 17% reporting "bad experience," and 12% of respondents describing lost phones. 61% used digital money for money transfers. Respondents did not think "safety" was an advantage; instead "speed" and "convenience" were seen as the advantages of mobile phone money. In general, the team reported "preferences for cash-lite not cash-less." In the question and answer session, mobile money was identified as a tool for saving by only 7% of those surveyed.

Amulya Krishna Champatiray and Parul Agarwal focused on kiosk banking in "Exploring the Nature, Scope and Feasibility of Existing Technological Infrastructure of India's National e-Governance Plan's Customer Service Scheme Towards Converting In-cash Transactions into Cashless Transactions." They described how bureaucratic mechanisms drove the financial inclusion scenario in India, with the accessibility of government resources leading the way for social and private sector services.

Champatiray and Agarwal characterized the nation's Internet access program as "massive" in its ambitions for 100,000 Internet-enabled kiosks across 600,000 villages in a network of hubs designed to increase accessibility and service delivery in keeping with the [National eGovernance](#) plan. Such a model works on a PPP framework that emphasizes "purchasing power parity" rather than GDP as a way to understand people's attitudes toward branchless banking as part of the financial inclusion drive. Researchers emphasized considerations of financial viability and sustainability and identifying the motivations and aspirations of the VLEs who operate the kiosks that generate about 15,500 rupees for them as income.

Partnering with [AISECT](#), Champatiray and Agarwal surveyed 13 villages and quickly discovered that the majority of clients who came to the kiosks were school pupils. They also found that kiosks were generally opened by entrepreneurs seeking a second income stream and the social capital of enhanced reputation in the community. The kiosk client base is apparently grown when people share positive experiences, and billboards and signs primarily function to offer detailed information about costs and services to reduce information asymmetry. Such kiosks depend on a multi-service approach to generate revenue that includes providing one local venue to customers for bill paying, printing and photocopying, taking digital photographs, filling in forms, and verifying identification with statements needed for a bureaucratic society. Researchers asked farmers if they wanted price information from kiosks as well and found that those in agriculture would be mostly willing to use kiosks for cash transfers. Based on the generational divide that they observed, they found themselves with two further research questions: 1) does a school scholarship motivate parents to become banked and seek entry of the older generation into the formal financial sector, and 2) does the kiosk and scholarship routine inculcate a habit of saving and money management in future generations?



This Peruvian woman who runs a stationery stall might find it hard to look happy to encounter The University of Chicago's Eric Hirsch in what he called a "moment of hesitation or lingering." In his presentation, he explained how he tried to overcome the inherently unwelcome nature of his research on making change from large denomination currency by dividing the social and fiscally challenging interactions between fifteen separate people running small businesses, all but one of whom were female. In

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"Investing in Indigeneity: Big Bills, Fungibility, and Mobile," he described his method of buying something small with a large bill to examine how big bills function as an obstacle to some transactions, because the currency was unwieldy, but as a facilitator of other kinds of transactions. Unlike the Zambian case study presented by the first panelists, Hirsch described a strong preference for coins that could provide exact change among the Peruvians he studied. Although there was unwillingness to accept the high value stored in bills, such currency was also associated with socially significant moments, which could configure how bearers of such bills manage complex networks of social relations.

Hirsch characterized Peru as a country in transition, as families turned away from living solely on their crops. Peru's 100 sol note operated as a specific kind of technological innovation, although all kinds of money had symbolic significance in the public sphere, as in the case of a bus driver clinging coins together to indicate the time to pay. Using the work of [Justin Richland](#), Hirsch discussed how Peruvians could "potentialize" cultural tourism to develop local cultural practices around microfinance and NGOs. He became interested in the problem of making change when studying how cooperatives handled dividing money equally and noted that the same term could mean both "to make change" and "to make sense." He observed that financial custodians would make an "activation purchase" at a local bodega, which kept large cash units provided by development dollars moving. In Peru's Colca Valley where state-led modernization programs promoted growth that followed "the financialization of development" model, he described locals "investing in indigeneity" as Western aid organizations such as the Peace Corps pulled out.

In exploring "what can cash units tell us about the relationships within a community," Hirsch aimed to "concretize meaning" and sort out the "pedagogical and moral messages" that could be decoded from the field site. By looking at the market in Chivay, and the fifteen market vendors who endured the change-making ritual, where Hirsch would routinely purchase an inexpensive item with big bill, he offered some preliminary conclusions about how bills move really fast or really slow, either like a "savings box" or like a "paper hot potato." He tried to engage the vendors in "substantive conversation," to record the interactions required to make change, and learn about the vendors personal and family expenses. For example, when buying from a snack stall, he observed the vendor "running to other vendors" to participate in other circuits of exchange and change. Similar work on the Sumac Yunque showed how association members managed household finances when running a home as site of indigenous identity, so it functioned as a museum and private archive. He saw order, reciprocity, and resentment of the "selfishness of people who don't make change" among his informants.

According to Hirsch, the presence of big bills was also taken "as a sign of the market's success" and a signifier of profit and investment. Although vendors rarely benefitted equally from such transactions, the longer term collateralized profit holding that big bills represented "convey meaning and organize relationships," because big bills were "highly conspicuous" (or what one participant in the audience from Ghana called the "flash factor" of the spectacle of cash. Hirsch argued that policy makers in Peru tended to focus on "inclusion for growth" not "growth for inclusion" as the motto for national strategy. By asking "what might be advantages of fungibility and alternative ways of living well," he hoped to get away from the fact that "development studies too often focus on a lack." Instead of emphasizing an "anthropology of poverty," Hirsch hoped to offer a more meaningful "study of wealth." During the question and answer session, one audience member pointed Hirsch to the research of Jonathan Robinson on small market vendors in Kenya and the difficulties of making change in another national and social context.

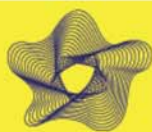
Respondent [Scott Mainwaring](#), who has been a key participant at the IMTFI from the time of its founding, drew attention to the metaphors of light and heavy materiality that had been structuring the discussion and how "cashing out" might also function linguistically in complex ways.

Posted by Liz Losh at 4:31 PM 

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Home Economics: Accounting, Monetary Practices and Financial Flows



"Njangi Sociality: Mobility, ICTs, and Mobile Money Usages and Practices amongst Poor Rural Farmers in the Cameroon Grasslands" by Francis B. Nyamnjoh and Divine Fuh opened with Fuh telling a dramatic personal story about his own challenges growing up in rural Africa. He described buying a cell phone for his mother and how it became a symbol of their evolving relationship, as he pursued higher education and an academic career. As mobile phones became popular, he also saw his mother's life begin to change, as she explored new economic opportunities, and this context brought to his scholarship an interest in "agency, precarity, sustainably, resilience." In collaborating with Nyamnjoh, he also described the importance of interdependence and intersubjectivity in their work, as they tried to capture the role of group interests and collective agendas.

His account included "communities of social conviviality" and their concern for school children needing support. It was a narrative that included sales in the market, negotiations with police officers, patterns of consumption, and "how very young men build different kinds of interdependent relationships." He placed these experiences in the framework of what [Patrick Chabal](#) has called "the politics of suffering and smiling." In mapping out the vulnerabilities of the "ICT & Finance R-evolution," he noted that farmers without access to banking facilities were often shut out by structures that excluded his own grandmother and others with a need for formal papers. He argued that it was critical for researchers to think about being "not just interested in productivity" but also "how they defend cultural practices."



[Sean Dowdy](#) began his talk about "How 'the Poor' Account: Financial Reckoning and its Cosmoeconomics in Assam, India" by noting the fact that like the previous speaker he "also grew up on a farm," although his own relationship across distance with his family

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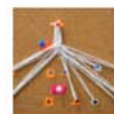
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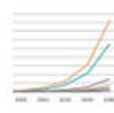


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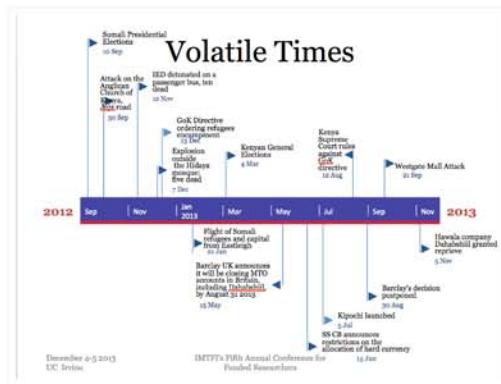
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was vexed by "the post office and its inefficiencies." In thinking about the IMTFI paradigm broadly to include "things that may not appear economic at all," such as spiritual and material prosperity dictated by the rules of gift and barter in a multiethnic community in the Mayong Kingdom, **a fully functioning kingdom** that is also known as a "country of **black magic**" in which being "poor" should be considered "in scare quotes," because the systems of "how they count" includes reckoning drawn from cosmology and relationships with powerful non-human entities in the group's understanding of "the shared account."

Dowdy demarcated the features of a Mayong worldview that was comparable to the following phrase from Heraclitus in its orientation: "Although the account is shared, most men live as though their thinking was a private possession." In this long view of reckoning known in Assam as "Hisāb Kore," the memory techniques of such cosmological accounting were analogous to tracing back to the mark of "footprint" at the beginning of history. This form of reckoning had no double entry, but there were procedures for verification, because the shared account -- unlike "secret accounts" designed to protect against sorcery and accusations of witchcraft -- could be publicly audited and debated by the community. This belief system relied on the foundational assumption of a "transparency" of other minds, which constituted a kind of "telepathic ethics" where "even secret accounts are mired by a general social audit," because "others can manipulate your thoughts, your objects of value," so that "your thoughts and actions do not belong to you."

According to Dowdy, the work of reckoning is also "a form of making the cosmos legible, manageable, and prosperous." He described concepts such as "the fine," which could be applied to cases of incest, and "sharing fifty-fifty." He explained how the custom of giving the female offspring of an animal to a family in need on the assumption that the female offspring of those offspring would be eventually returned to the donor might result in an infinite deferral, as animals kept being given to the most needy parties rather than the parties "owed" as antecedents. Dowdy also argued that these behaviors could be analyzed with the concept of ontography developed by **Martin Holbraad**. (You can see a pop culture manifestation of ontography discussed by Ian Bogost [here](#).) In closing, he noted that languages that had the same word for "poor" and "sad" actually opened up the possibility for differences between those terms by placing them in opposition.



The case study on "Contingency Routes: Somali Financial Flows and Transnational Spaces between Kenya and Uganda" by **Gianluca Iazzolino** and Thomas Molony showed how researchers had to be resourceful when field sites turned into conflict zones. Researchers were often "kicked out" by informants for asking questions that they didn't want to answer. Iazzolino explained how their research that looked at "flows of people" and "flows of money" had been disrupted by several geopolitical events, including **the attack on the Westgate shopping mall in Nairobi**. Although formal financial services structured by partnerships between financial institutions and telecommunications infrastructure providers, such as M-Pesa, were the "bread and butter of people working in this field," Iazzolino and Molony wanted to explore the triangle of "financial infrastructures," "livelihoods," and "mobility" without relying on trite financial inclusion narratives, so they chose to think about how mobility might range from acquiring a foreign passport to fleeing as a refugee for Somalis along the "Eastleigh-Kisenyi" corridor that spans from "Little Mogadishu" in Kenya to similar settlements in the slums of Kisenyi in Uganda.

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With the stabilization of Somalia, the country's citizens were also exploring potentially lucrative business opportunities in South Sudan, but "volatile times affected decision-making," and the denizens of the corridor were faced with the possibility that U.S. currency might be limited only to banks and that global finance giant Barclay's might punish [Dahabshil](#) for providing "Hawala" transfers of large amounts of cash with no ID required in a low interest credit/debt system that might fund terrorism as easily as family obligations. Of course, since Hawala is a "set of practices" rather than a formal business enterprise with a corporate identity, it could never be shut down.

lazzolino described the corridor as a place of "low-end globalization" that also demonstrated the viability of the "south-south networks" described by [Gordon Mathews](#). If transactions were "safe" and "private," there could be both pros for women and cons for elders trying to enforce social norms. In charting out Hawala/M-Pesa relations, rather than envisioning replacement, lazzolino described an "informal inter-operability" of cash advances and cash floats including quick loans from relatives that might be preferable to formal market exchanges. The constellation of participants that he enumerated included market wholesalers, proprietors of various businesses, money vendors, investors, and post agents. He observed that there were both "gendered values" in which mobile money was considered to be "closer to women and school children" and a "temporal axis" that even included "turning aid money into business money." The emphasis for Somalis was always on "portability," from wearable gold for women to livestock that could cross borders and boundaries for men.

Discussant Olufunmilayo B. Arewa of UC Irvine asked how technology figured into the accounting process and into social networks if financial reckoning was imagined broadly. She also moderated discussion in the question and answer session about the question of inclusion and what Dowdy called the "means to share." In the collective conversation lazzolino claimed that distinction between formal and informal "not very useful in the empirical realm." One audience member described it as a panel about "family, community, and sharing" and the concepts of morality that might differ from narratives of development or financial policing.

Posted by Liz Losh at 10:52 PM 

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Spinning Straw Into Gold: Women, Transformation and Inclusion



Although the idea that mobile technology necessarily promotes female entrepreneurship and autonomy provides a compelling empowerment narrative for philanthropic organizations working with corporate partners, such as the [Cherie Blair Foundation](#), stories of the success or failure of women's businesses in the developing world don't necessarily fit the plotline of high-tech social uplift, and globalized political subjects may actually sustain themselves without high-cost and low-trust services supposedly designed for the unbanked.



This panel on gendered labor began with a talk via Skype about "Understanding the Transformative Value of Tongan Women's Kau Tou Lalanga: Mobile Mats, Mobile Phones, and Money Transfer Agents" by [Charmaine 'Ilaiu Talei](#) who detailed production and trade practices of a "kau tou lalanga," which was a collective of Tongan women who collectively wove each others' fine pandanus mats on a remote archipelago for sale or barter to Tongans living abroad in communities around the Pacific Rim in diasporic settlements in cities such as San Francisco and Brisbane. 'Ilaiu Talei documented the women's work and conducted semi-structured interviews with the agents who served as the intermediaries for their wares. Such "mobile mats" were "in themselves cashless forms of customary value" of the kind studied by [Adrienne Kaepler](#) of the [Smithsonian Institution](#) and [Phyllis Herda](#). In one business arrangement called "late," an overseas or local customer could request a specific order, which the collective would coordinate weaving. The mats were usually woven at a price per foot, and once complete they were sent to the customer overseas who sent money back to the collective through a money exchange medium, such as Western Union, for the money to be "dispersed as wages amongst the collective."

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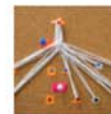
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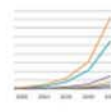


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As 'Ilaiu Talei observed, "late is most often performed between weaving collectives and a local customer or local trading agent," although there were exceptions when weavers and customers handled communication through a lead weaver. The mobile telephone might play a critical role, because "communication was important in negotiation," but it served as a communication rather than a financial services device. Those without phones might rely on using their children's phones or those of other younger relatives to manage the details of transactions. Nonetheless, money transfers were not important in the system of cash installments.

"Mobile Value-added Services for Inclusive Growth: A Study of Women Micro-entrepreneurs in Fiji" by Milind Sathye and Biman Prasad focused on mobile value added services (MVAS), which were considered to be "anything beyond standard voice calls," according to Sathye, including SMS and entertainment content, as long as it could be ultimately leveraged to improve access to finance and the growth of women-owned micro-enterprises (WMEs), although researchers emphasized enterprise and commerce in their study. The study included snowballing sampling and identified three areas of chief concern for the women: 1) access to credit, 2) access to capital, and 3) access to insurance. Although initiatives such as the multi-campus business school MOOC **10,000 Women** from Goldman Sachs might be ridiculed, Sathye also described a longing for "access to business training and mentorship." He also described logistical hurdles, such as the problem of not allowing women to run microenterprises in their own homes, which made day care centers difficult to operate. There were also problems in interoperability, particularly between Vodafone and Digicell, who refused even to share mobile towers. The women in the study were reported to be "oblivious" to many services offered from banks and thus willing to bear "exorbitant rates of interest" for informal financing, often at over 50%. However, the bankers researchers interviewed described expecting customers to come to them rather than investing energy in outreach.



"A Participatory Look at Women Traders' Cognitive Understanding and Perceptions of the Use of Mobile Money Systems in Northern Ghana" by Dennis Chirwaurah, Seidu Al-hassan and Deborah Elzie shared work in progress about the difficult attempts at realization of the development agenda of the government to ensure that women were

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empowered. Al-hassan told how women were encouraged to join cooperatives and how the majority of them were employed in small business enterprises, which could benefit by improving businesses with the use of mobile phones. Researchers looked at whether or not the increasing use of mobile phones for mobile money systems actually facilitated business transactions. They examined the experiences of a hundred rural women traders in the upper-east region of Ghana through in-depth interviews about possible improvements to their living conditions. 94% of their interview subjects were married, and most did not use banks. They claimed that "things of value to us are basically those ingredients" needed to save for an important family guest or for a sick person. The women also valued storage for funerals. 77% of them had had mobile phone experiences for 1-5 years only, and 64% reported low network services as a major impediment to adoption. As in the case of IMTFI studies in other regions in the developing world, only 18% indicated an interest in using mobile money for storing value for future use. Researchers looked at ten communities and met with representatives of rural women's groups as well. They closed by insisting that design must be inclusive to be effective.

Discussant [Elizabeth Berthe](#) of Mercy Corps reiterated the themes around relevance and the importance of social networks, and the question and answer session raised issues about how commercialization might actually sometimes undermine women's position and how comprehensive research might be stymied by the fact that men and women often kept separate accounts.

Posted by Liz Losh at 11:33 PM 

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Paying It Forward: Financial Inclusion and Mobile Money Uptake



In introducing the final panel of the day, IMTFI director Bill Maurer pointed out that the institute quickly realized that mobile money wasn't "just about banking but about payments," and he closed the session by noting that "rich" could just mean older or of a more elevated class, after a day's discussion that included the role of "dark money."

The presentations on financial inclusion and mobile money uptake began with "Mobile Money Utility and Financial Inclusion: Insights from Unbanked Poor End-Users" by Lite Nartey and Olayinka David-West. Nartey returned to the "importance of interdisciplinarity" as a conference theme by way of introducing herself as a researcher from "the business side" and the an advocate for the need for businesses "to come on board" and understand the potentials of "win-win" scenarios that might -- unlike the Henry Ford model of product design -- require study of user behaviors and needs. Her research group deployed mixed methods in their study, including desk research, interviews with mobile money providers, focus groups, and surveys of mobile money utilities, and used thirty-three university students. They focused on 4,500 informants in Ghana and Nigeria from a population of poor urban dwellers earning less than \$200 US dollars a month in Accra and Lagos. The use of mobile phones was widespread among their informants, and "everybody has at least three phones," because the telecommunication infrastructure is such that "services differ in quality." However researchers found that their subjects continued to use traditional local savings rituals associated with "susu" women, which has been a topic in other IMTFI funded research.

David-West described these bottom of the pyramid workers "not using mobile banking but using mobile money." Although "banks are proud of what they are doing," according to David-West, the applications they offer are not significantly different from other phone-based services, such as paying bills for utilities and transportation, buying airtime, and sending and receiving money. The two countries emphasized different regulatory models, including bank-focused, bank-led, and non-bank led, which in Ghana meant leadership by the telecommunications sector. Researchers described low awareness and low utility and adoption in what was still a "cash-based society" suspicious of low agency networks that seemed affiliated with sorcery and even the forces of the Antichrist. As they noted, earlier electronic banking products have not given people much confidence, and regulatory models were still evolving. They closed by thanking their collaborators at [USC-CIBER](#).

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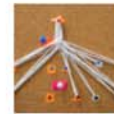
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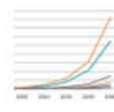


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"The Use and Impact of Mobile Money in the Delivery of Conditional Cash Transfers in the Philippines" by Erwin Alampay and Charle Cabotaje focused on the 1 billion pesos distributed annually in the Philippines and the role of the GCASH program. Alampay described himself as "disappointed but hopeful," based on his study of CCT conditional cash transfers, which represented the "global trend" that emphasizes providing money to women to promote educational and public health goals. In 2010 there were one million beneficiaries; in 2014 four million recipients are projected. As transaction costs are going down, the situation appears to be offering opportunities to other vendors.



Alampay described the island of San Jose and the difficulties of the logistics of cash transfer in a region in which mobile money was not really used, because of unnecessary steps, including a requirement for texting to verify the identity of the person. Remittance merchant partners are limited by the number of people who can be served, and user experience is often characterized by long lines rather than the rapidity of "zapping money" described by [Jenny Aker](#). Researchers looked critically at the relatively high costs of smart money and argued that systems could economize if funds went directly to beneficiaries without the bureaucratic structure of intermediaries. Most of the respondents were [SMART subscribers](#) from the bottom of the pyramid, who served as the more logical partners for the GCASH initiative, rather than the [Globe customers](#), who were more affluent. Researchers applied the "Stages of Access" model from the digital divide scholarship of [A. J. M. van Dijk](#) and explored the role of pre-existing knowledge and knowing those who use these services in their social network. Often the benefits were not more apparent, and the systems were perceived of as not more efficient and not more secure. The actual overhead costs are still largely unknown. For example, a pawnshop was originally a top bidder for managing services, but they were unsure if the entire endeavor could be profitable.



"Understanding the Movement of Cash of the Privately Led Enterprises in Dharavi and Scope for Electronic or Mobile Payments" by Deepti KC and Mudita Tiwari examines global feedback economics occurring in one slum. Researchers focused on the informal

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settlement of Dharavi in Mumbai, which has been [profiled by National Geographic](#), and holds the status of being the largest slum in Asia. In Dharavi researchers noted that there were more than 5,000 informal businesses producing goods worth 600-650 million dollars a year. Because of the ethnographic nature of their approach, they sometimes encountered resistance from those engaged in illegal businesses. They described interviewing 25 women who had engaged in transactions worth on average \$626 in US dollars during the past month. Of these women 68% had mobile phones. They generally also had state issued ID and bank accounts. Nonetheless, their mode of transactions was mostly in cash, although they sometimes used checks with suppliers. Even when a bundle of notes was eaten by mice, business people still saw cash as more convenient and safe. They also interviewed 115 clients and 20 suppliers and found that 75% preferred cash transactions as well. They discovered that leather enterprises were particularly likely to use smart phones and to carry large amounts of money, up to three or four thousand dollars per pocket. They noted that [Abhyudaya Bank Co Operative Bank Limited](#) was particularly popular among slum dwellers, because their client-centric approach extended to being open midnights and Sundays and allowing large cash withdrawals. In contrast, the [State Bank of India](#) used conventional strategies, although they were mostly targeting migrants and relying on word of mouth. All agreed that cash was perceived as convenient and safer option. Researchers found low usage of e-payment systems in businesses, which saved on taxation and reflected a general mistrust of banks that extended to agents and ATMs.



In exploring both scope and need, the researchers created a financial tool developed for a tablet to promote financial literacy with 2D animation. After testing an initial prototype, they found that they needed translation into local language and stories that Dharavi residents could relate to. By partnering with Neeti Solutions, they launched an interactive comic with six stories. The stories included a scenario in which a health shock sent two characters to the hospital and consigned them to not working for a month; one character had been saving, and the one had not. In teaching about cutting back on non-essentials, researchers avoided preaching public health behavior or sounding too moralistic about saving to a population that saw it as easier to take a loan.

Discussant Carol Benson, Glenbrook Partners spurred recipients to explore some of the ironies. The first presenters noted that marketing had done little to impact penetration, and that their informants had seen "the adverts" and knew "the jingles." Rather than being a lack of knowledge, trust seemed to be an issue. The final presenters also grappled with the problem of slum dwellers trying to decide what is "nonessential," since informants might say cutting back on food and medicine makes more sense to them than giving up songs on mobile phones or alcohol and cigarettes.

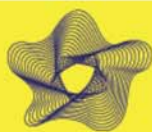
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Thursday, December 5, 2013

Trickling Down and Spilling Over: Social Organization, Power & Hierarchy



When I was in India this summer, the fact that I wore no jewelry save for a plain gold wedding band was perhaps the single most commented upon aspect of my appearance during my travels there. In "Silk Societies, Gold Stories: Using Gold-Based Life Stories to Study Gender, Financial Inclusion and Work Vulnerability in South Indian Sericulture," Nithya Joseph explained that -- in the case of gold -- "objects that don't appear to be necessary" may serve critical semiotic functions, particularly as a marker of class and caste. In her study of political economy and worker vulnerability that used oral history as a method, gold objects served as significant markers of memory. After twenty or thirty years, it was often difficult for informants to remember precise details of their financial histories, but aspects of everyday life were embedded in narratives about gold that allowed those interviewed to describe where they were in social hierarchies and how their positionality impacted their well-being. Oral histories were structured by a recounting of life cycle events, a learning/earning history, and narratives about gold-based possessions.

In choosing to focus on the role of gold for those involved in the production cycle of silk fabric, Joseph noted the common phrase that a sari goes "through a hundred and fifty hands." She also observed that her field site provided a rich mix of participants from Hindu agricultures, Muslim workers involved in silk reeling and twisting, and caste-specific labor for weavers. In situating the history of the silk industry, she reminded that it was already global when it was under the control of British colonial authorities, who were interested in capitalizing on sari production, as well as managing the relocation of workers in the silk industry. Although Gandhian values of handwork and *swaraj* were still in evidence, the surplus generated by liberalization that could be highly disruptive with Chinese raw silk coming into the market and import tariffs being cut for mid-level entrepreneurs was generally invested in gold. Based on surveys and participant-observation, Joseph collected many stories. One informant described not eating for eight days and selling the gold owned by herself and her daughter to save themselves from debt so that her "ears are empty." Others moved from the labor back to the capital sector and doubled their gold holdings in the process. She also found women using microfinance loans to buy gold that was then pawned to send money back to her village so that she could serve as a lender. In short, Joseph found capitalists able to hold gold ended up in a better place, while the gold economy could keep workers in debt.

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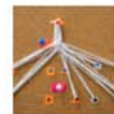
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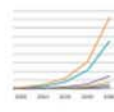


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"Banking with the Patron: the Case of Patron-Client in Makassar, Indonesia" by Tiar Mutiara Shantiuli and Salmah Said describes hierarchical financial arrangements in a range of occupations, including cowhide crackers, proprietors of rental game centers, food hawkers, sea cucumber divers, and fried shallot producers. Shantiuli focused on how patron-client reciprocity was introduced and how working arrangements were structured as well as initiated. She noted that recruitment through kinship, neighborhood, or faculty mentorship shaped the hierarchy of patron-client relationships that generally began with borrowing in exchange for help.

Global finance, political Islam, and traditional cultural norms all played a role in "Mobilizing Religion as Value Storage: Islamic Microfinance in Bangladesh as a Model for Poverty Alleviation?" by Bridget Kustin. Kustin presented a framework that focused on how Islam was being developed as a store of value in which particular forms of religious and economic subjectivity were inculcated, often through specific pedagogical interventions. Her work focused on the Islami Bank Bangladesh Limited and its relationship to a complex ethics around financial participation in which Islamic microfinance existed in relationship to *zakat* (mandatory charitable giving), *sadaqat* (voluntary charity), and *waqf*, which was established by an individual owner of immovable property to fulfill in perpetuity any function deemed legitimate in Islamic law.

By focusing on the question "of how people self-identify as poor" and potential conflicts with how institutions make such distinctions, Kustin hoped to offer a richer picture of how people viewed their economic realities. She also situated her work in existing scholarship about prohibitions against *riba* (usury/interest), especially Bill Maurer's book on *Mutual Life, Limited: Islamic Banking, Alternative Currencies, Lateral Reason* that noted that the term did not technically designate interest but rather "increase." At the same time banks that promoted Islamic ideologies also had to consider the potential harms of non-engagement and the opportunity costs to investment, even as they tried to be scrupulous about avoiding gambling or trade associated with taboo behaviors designated as *haram*. She described how global Islamic finance was supposed to promote social justice, grow assets rather than money, and foster equity and the sharing risks. She also was interested in the escatological implications of how people thought about money in relationship to time and to the future. Among those with resources, they declared that "God will demand accounting of me," while clients without means might refer to how "God knows my suffering," and that all experiences could somehow be reconciled in a holy account book

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According to her interlocutors, questions of intent were critical. Making intentionality explicit might also play a role in the global rhetoric of Islamic finance represented by documents such as the [IBBL Mission statement](#). All of these factors were complicated by conflict over political Islam in the country, including contestation about war crimes tribunals dating to offenses committed during the war between Pakistan and Bangladesh in the 1970s. To provide more nuanced analysis Kustin chose Cox's Bazaar as a diverse field site that was multireligious and also showed how a stronghold of stronghold of [Jamaat-e-Islami](#) might include many supporters who were not radicalized and may pursue low-interest Islamic financing mechanisms purely for pragmatic reasons. She also emphasized possible conflicts between the female empowerment favored by the [Grameen Bank](#) and the family uplift paradigm favored by Islamic microfinance.

"How does Mobile Money Affect Adopters' Social Networks?" by Alfredo Burlando, Cynthia Kinnan and Silvia Prina planned to study so-called "spillover" effects with a specific mobile money product, [EZY-Pesa](#), which was developed through a partnership with carrier [Zantel](#). Researchers planned to focus on consumption smoothing, investing in health and education to reduce the shocks [described by earlier presenters](#), and starting or improving income-generation activities. Kinnan acknowledged a significant body of literature showing the mixed results of microcredit (Cerpon 2011, Augsburg 2012, Angelucci 2013, Atanasio 2011, and Banerjee 2013). Furthermore, she said that she would not assume that if spillovers of savings existed that they would necessarily be positive, given the fact that people might avoid kin taxes (Townsend 1994) or shield cash from members of their social networks (Ligon 2002), much as earlier presenters [depicted how Somali migrants used banks outside their own migrant communities](#). The researchers also noted that these effects could be magnified by mobile savings.

With EZY-Pesa, they found that 50 households sign up per area on average and were able to create an experiment with 1700 recruited individuals. The informed consent process also explained to those enrolled that they had a 50% chance of receiving help. Thus, as Burlando elaborated the experimental conditions, half of the customers would receive marketing visit with Tsh 200 (about \$1.25) placed in an initial deposit, while the other half would receive Tsh 2000 in cash with no assistance or advice. As they progressed with the study, questions about trust were emphasized in the data collected via PDAs. Researchers looked for four names and tried to identify altruistic and obligatory ties. Then they asked interviewees to speculate about what they would do if they received a surprise payment. Subjects ranked who they would want to keep this secret windfall from, from most to least urgent. In their initial findings, they noted that obligatory ties tend to be rated at the same level of wealth and that altruistic ties tended to be close relatives likely to be in lending relationships.

Discussant: David Pederson, UC San Diego focused his initial questions on the assumption that "value" and "wealth" were really interchangeable and pointed out that the papers showed that this relationship was not necessarily as stable as it appeared to be in vernacular speech.



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Thursday, December 5, 2013

Betting Against the House: Chance, Risk and Fraud



The only all-male panel at the IMTFI focused on risky monetary behaviors. The presenters led off with a talk about "Gambling and Mobile Money Payments: A Case Study of Sports Betting in Uganda" by Bruno Yawe and Kizito Ssengooba that focused on how value creation and value destruction might be interrelated in the field. They observed that 25% of sports betting shops were licensed (37 out of 104 enterprises) and that mobile money was used for twenty-four hour betting, which was especially popular among working class participants. (Football was apparently the number one sport for betting activity, according to the researchers.)



They focused their attention on six online betting shops and on questions about the regulatory environment, the addictive nature of betting, possible links to youth poverty, and mechanisms for redress in rigged and one-way gambling operations. Some of the most dramatic narratives involved students missing graduation after tuition money had been gambled away.

"Challenges Facing the Uptake of M-Insurance Loyalty Based Life Insurance Schemes: A Case Study of the yuCover Microinsurance scheme in Kenya" by Nelson Karani Nyachiro and Cyrus Isaboke focused on services offered by **yuMobile** in partnership with Jubilee Insurance and Micro Ensure. The yuCover insurance scheme rewarded subscribers with renewable monthly life and disability coverage. Nonetheless researchers found that belief and culture propagated biases that insurance was for old

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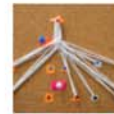
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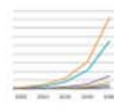


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men and the owners of motor vehicle owners, and even one of the researchers confessed to being among the uninsured.



The final panel on "Automated Teller Machine Fraud in South-West Nigeria: The Shoe-Wearer's Perspective" by Oludayo Tade and Oluwatosin Adeniyi opened with a recap about the fun of participating in a conference in which economists used to crunching numbers could also hear about sorcery and comic books. Their study focused on the life chances of victims after ATM fraud and emphasized Victims Precipitation Theory (VPT), Lifestyle Theory (LT), and Routine Activity. The methodology mainly adopted a snowballing approach. They discovered that the fraudsters identities tended to be kin, lovers, children, and friends, although non-kin third parties could also be victimizers. Victims often had 2-5 ATM cards and were plagued by illiteracy, illness, or old age and weak constitutions, although even an economics professor had been victimized, according to the researchers. Despite the protections of PIN numbers and daily limits, there was no shortage of sad story, including the tale of a man who needed help with pushing buttons who was cheated and five young people finishing national service who found their accounts emptied. Such fraud could have particularly destructive effects on students. It could also lead to business collapse, as well as undermining the entire purpose of saving among community members. A culture of blaming victim or of officials being unwilling to use footage from CCTV to catch perpetrators could worsen the situations. It was also interesting to hear about the appropriations and improvisations that banks and users deployed, which included constructing screens to block views of PIN entry.

Discussant Jan Chipchase of frog design asked presenters to reflect about how their own life practices had been changed by their research. He also pushed the question of whether "exploring topics that are taboo in shape or form or touching on taboo topics" might require researchers "to get participants' perspectives" by joining in. He even suggested that it might be "an obligation to go down that road."

Posted by Liz Losh at 1:54 PM 

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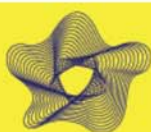
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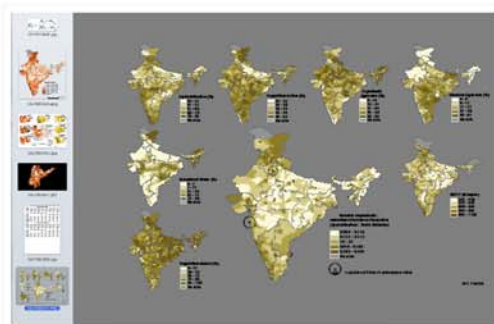
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IMTFI
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Sunday, December 8, 2013

Showing and Telling: Corridors, Networks and Agents



The final panel of the conference focused on "the Indian Case" to wrap up the two-day public conversation about money, technology, and financial inclusion efforts happening around the developing world.

"The New Information Ecosystem Being Developed Around Mobile Money: A Behavioral Analysis of Mobile Money Users in India" by Lakshmi Kumar noted that banking access remains at just 50% in India, while tele-density measures in at about 75%. With migrants constituting about a third of the total population, and women constituting about 70% of migrants, Kumar wanted to ask why mobile money was considered preferable to bank accounts or post office money management. She noted that address documentation was not required for mobile money, which could be important as migrants switch from rural to urban settings. Nonetheless, numerous studies also point to greater confidence in "cash in hand" and suspicion of the role of middleman. In comparison with other remittance practices, mobile money users sent more money, and those numbers increased with age and education. There was also a significantly higher use among men. Mobile money users also sent 34% more emergency money than non-mobile users, which also correlated to marital status. She examined the practices of migrant workers who labored in professions such as construction worker or truck driver, who earned a relatively robust 14,000 rupees in monthly wages and were able to remit money back home frequently from weekly paychecks; she also studied non-mobile users, who tended to earn only about 6,000 rupees in her sample. (You can see an account of Kumar's earlier work in Tamil Nadu, which was presented at the 2010 IMTFI conference [here](#).)

Many in Chennai also benefitted from a what Kumar called a "sub-eco system" created through interventions by employers to facilitate electronic transfers to save time. Money in this system went to bank accounts in the migrants' states of origin, and the receipt for the transaction would arrive in their mobile phones. Thus mobile money users never wanted paper receipts, and trust was created immediately. This factor of trust may explain why one product -- remittance -- gained so much trust in comparison to other products and services that could not be rapidly verified by kin. Trust was also built through relationships with the people to whom they went to to charge their mobile phones and seek other services associated with mobile telephony. This huge population of mobile money users could be part of a financial inclusion strategy that was "MNO & bank agnostic." Kumar also showed footage from a short film showing her informants that asserted that "remittance is the beginning of saving" and that the owners of stores pursued a marketing approach dictated by "pull" rather than "push" interactions.

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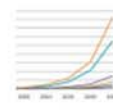


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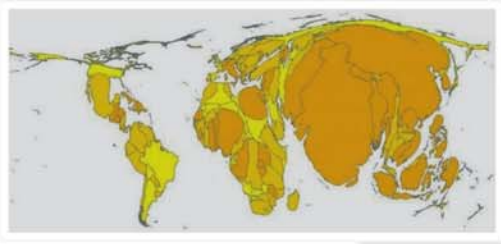
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"Spatial Complementarity of Mobile Financial Services, Business Correspondents and Banking Infrastructures: Accounting for Mobile Financial Services Ecosystems in India" by K.V. Nithyanada and Cyril Fouillet emphasized "speaking about space and financial inclusion," for example by showing a map of financial exclusion created from data from CGAP. In beginning his presentation, Fouillet indicated his own scholarly debt to Susan Johnson and her work on [financial inclusion in Kenya](#). (See the Center for Financial Inclusion for more about related work.)

The Fouillet and Nithyanada team was doing the pilot data collection to support their visualization efforts by surveying banking correspondents, bankers, microfinance officials, and stakeholders at NGOs. To better refine the indices of financial inclusion, they were producing maps at the district level for the entire nation and at the block level for Andhra Pradesh (Fouillet's field site) and Tamil Nadu (the field site of Nithyanada).

This ambitious mapping would also capture legal and regulatory environments and the landscape of the implementation of policy at ground level. To make granular distinctions, researchers would like to deploy small electronic gadgets and operationalize business correspondents in India, although information from financial institutions would also include banking penetration, the available of banking services, and the use of banking services. Such visualizations could also potentially allow researchers to test hypotheses.

Researchers were still developing questionnaires and had not yet finalized sample size, but their recognition that money was a "highly political" commodity that merited the same kind of mapping efforts devoted to the state that might capture money in India in its "various dimensions." As they closed they cited [David Harvey](#), who famously argued that "money concentrates social power in space."



"One Among Many? Examining the Efficacy of Mobile Money in India's Remittance Corridors" by the extraordinary undergraduate student Amrit Pal noted that one third of all remittances occurred between two corridors -- between Bihar and Mumbai and between Andhra Pradesh and Delhi -- as mobile money users navigated between the aspirational extremes of the village and the city. Pal described financial realities of migrants in satellite cities doing unskilled labor, such as rickshaw drivers and operators of manual handlooms. He reminded that his research could only track the sending party, who constituted the more empowered users in the exchange, because they could choose channel and partner.

Pal showed the layout of space in establishments that offered mobile money services and the immersive branding of multiple remittance providers. Although the establishment might be "one store" of "many purposes," remittance would be at "the heart" of the customer's visit. From pitching the *Chennai Express* to marking the festival of Eid, the visual appeals he showed often targeted a logic of rhetorical occasion. He observed the importance of competition fueled by the [kiosks](#) and [hawala](#) discussed on day one of this year's IMTFI conference. He pointed out that most transfers were immediately withdrawn at the bank branch as well. Although he described a "vibrant ecosystem" with multiple products, he said that the reality be less "warm and fuzzy" than it might seem"

Spinning Straw Into Gold:
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▶ November (3)

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because of "gaping systemic faults," which included "no clear mandate from regulators and banks." There was also "no testing out of which channel that works" in an environment of hypercommodization and competition in which mobile money was treated like "detergent," and the customer purchased "the cheapest one that works." Yet unlike detergent mobile money "may not scale." Furthermore, agents might try to cut corners by going to the bank rather than through Eko, so that new corporate actors aren't given opportunities. He also bemoaned the fact that "the largest bank had four mobile money products that essentially do the same thing." In closing, he cautioned against "Big Brother" decisions and acknowledged that it was "not clear if mobile money will lead the way or follow the way" based on the lessons of the telecom market.


Discussant Abhishek Sinha, Eko India Financial Services Private Limited joked about the jargon of "econometric," "spatial," and "regression" in the abstracts of papers that ultimately turned out to be refreshingly plain spoken about research. Sinha also raised questions about the use of middlemen - seeking higher positions while also granting that "assistance" served as "a big phenomenon in India," where people often spurned self-service, which may be available but not appealing from a "behavioral" standpoint. During the Q&A there was a lively discussion that was spurred by the provocations of UCI Professor Alladi Venkadesh on the importance of making translations and not letting Western thinktanks control the agenda.



Bill Maurer wrapped up the IMTFI conference by emphasizing the fact that "the world has never seen the adoption of a single platform for money and value." He recounted his conversation with Carol Benson yesterday about mobile money as "a new rail" in an "interlocking system of rails" rather than "one whole system." (Benson has a great post at *Payments Views* about the conference.)

If mobile money can be visualized as a bridge, Maurer asked "what sort of bridge is it?" "Is it a bridge for carrying money?" He summed up the conference by referencing "the person-to-person bridges between gold and loans," "a bridge between friendship circles," "a bridge between one cosmo-economic system and another," a bridge between Islamic banking on orthodox terms and Islamic banking in everyday terms, and even "a bridge between life and death." Certainly mobile money served as a bridge between informal and formal practices, according to IMTFI's sponsored researchers, but the bridging might be still poorly understood.

Maurer cited Ignacio Mas on "bridges to cash," to state wryly that mobile money could also be "a bridge to cashlessness" or to the "cash-lite" state of Dzokoto and Imasiku or the "cash heavy" state imagined by Scott Mainwaring. He opened up his own wallet to show ATM receipts as "consumer protection devices" and threw a bill to the floor to dramatize the fact that "cash is not account based," "cash settles at par," "cash settles immediately," and that with cash "title passes to the bearer" even if we might debate whether the bill-throwing is a gift or a performance. In grappling with much more complex phenomena described at the conference and "all the externalities in the cash cycle," Maurer reminded them that the moral picture could range from ATM fraud to the benevolent Njangi practices of Cameroon.

Posted by Liz Losh at 10:38 PM 

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