

**Managing, negotiating, and converting “currency” in daily life in a multicurrency environment of Zimbabwe.**

**Final Report**

**Mahiya Innocent and Gukurume Simbarashe**

**Project Abstract**

The adoption of the multi-currency system in the year 2009 following the budget announcement by the then Minister of Finance was defined as a watershed period in terms of monetary policies not only for the country but the whole of Southern Africa. Multicurrency was defined as an adoption of foreign currencies that included the United States dollar, British pound, South African rand and Botswana Pula as official currencies of Zimbabwe operating in the same economy. The Zimbabwean dollar was abolished through the adoption of this system. In this study, we asked the following questions: What were the new socio-economic dynamics that emerged in balancing and negotiating these currencies? What new configurations were created by people in order to make sense of the prevailing system money ecosystem? What new narratives were formed in the monetary interaction between rural and the urban population in Zimbabwe, and how do mobile money interface and influence traditional perceptions on money and the value it has? The study employed detailed comparative ethnographic engagements between Harare (Urban setting) and Chivi (Rural Setting). Data was collected using unstructured interviews complemented by participant observation. Interviews were done with mobile money clients, non-clients, mobile money agents and mobile operators. Findings showed that there is an accelerated appropriation of mobile money services by the unbanked poor in rural Chivi and Harare. It was observed that mobile money transactions especially in Chivi are driven by both local and diaspora remittances. It emerged in the study that currency conversion is a contested phenomenon epitomised by contestations, conflicts and negotiations between mobile money clients and agents as well as agents themselves. Social capital was also a critical resource in the transactions observed. The findings in Harare also showed the emergence of unique mobile money schemes such as Ponzi schemes. The issue of cash shortages also meant that mobile money agents were selling hard cash to their clients and this affected the cashing out for all mobile money transactions.

## **Introduction**

In 2009, Zimbabwe adopted a multi-currency system after experiencing protracted socio-economic and political quagmires and a world record hyperinflation in 2008 which exceeded a crescendo 250 million percent (see Gukurume, 2015; Gukurume, 2010; CSO, 2009). This multicurrency system was conceptualised as an adoption of a basket of foreign currencies that included the United State dollar, the South African rand, the Botswana pula, the British pound and the Euro among other currencies as official currencies of Zimbabwe<sup>1</sup>. Later on the Chinese Yuan was added into this basket of currencies<sup>2</sup>. These currencies are operating simultaneously in the same economy. This inception of a multi-currency system under the banner of ‘dollarization’ almost coincided with the adoption and growth of mobile money services. The introduction of mobile money transactions by telecommunications companies and the concurrent utilisation of a myriad of currencies ushered in a ‘new’ discourse of foreign currency conversion, especially among the rural poor. This 12 months ethnographic research project examined the complex socio-economic dynamics that emerged in balancing, converting and negotiating the use of these multiple currencies. We explore the process of currency conversion in people’s everyday economic lives, with particular focus on mobile money and other related socio-economic practices in the negotiation and conversion of different currencies utilised in a multi-currency system. We herein unpack and examine the many complex ways through which people convert, manage and negotiate the temporalities of multiple currencies in their daily lives. As such, the concept of multiple currencies here is twofold; literal and metaphorical (material dollarization and social currencies) that poor people deploy to make do and get by in their daily lives.

## **Research Questions**

The major questions for this study are as follows:

- a) To explore the nuanced dynamics involved in the management, negotiation and conversion of currency in a multi-currency environment of Zimbabwe.
- b) To document the micro-systems that developed in the wake of mobile money adoption at the consumer level.
- c) To analyse the convergences and divergences between a rural and an urban setting in mobile money ecosystems.

## **Project Activities**

This project was started in August 2015 and ended in September 2016 through a research grant from IMTFL. The starting point was the development of the research proposal and the piloting of the research tools. Data were collected from October 2015 in Chivi to July 2016 in Harare. The preliminary findings of the project were presented at a conference held at the University of California in April 2016. From the project findings we wrote a blog based on

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<sup>1</sup> <http://www.herald.co.zw/dollarisation-the-new-normal-rbz/>

<sup>2</sup> <https://www.dailynews.co.zw/articles/2016/05/10/zim-formalises-yuan-adoption> see also <https://www.theguardian.com/world/2015/dec/22/zimbabwe-to-make-chinese-yuan-legal-currency-after-beijing-cancels-debts>

our field experiences and anticipate writing at least two more blogs. The Zimbabwean monetary ecosystem continues to transform on a daily basis. For instance, when the project started, cash was abundant in the banks and in mobile money agents, but this gradually changed around June 2016 due to a biting cash crisis. The government is also intending to introduce a surrogate local currency called ‘Bond Notes’ which will be allegedly equivalent to the US dollar<sup>3</sup>. Though this was announced in April 2016, the implementation has not materialised due in part, to increasing dissent from citizens against the bond notes<sup>4</sup>. All this directly affects the dynamics in the monetary ecosystem of Zimbabwe.

## **Methodology**

### **Context of Research Sites**

In this ethnographic project, focus was on two distinct localities; Chivi and Harare. Chivi is in close proximity to South Africa, and there is a high usage of the South Africa rand due to many migrants from there who are in South Africa called “*Majonijoni*”. Most men and women of working age in Chivi have a strong desire to work and stay in South Africa. Some of them abandon school to go and work in South African farms. There are also a number of cross-border traders domiciled in Chivi who commute to South Africa on a weekly basis to buy goods for resale back in Chivi. Chivi closely mirrors its South African diaspora—most goods and clothes sold in the area are bought from Musina, South Africa. Although the dominant livelihood activity is agriculture, Chivi is a drought prone area and villagers negotiate multiple livelihood precarities. Likewise, Harare is the hub of economic activities, being the capital of the country, but at the same time has pronounced inequalities. In Harare we triangulate the poor and the rich communities to understand their experiences and narratives pertaining to the multi-currency system, mobile money transaction and how they manage and negotiate the conversion of these currencies for various purposes.

Data were collected through qualitative ethnographic techniques such as participant observation, in-depth interviews with mobile money users and non-users as well as key informants. To gain a nuanced comprehension of the complex rituals of currency conversion, mobile money usage and people’s mundane economic practices, we engaged in sustained participant observation. We purposively targeted mobile money users and non-users as well as key informants for this study. This huge and diversified sample enabled us to capture the complexities and holistic understanding of the temporalities of foreign currency conversion and mobile money politics in two sundry communities of Chivi (a rural setting) and Harare (an urban setting).

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<sup>3</sup> <http://www.herald.co.zw/cash-crisis-rbz-to-unveil-bond-notes/> see also <http://www.aljazeera.com/news/2016/09/cash-strapped-zimbabwe-print-75m-bond-notes-160915150605660.html>

<sup>4</sup> <http://zimbabwe.news24.com/National-News/zim-uprisings-against-useless-bond-notes-20160804-2>  
See also <http://www.herald.co.zw/bond-notes-illegal-mujuru/>

## **Study Results**

### **Conceptualisation of Currency**

The study was situated in an environment that uses multiple currencies adopted from different countries. It is important to highlight the currencies that were promulgated through the budget announcement of 2009 by the then Finance Minister of Finance Patrick Chinamasa. The US dollar, the South African Rand, the Botswana Pula were the first currencies to be officialised in 2009. However, the pool of currencies was widened in 2015 to include the Chinese Yuan. In spite of this wide range of currencies declared as official in Zimbabwe, it is clear that the US dollar dominates the market, a situation that is synonymous to a dollarised economy. The South African Rand is also active in the Zimbabwean economy due to the fact that South Africa is Zimbabwe's largest African trading partner. All the mobile operators noted that their currency of choice was the US dollar and this is also evidenced by their pricing models, marked in United States dollars. Further probing of the mobile operators showed that although they preferred the US dollar, they did not block other currencies from being traded with, but the value has to be converted to match the pegged US pricing system. The same prevailed with the different mobile money agents. It was clear also that they adopted the pricing models given by the mobile operators. However, mobile money agents closely interacted with the public hence they also had to be flexible in terms of accepting other currencies. Evidence collected from the field showed that clients brought a repertoire of currencies, albeit dominated by the South African Rand and the US dollar. The negotiation over currency conversion will be discussed later. Respondent Angela who is a mobile money agent in Chivi had the following to say:

...the charges for all our services are in US dollars and these are deducted as such. But as you can see that this area is close to South Africa, there are many people who come here with South African Rands. We don't turn them down because it's business. We accept Rands and even Pulas.

Similarly, another respondent Enoch who is a shop owner from Harare had the following to say:

...prices in Harare are denominated in US dollars. It is very rare to find someone bringing South African Rands these days because of the weakening of the Rand. I sometimes have some customers using South African Rands especially towards the festive season when Diasporans from SA visit. As for me, I reluctantly accept South African Rands because you might get them then the rates tumble and that will be a huge business loss.

### **EcoCash and Econet Wireless Hegemony in the Mobile Money Landscape**

EcoCash, a mobile money service provided by Econet Wireless is the most widely used service in Zimbabwe, both urban and rural. Its hegemonic dominance is largely because it is the largest in terms of subscribers; it is viewed as the most efficient and reliable and it is the pioneer of mobile money services in the country. Many of our participants did not have faith in the services offered by the government. One of the mobile operators (Telecel) had recently been acquired by the government after it had failed to meet the indigenisation thresholds. This meant that two of the three mobile operators (NetOne and Telecel) were now government controlled. The lack of trust in government services was aptly captured in

comments passed by people to agents selling Telecel and NetOne mobile phone sim cards saying:

....how can one buy a Telecel line that is owned by the government when the government of Zimbabwe has failed to run the country? It simply means that the company will collapse as well as the government

Another one of our participants sarcastically asserted:

....the government is about to close down due to bankruptcy, why would I buy a line owned by such a government. It is not possible because it will be a waste of money.

Such negative narratives were quite prevalent among most of our participants with many of them complaining about the service and poor network. Such complaints were succinctly captured in the following quote:

....we go for some time without network for NetOne in this area because of the in efficiency of the government controlled mobile operator company. People have completely lost faith in such companies hence their reluctance to buy your lines

The above sentiments expressed by the people helped Econet to dominate the mobile money business, both in Harare and in Chivi. However, the domination of Econet was more pronounced in Chivi than it was in Harare. All the three mobile operators have invested enormously in telecommunication infrastructure in Harare because of the brisk business associated with the capital. It was however a different story in Chivi which has relatively low business as a rural community. Assessments by the researchers also showed that comparatively, Econet was the most expensive mobile operator for all services (voice, SMS, data, Mobile money charges) but ironically people still preferred it over other operators mainly because of its efficiency. The poor service provision by the government aligned mobile money telecommunication companies, in part is due to deep seated corruption in most government parastatals in the country. Recently, while NetOne was struggling, its entire top management was suspended due to alleged US \$ 11 million scandal. As such, all these scandal gives Econet Wireless a competitive advantage over its counterparts in the mobile money industry.

### **The Politics of Space Among Agents**

Central to mobile money transactions and the reconfigurations of social relations was the politics of space. The researchers encountered how agents in Chivi and Harare negotiated and deployed different resources to secure strategic operating spots as well as to reinforce customer loyalty. It was clear that despite the laid down regulations by the Rural District Council that stipulated how an operator applied for operating space, agents were deploying other resources. There were four mobile money agents operating at Chivi Turn off shops along the busy highway linking Masvingo and Beitbridge boarder town between South Africa and Zimbabwe. Researchers found out that these agents expressed reservations against each other for different reasons. The following were their accounts; starting with respondent Mai Gary who operates a grocery shop and is also a mobile money agent:

I was operating a thriving mobile money business at my shop for more than a year. Then another operator came right in front of my shop outside in the open space. This meant that all customers were now being intercepted before reaching my shop. What made me angry the most is that the outside operator is not only located there illegally but also encroaching into

my space. She pays bribery money to the council officials who are always ignoring our complaints. The other thing also is that her husband is a police officer in the local area and he uses his connections to neutralise the council officials.

Angeline who is a teacher by profession and also operating as a mobile money agent had the following to say:

I operate at this place but we do not have a good working relationship with other agents here. The problem is that they don't want competition so they try by all means to make sure that I am evicted from here by the council. They complain that I am intercepting customers but the reason why customers come to me it's because I have good customer care. I am reliable and flexible and that is what customers need.

Mai Gary's narrative above, points to the reconfigurations of social relations and the contestations that emanate from the emergence of mobile money in Chivi. As such, we frame the mobile money landscape as a 'field' epitomised by competing actors. Various mobile money stakeholders like agents, service providers and clients as actors also compete for the various forms of capitals within that field. However, in as much as Mai Gary complained about the arrival of a competitor and the implications on her mobile money business, she noted that she have some very loyal clients who always transact at her shop. Social capital thus comes to the fore in mobile money transactions in Chivi. This social capital is mediated through convivial relations and strong customer care.

At Mhandamabwe<sup>5</sup> shopping centre in Chivi, the politics of space took a totally different dimension. We interviewed a mobile money agent who was a University lecturer by profession. He was worried about the increasing number of mobile money agents at the shopping centre. Although he admitted that the increase in the number of agents was directly eating into his potential income, he showed us that he had come up with measures to fight competition and to build a loyal clientele. Some of the measures that he deployed included a monthly draw where customers would walk away with prizes such as maize seed, cash, and fertilizers. This seemed to be attractive as he indicated that through this strategy he has retained many customers. Another agent identified as Jonathan, a middle aged men had the following to say about fighting competition:

Some of us are now forced to open odd hours in order to capture clients. The completion has meant that if we don't open odd hours we lose on clients.

The narratives above highlight how increased competition in the mobile money business in Chivi triggered innovative ways of retaining clients and fighting off stiff completion which also inevitable reconfigured social relations. Some of the agents were charging villagers' mobile phones for free to cement relations with such villagers as possible clients. Likewise, others offered clients free calendars and t-shirts as well as providing other services like sim card replacement and registration. Thus, competition triggered the deployment of agency and innovation by mobile money agents. However, strategic locations were a critical 'resource' in Chivi and Harare. As such, quarrels often emerged over space-both symbolic and material. Transient clients would not see any value in getting into a monthly draw for instance, but rather prefer a conveniently located agent.

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<sup>5</sup> Mhandamabwe is a small growth point within Chivi some few kilometers from Chivi growth point. It is relatively smaller than Chivi growth point.

Competition was not only restricted to the mobile money agents, but also included the service providers themselves. This could be seen by how some mobile money providers charge less than their competitors for cash-in and cash-out transactions. While some mobile money providers charge both the sender and receiver some money, other only charge the sender and the receiver gets the money without any cost. Aggressive advertising and marketing were other strategies employed by mobile money providers. For instance, as we travelled from Harare to Chivi, we could see huge advertising mobile money billboards beside the road. However, this was not a guarantee of luring clients, instead clients were more interested in reliability, efficiency and convenience in selecting mobile money services as noted earlier.

As for the observations that were made in Harare, contestations over space were institutionalised. Econet had stopped issuing operating licences for agents who wanted to operate in Harare indicating that the market had been saturated. For the duration of the study from October 2015 to September 2016, we observed several new mobile money operators sprouting in Harare, though Econet claimed to have stopped issuing operating licences. There were busy locations that attracted mobile money agents even though they were operating illegally. The city authority employees would allegedly collect bribes from these illegal operators and this meant that those agents who bribed survive the expulsion.

While the contestations were quite common between competing mobile money agents in Chivi and Harare, especially those belonging to a similar service provider, there were others who co-existed harmoniously. Some agents would assist each other in the event that they run out of cash in their wallet. As such, agent to agent cash transfer was very common between some closely related agents in Chivi and Harare. In fact, networks of reciprocity were crucial and guaranteed some form of financial accommodation in case some agents run out of money in their wallet. For instance, while we were having an informal conversation with one of the richest mobile money agent who operated six separate EcoCash booths in Chivi, a female agent operating some metres away came to ask for some top-up into her wallet. It was also not uncommon for such transfers to be made on credit payable at the end of the day. This brings to the fore the need for a nuanced social differentiation of the mobile money agents themselves. Of note is that mobile money agents are by no way a homogenous or monolithic category. During fieldwork, we observed that mobile money agents have varying social and economic capitals which directly influence how they perform in the highly competitive mobile money landscape in the area.

We categorise mobile money agents in Chivi and Harare on three different categories based predominantly on their socio-economic differentiation: the successful/rich agents, the moderately successful agents and the poor or struggling agents. The rich agents always have money in their wallet and can do transactions of any amount without a problem-they are seen by clients as reliable. At Chivi, Joram was one such agent-he employed five employees operating his other five EcoCash lines at different locations in the growth point. Many other agents viewed him as the most successful agent in the area. Apart from mobile money business, he sold recharge cards of all mobile networks to airtime vendors in Chivi and he was also into foreign currency trade. The moderately successful/rich agents constitute the majority of the agents in Chivi. Most of these agents are in the civil service working as teacher, police officers and nurses in Chivi. These agents sometimes run-out of cash and cannot transact huge amounts of money say more than US \$500 per day. These often approach the richer agents for agent to agent transfer to boost their wallet. The struggling or

poor agents are constantly out of cash-most of them only operate for a few hours and close their booths. We observed that some of them operate thrice a week or less. The struggling agents are always out of cash in their wallet and they transact small amounts of money. Struggling agents are those with unstable sources of income-the majority of them in the informal economy of Chivi.

### **Mobile Money, Remittances and the Zimbabwean Diaspora**

Chivi is characterised by high population emigration to towns and the neighbouring South Africa. Most of these cross the South African border without papers as illegal migrants. As such, the irregular migrants are marginalised from the formal financial systems in South Africa to transfer money back home. Consequently, a majority of these migrants heavily rely on mobile money services to transfer money back to their kinsman. Villagers in Chivi acknowledged that they receive remittances predominantly from their relatives in South African, which has expanded their livelihood portfolios and opportunities. Econet Wireless recently introduced EcoCash Diaspora named “Chitoro” where one can make payments and receive money from the diaspora. This service is a convenient way of receiving money from the diaspora directly into one’s EcoCash wallet. This transnational expansion is meant to tap into the foreign markets where millions of Zimbabweans are domiciled. Although much of the money seems to flow from the diaspora and urban areas to the rural and poor communities, it is not always the case. Mobile money in this case connects the poor villagers to the larger financial ecosystems. Since the introduction and expansion of mobile money to rural communities like Chivi, there is significance promise for greater financial inclusion of the unbanked poor.

An interesting example is that of Chikule, a pensioner in his late 70s; three of his children are in the diaspora, in England, Australia, USA and another one in Bulawayo-the country’s second largest city. He has been a registered mobile money client for two years and has been receiving money directly into his EcoCash wallet. He was visibly excited about the introduction of mobile money and he said;

This is the best service ever we have received from these telecommunication companies, it’s so convenient, long back I would have to travel about 100 km to Masvingo the nearest town to get money my children send me through Western Union, but now I receive this money in the comfort of my own home, I just came back from Bulawayo and my son gave me money to buy some cattle and to pay the workers at home eehh you know in towns there are a lot of thieves so I just put that money in my EcoCash wallet from there and even if they steal my phone my money is safe so I just came here to cash out the money whenever I need to use it I don’t have to worry about thieves or losing the money anymore I have EcoCash

### **Negotiations, Conflicts and Contestations over Exchange Rates**

Converting the currencies is a problematic process in rural Chivi and Harare. We observed long and protracted discussions between local business people, mobile money agents and clients as they negotiated the exchange rate. Often it would take ten to twenty minutes of negotiations before a transaction and conversion of these currencies is completed. In Chivi there are two dominant currencies accepted in all the transactions that is the US dollar which is widely used in the country and the South African rand which is popularly used on the southern part of the country close to the South African border. Transactions involving conversion of the rand to dollar or vice versa is part of the everyday economic practices in

Chivi and Harare. However, other currencies like the Botswana Pula and British pound are hardly accepted and often rejected by many service providers and business people in Chivi. Keresina is a female mobile money agent at Chivi turn-off which is along the Masvingo-Beit bridge highway gets most of her clients from commuters and villagers. She argued that converting rands to US dollars is a contentious issue and often results in serious quarrels, to quote her words;

I used to cash out in rands for those who wanted them and even cash in with rands but agreeing on a rate is a problem, eeh I had a nasty experience with one woman in the village, she thought I had cheated her because her husband had send her some US dollars through EcoCash but she wanted to go and buy grocery in Musina South Africa so I converted her dollars into rands, so when she got to the border she was told a different exchange rate but you know these rates differ from place to place, so when she came back she confronted me and demanded some more money-we ended up at the police station and from that day I just accept dollars only and I don't convert unless it's a person I know and we have agreed

Keresina's narrative above is symptomatic of many experiences that mobile money operators and local business people in Chivi encounter in currency conversion transactions. These conflicts emanate from the fact that informal exchange rates are not static, monolithic or homogenous across the country, but vary from place to place and time to time. Sometimes the exchange rate at Chivi growth point was different from other local townships. As such, the temporalities of these exchange rates tended to be the main source of fissures between transacting parties.

At the time we did our fieldwork in Chivi, it was the start of the festive season where those working in the diaspora especially South Africa visited back home. We observed that the value of the rand fell drastically due to the flooding of the rand in the local market. This showed us that even in rural areas such as Chivi, the dynamics of demand and supply had an effect. Most of our participants in Chivi noted that they were now urging their kinsmen in South Africa to buy goods for resale in Zimbabwe or even for consumption instead of bringing the Rand due to the volatile value of the rand against the dollar. Such contestations were not dominant in Harare because almost all mobile money transactions were done in the US dollar.

### **Deployment of Social Capital in Mobile Money Transactions**

Gogo Masocha is a 76 year old woman in Chivi. She stays with her two young granddaughters. One, a 10 year old grade six student at a local school and an 8 year old and doing her third grade. When their father passed on when they were still very young, the mother migrated to South Africa to look for a job. The mother normally visits twice a year during holidays. However, she regularly sends remittances regularly through friends travelling back home. Sometime in 2012, she bought a mobile phone for her old mother in Chivi. When she visited from South Africa, she registered her on EcoCash mobile money services. For gogo Masocha, it was her first time to own and use a mobile phone and mobile money services. She hardly knew how to go about operating the phone let alone transacting. Her ten year old granddaughter and a close relative neighbour in the village normally assisted her. Her daughter sends money every month from South Africa through EcoCash Diaspora into her mobile money wallet. Gogo Masocha is not familiar with both the South African rand and the US dollar. For her mobile money and foreign currencies are very new. What is

more, she had no idea of the conversion and exchange rates from rands to dollars. She had to convert rands to dollars every now and then to pay school fees for her two granddaughters at a local school which did not accept payment in rands. For these transactions, Gogo Masocha trusted her neighbour relative, her ten year old granddaughter and the local shop owner who is a mobile money agent to do the transactions for her. She said;

I don't know how to use this, I only know how to make calls and receive calls, so when my daughter sends money from South Africa, my relative or my granddaughter as well as the local shop owner do all the cash-out and conversion from rands to dollars. I trust and know they have been trustworthy and honest in all the transactions I have done thus far

Gogo Masocha's story above illuminates the centrality of social solidarity, conviviality and trust in mobile money transactions and foreign currency conversion. Her story is not a unique one; it directly resonates with that of many other villagers we interviewed. In Chivi, remittances from South Africa are the lifeblood of the community's economy. However, cases of such trust being betrayed or abused were not uncommon in Chivi. Some villagers complained that they are being tricked and cheated in the transactions due to their mobile money and foreign currency illiteracy. They relied on friends, relatives and sometimes strangers to help them with transactions and exchange rates. For these transactions to happen convivial networks, social solidarity and trust with mobile money agents is very important.

This is because, for mobile money transactions in the country, there are set strict regulations that are spelt by the mobile operators. These were generally similar across mobile operators (Econet, Telecel and One Wallet). The client was required to present an identification card for all the transactions. The reason for this was to protect the security of the client so that no one would have access to the money. One mobile money agent had the following to say:

We always try and make sure that we don't allow clients to transact without evidence that surely the line is registered in the name of the person accessing the money. It is like a bank; you do not just walk into a bank without any identification document and withdraw some money from a bank teller. It is done to protect the client as stipulated by the mobile operators and hence we have to be strict on identification cards

It was also a requirement that the mobile phone from which the transaction is being done needed to be physically present at the point of transaction. This was particularly true for one to cash-out money from the wallet. A key Informant Interviewee from Econet explained as follows:

It is against the rules of operating as an agent to perform a transaction before seeing the phone of the client. These are called direct transfers whereby the client will request you to transfer money to a phone that is in another location. Econet monitors such transactions and they withdraw the licences of such agents. The reason is that the mobile operator can only make money when clients are performing transactions from their phone and that is when they are charged some commission unlike if the money is transferred directly from the agent to the final recipient

Such regulations were spelt clearly by the mobile operators as well as the agents. However, through our constant interactions with the agents and the clients, we observed a different situation on the ground. Our observations in Chivi showed that there is high social solidarity between people who develop convivial relations based on trust. Such high social solidarity meant that the mobile money agents trusted some of their clients such that they would not ask

them for identification documents. This was the case with gogo Masocha went to an extent of giving the mobile money agent and a neighbour her secret pin number which is not supposed to be shared to transact on her behalf. To us, it was fascinating how social solidarity circumvented the regulations and rules of the game. In bounced communities like Chivi, it was thus not uncommon transactions to be done by third parties. This was well explained by mobile money agent Tino as follows:

I have my regular clients whom I have grown to trust over time such that I no longer apply certain regulations on them. As you have seen, that young boy is my client's grandson whom she sends to cash out some money here. I don't ask for the identification document because I know them by name and even the ID number and above all I trust them. I have a number of such clients who always perform their transactions with me without their IDs.

Such observations pointed out to the researchers that social capital can supersede laid down regulations. The importance of social solidarity in such instances was conspicuously evident. However, in sharp contrast, while social solidarity was quite pronounced in Chivi and agents allowed known clients to transact without strictly demanding identification, in Harare, this was less pronounced. We observed that it was almost impossible to cash-out money or transact without your identification. The agents tended to be strict. This may relate to the imagining of bigger cities like Harare as 'risky societies'. Indeed, cases of fraudulent transactions, fake money and theft were not uncommon in Harare.

### **Acceptance, Rejections and Speculative Risks**

In this complex ecology of currencies, not all the foreign currencies were readily acceptable in transactions. Their acceptance tended to vary temporally and spatially. Villagers and shop owners were constantly worried about the volatile value of the rand. In order to cushion themselves against the declining value of the rand, villagers forged networks with retailers who go to South Africa to buy products for resell back in Chivi. Such networks became a new form of symbolic currency or what Villarreal called 'social currency' for the villagers who will, instead of using their weaker rand locally, instead send shop owners to buy commodities in South Africa on their behalf. This was an innovative way of locking the value of the rand since it purchased more in South Africa than in Zimbabwe.

We observed that, while in Chivi the South African rand was accepted by the people in everyday transactions, in Harare almost all the mobile money agents, retail shops and transport operators among other businesses were reluctant to accept the rand in their transactions. During our fieldwork, the value of the rand was unstable and volatile against the widely used US dollar. As such, the unpredictability and inconsistent value of the rand made it very precarious for businesses in Harare to accept the South African rand. It was evident that in Harare, the few people who were accepting the rand and the Botswana pula had to be very speculative-it was taking a calculative risk. Most of these people told us that the first thing they would do every morning was to get the current value of the rand from their social networks in various spaces. It is this information that determines whether they accept transacting in Rands or not during that day.

Interestingly, during our fieldwork in Harare, mobile money operators and other foreign currency dealers weirdly traded the dollar against the dollar. This absurd conversion was

driven by the cash crisis which worsened from June 2016. As such, \$1 in cash from black market dealers, mobile money agents included, would cost \$1.07 with a premium being charged (Latham & Chengetai, Bloomberg 08/06/2016). We observed that the prevailing cash shortages in the country had almost paralysed cash-out mobile money transactions as agents were struggling to provide clients with cash. In such a scenario, social capital was central especially in cashing-out large amounts of money during the cash crises. Getting cash from a mobile operator was now being regarded as a favour that needed to be ‘appreciated’ by the client. We noted that some ‘appreciative’ clients would give small amounts of money such as a dollar or two to the agent for giving them cash. It was now the norm for mobile money agents to ‘reserve’ some cash for the more ‘appreciative’ clients. Some clients would even leave phones and their access pin codes with the mobile money agents so that once cash is available, the agent will cash out on their behalf and they collect later. This was fuelled by the fact that banks are giving a maximum of \$500 per week due to a biting liquidity crunch. It therefore becomes a lifeline to get cash from mobile money agents.

In this liquidity crunch, there emerged new forms of financial practices utilising mobile money. The most popular in Harare was MMM Global. This is a financial scheme where participants invest and donate money to each other through mobile money, particularly EcoCash. At the end of the month, participants would get 30 percent interest on the money they would have invested and donated to other participants-getting this money back from other participants through mobile money. Some people framed these financial practices as ‘Ponzi schemes’.

### **Study Outcomes, Contributions, Ideas and Plans for Further Research**

The outcomes of the study include at least one blog produced from the fieldwork data. Apart from this, the study also generates a final report which captures the dynamics involved in mobile money around issue on currency conversion. The contributions of this study have been the nuanced processes that different actors involved in mobile money ecosystems produce. It emerged that ‘currency’ is not just the monetary conversion of value between different legal tenders in a country. There is also social currency that actors deploy in different capacities and situations to mediate and influence different outcomes of mobile money transactions. The study showed how the traditionally unbanked populace especially in Chivi rural are now banked through the advent of mobile money. People can now receive money from their children in towns and also outside the country through mobile money. The other contribution of the study was to show the deployment of agency by clients in mobile money transactions as a way of bypassing laid down regulations. In terms of ideas from the study, there is rich potential for future research considering the frequent changes on the monetary policies of Zimbabwe. There is an imminent introduction of a local currency ‘bond notes’ which are said to be equal to the US dollar in theory. This will undoubtedly influence mobile money in the country and will certainly add new dimensions to the currency conversion. It will therefore be worthy to document currency conversion under this new macro environment.

## References

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