WHY SOCIAL SCIENCE?

Because Money Makes The World Go 'Round

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Feather-money "tevau" of red feathers bound to a fiber backing, coiled on a bark core and with pendant strings of seeds. Collected by Dorota C. Starzecka, Assistant Keeper, British Museum Department of Ethnography, Santa Cruz Island, Solomon Islands, acquired 1976. © The British Museum. Used with permission.

I often get asked questions like, "What is an anthropologist like you doing studying money? I thought that was the domain of economists!" The archaeological and ethnographic record is full of objects, texts, and records of promises humans have used for millennia to mark transactions with one another and figure value. It's true that I enjoy working with and thinking about those objects, and among my favorite places are the money galleries in museums around the world and at the regional branches of the U.S. Federal Reserve. But the anthropology of money is more than an archive of the arcane. Understanding practices like bridewealth, involving objects like the *tevau* of the Santa Cruz Islands, can shed light on how contemporary money is far more than a neutral medium of exchange. This matters for product design, financial literacy programming, and macroeconomic policy, too.

Indeed, now that the world is in a global pandemic caused by the rapid spread of the COVID-19 virus, what people do with money and its technologies has acquired a new kind of significance. Although the virus apparently does not survive for long on fibrous materials like cloth and paper, reports have surged of Chinese and other officials ordering the disinfecting of banknotes to prevent its spread. The fintech industry conference organization Money 2020, promoting its (almost certainly to be cancelled) next event, proclaimed in an email that the pandemic would usher in the end of cash and the era of digital payments—despite the fact that most in-person digital payments (at your local take-out restaurant now, for example) rely on plastic and metal cards and point of sale devices, touched by many hands, on which the virus can survive for several hours. And in Kenya, the authorities are recommending all Kenyans use mobile phones to pay—about which, more below.

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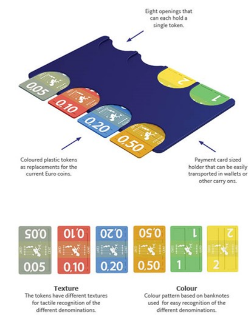
Economic uncertainty is leading many to horde cash, which may intensify a trend that had already been in motion given historically low interest rates—now even lower—and shifting behaviors related to digital payment. The Federal Reserve reports a steady increase in cash demand, despite a decline in cash transactions. Since the rich are putting their money in things like money market funds and CDs, however, this cannot be due to their behavior. With all the ways to pay via laptop, mobile phone or smart watch, why should the Fed need to supply banks with more and more banknotes? We found a clue in some recent research on young people's use of budgeting apps like Mint. We set out to understand what financial literacy lessons—if any—such apps taught their users. But along the way we discovered that some of our subjects were withdrawing cash from the ATM on payday and stashing it away, because services like Venmo had made it so easy to spend the money in their bank account. Whereas, for me, the money in the bank is my store of value, for them, Venmo had turned bank money into current-use funds. Storing cash was a means of controlling spending. Cash is not dead or dying—its uses are just changing.

Indeed, we can never just assume in advance that we know what any technology of payment, cash, mobile, or otherwise, will become when it gets into the hands of actual humans. When mobile phone-based money transfer services, so-called "mobile money," took off in parts of sub-Saharan Africa after being launched by telecommunications providers in the mid-2000s, many assumed it would be the death knell for banknotes in cash economies. Philanthropic and aid agencies rushed in to see whether access to digital money via mobile phone could bring millions of unbanked people into the formal financial system. In Kenya, they reported, parents were sending money for "school fees." I'll never forget sitting in a conference room when an exasperated Kenyan researcher stood up and said something to the effect of, "I'm sick and tired of hearing about school fees; they're using it for circumcision rituals!" In-depth, ethnographic research by anthropologist Sibel Kusimba found that mobile money in Kenya was circulating through social networks for specific social purposes, such as funding ceremonies at which livestock is given at the time of a boy's coming of age as a sort of return gift for the bridewealth paid at marriage. Now, that cow or goat might then be sold for cash—and the funds used, indeed, to pay for things like school fees.

An initiate receives two goats from a relative; photo by Sibel Kusimba, Saboti, Kenya, August 2014.

Not only is the richness and significance of this exchange missed in the survey response; so, too, are what it points to about how people enact social norms and social structure with money. In parts of Kenya, bridewealth and return gifts can signal equality of standing among people newly related by marriage, not to mention decades' long obligations forged at marriage or birth. In parts of Ghana, in contrast, people told psychologist Vivian Dzokoto, mobile money is "for rich people," signaling hierarchy and rank, not equality.



Igo Boerrighter's proposal for redesigning Euro coins as plastic chits held by a credit-card sized holder

How we pay in the U.S. signals rank, too. Just ask a small business owner what she can assume about a customer who pays with American Express instead of a debit card—and the costs she bears to accept the preferred means of payment of that supposedly higher-value customer. How we pay defines and can create zones of exclusion, often racialized: when stores refuse to accept cash, they thereby refuse the custom of poorer people or recent immigrants who can't afford or access bank accounts, and they further the mistaken association between cash and poverty or crime. As a result, recently New York City, San Francisco, Philadelphia and the state of New Jersey have all banned stores from refusing cash, and a bill has been introduced in Congress to do the same nationally. Because it is a democratic medium—accessible to all, settling at par value without associated fees, working when the lights go out and without expensive technology whose cost is borne by the user—researchers are realizing that cash is a public good.

In this era of pandemics and climate crises, how we pay takes on additional social significance, as well, from epidemiological concerns over cash handling, to recommendations that people keep a store of cash in a safe place in their homes to prepare for natural disasters that will knock out the electrical and telecommunications grids that non-cash payment relies upon.

And I haven't even touched on the fascinating area of banknote design, which brings in the sensory sciences to build better accessibility and security features as well as the engravers' art, which, in physical banknotes, the most generalized form of mass media on the planet, always carries political messages.

Social science matters for both the macroeconomic and monetary policy considerations of money, and also for understanding the everyday interactions through which we use money to mark difference, make gifts, perpetuate inequalities—or defend the democratic values embodied in our means of exchange.

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