



# Mobile money as an interface between finance and livelihood

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Sibel Kusimba, *Reimagining Money: Kenya in the Digital Financial Revolution*, Stanford, CA, Stanford University Press, 2021, 222 pp., \$28 (pbk), ISBN 978-1-503-61441-3

Digital payment methods have been touted as a panacea for the poor since Suri and Jack (2016: 1288) published a study claiming that the mobile money service M-Pesa had “lifted 194,000, or 2% of Kenyan households, out of poverty”. Similar mobile money schemes have been established in many poverty-stricken countries like Afghanistan or Mozambique, and the approach is promoted by international organisations, developmental agencies, and governments of the core capitalist nations. Yet these optimistic programmes for financial inclusion through digital technology have also been criticised for increasing indebtedness (Bateman, Duvendack and Loubere, 2019), hampering the redistribution of wealth (Natile, 2020a), and stabilising the disadvantages of women (Natile, 2020b). Gustav Peebles (2014) even questions the overall usefulness of “financial inclusion” as a means of improving the living conditions of the poor. These critiques are supported by the collapse of a number of mobile money enterprises, as in India or South Africa (Maliehe, 2017).

In this context, *Reimagining Money* by Sibel Kusimba (2021) provides a long-term study of M-Pesa in Kenya that supports a critical understanding of the so-called fintech revolution (Maurer, 2015). It is mainly based on participant observation and ethnographic studies on various sites of M-Pesa usage in Kenya over the last decade. It characterises digitised payment tools as an additional form of money rather than a replacement of cash money. The study proceeds in eleven chapters, the first four of which focus on the establishment, infrastructure, business models, and social distribution of M-Pesa. The second half of the book revolves around the concept of *wealth-in-people* (Guyer, 1993; 1995), which became prominent especially in the anthropology of Africa.

Three aspects of the first half deserve special emphasis. To begin with, Kusimba shows how mobile money developed quite naturally from the possibility of transferring and sharing airtime from one cell phone to another. I found this to be a striking confirmation of Karl Polanyi’s (1977) characterisation of money as a semantic system that operates like a language. Like the generalised form of speech, it emerges as a collectively beneficial solution

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for a larger group of users, and cannot be explained on a peer-to-peer basis. Its multiple benefits (like book keeping, comparison, valuation, and exchange) depend on a practical abstraction from special purposes, and requires the submission to a collective grammar and vocabulary. Secondly, Kusimba shows the network of mobile money agents to be essential for the operation of the payment system. These agents not only function as gatekeepers to the digitised system by handling the deposits and pay-outs; they also connect the informal and often cashless economy of poorer neighbourhoods with the formal banking system and represent “a way of using human agents to move cash where it is needed” (p. 21). Despite increasing the costs of the system significantly, the agents are indispensable. Thirdly, Kusimba reveals why the many hopes for Africa ‘leapfrogging’ the gap of global social inequality with mobile money schemes are doomed, because the fintech enterprises operate on the double precondition of a technological infrastructure and an already existing value-adding economy whose absence define the economic problem of this region in the first place. In the book, this becomes evident in reports of workshops in which fintech engineers and landless farmers talk past each other. The former were looking for options of dispersing and optimising their technology, but the latter simply did not know how to acquire money.

The chapters in the second half of the book concentrate more on the interpenetration of mobile money with the non-capitalist procedures of a postcolonial economy. For this purpose, Kusimba utilises the concept of “wealth-in-people”, which was popularised by the works of Jane Guyer and originated from studies on the mode of production in African societies. This contrasts economic conceptions of wealth as an accumulation of things with its alternative of organising social relationships in such a way that they can be utilised to generate support when the need arises. Wealth-in-people develops its own “registers of value”, which deviate from the standardised price mechanism of capitalist commodities. However, it also depends on the maintenance of collective knowledge about these registers. Kusimba (p. 52) emphasises the difference between this concept and Pierre Bourdieu’s (2005: 193-99) idea of “social capital” as a resource of relationships that can be transformed into financial capital at any time. Wealth-in-people, to the contrary, has to be nursed to be kept in good condition and serves special purposes.

Mobile money, according to Kusimba, fits better into economies of wealth-in-people than cash. Her studies show how digitised payment tools facilitate relations between dispersed actors of a postcolonial economy, in which rural homes and urban centres serve mutually supportive functions, depending on the circumstances. Success in the market economy of cities allows the transfer of supportive remittances to kin in distant areas, but in times of political unrest or a pandemic, the direction of transfers may well be inverted. The ease of managing a multiplicity of relations with a smartphone allows especially women, who take the main responsibility for family and neighbourhood care work, to grow into the centre of an economic network. Kusimba (p. 72-90) coins the term “hearthholds of mobile money” for this position. “Hearthholds” (Ekejiuba, 1995) refers to the central economic role of women in a colonial society, in which the low and unregular wages of male labourers do not serve as the main financial resource of households. Many of the latter work as migrant labourers at distant places and are absent for months or even years. As a consequence, it is the diversifying activity of women that maintains livelihood. This, as she finds in congruence with Natile (2020b), may well turn into a burden when money is scarce. Wealth-in-people is based on hierarchic relations aimed at a maintenance of obligations and dependencies, and the centre of a network may expose the actor to a multitude of demands. Kusimba finds “strategic ignorance” (pp. 109-127) to be an important strategy to cope with exuberant requests for support. This consists of a fine-grained rebuttal of requests, decisive enough to avoid

expenses, and sufficiently defensive to preserve the relationship, which might be essential for “wealth-in-people” to operate.

Overall, mobile money is used to support cultural customs like bridewealth and coming-of-age rituals. This generated the idea for a new product, M-Changa, which provides a platform through which to collect small amounts of money from a variety of payers, i.e., a kind of fundraising for kinship and neighbourhood purposes. Kusimba was involved as a volunteer in its development for a time, and reported on disagreements between behavioural economics and her anthropological approach. The economists acted based on an individualistic approach, but she preferred collectivities as a basic unit for product development. This dispute, however, was caused by different goals set by the actors. Behavioural economics, despite deviating from pure utilitarianism, still supports the increase of individual benefits measured in a growth of money, whereas wealth-in-people aims at stable and peaceful communities. Accordingly, behavioural economics supports personal autonomy, whereas wealth-in-people emphasises the social benefits of perpetuated obligations.

It is therefore not surprising that Kusimba ultimately cannot avoid criticising the mobile money providers fundamentally. The operators of M-Changa had to be interested in an increase of fees, measured on a regular basis, as a key indicator of success in a growth-oriented market economy. From their point of view, it was a loss of benefit when customers aimed at repairing relationships instead of increasing monetary returns. This, however, was seen as the basic social asset of M-Changa by Kusimba. Her findings show beneficial capacities of M-Pesa and other products for stabilising relationships in a precarious economic environment. However, the basic vulnerability in Kenya derives from an economy inapt to generate self-sufficiency and too simple to gain enough profits in the world economy. Mobile money providers enter this area because they can acquire profits from fees. Every deposit and pay-out and all services are debited with nominally small but in the long run very high charges. For example, the socially beneficial effects of the crowdfunding platform M-Changa for the rural organisation of funerals, health care, or marriages disappears behind the deduction of 4.25% of the money collected. Consequently, Kusimba (p. 181) blames the providers for pressing their customers into the necessity to produce money for fees, taxes, and fines.

*Reimagining Money* provides a broad and well researched context for the much debated invention of mobile money that allows us to decipher many of its conundrums. The book’s biggest weakness is the almost complete absence of three crucial economic factors: productivity, the state, and the world market. First of all, the value of money always seems to be just there, and Kusimba nowhere asks where it comes from. Yet, mobile money schemes usually represent closed networks that require the purchase of membership. Hence, value has to be brought in from the outside before an actor can benefit from the extension of his or her market relations. Secondly, customers of mobile money providers enter contracts, which may be enforced. This is especially important for those product lines that include overdraft or loan offers. In contrast to neighbourhood obligations, debts in a digitalised economy must be paid back with legal tender, and cannot be negotiated because they are executed by the legal system (Schraten, 2020). Last but not least, the providers of mobile money – like the stocklisted operator of M-Pesa, Safaricom, 40% of which belongs to the Vodafone group based in London – nearly disappear from the ethnographic picture. Although Kusimba shows the technological preconditions of running a mobile money service in the beginning of the book, she neglects the dominating effect of the requirement for investment capital, which in the end undermines hopes for a non-capitalistic development of mobile money schemes.

In this way, Kusimba’s book reveals the confrontation between different modes of production in postcolonial societies as a context of the initial success of mobile money

schemes. Her long-term observations provide an analysis of the gradual evolution of conflicts between the systemic constraints of a technological network with high capital requirements on the one hand, and the demanding maintenance of a social equilibrium in fragile postcolonial societies on the other. *Reimagining Money* offers a rich source of knowledge and insight on a topic that surely will gain in significance in the years ahead.

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