FOREWORD

Keith Hart

In the 1980s, while I was teaching in Jamaica, the national government came to me with a question. Marijuana (*ganja*) production was by far the dominant sector of the island's economy, larger than Jamaica's three main formal exports combined—bauxite, tourism and garments. They wanted to measure fluctuations in the *ganja* economy so that macroeconomic policy could compensate for these swings. I recommended that they count cash withdrawals from ATMs, as illegal transactions would be in cash.

The government was powerless to do anything about its people's main occupation. It only wanted to adjust to it. The 1980s also saw a series of American attacks on the main centres of soft drug production in the Caribbean—Belize, Colombia, Jamaica and so on. These were organised by the Drug Enforcement Administration (DEA) with military support. The leading cash crop in nineteen US states was then marijuana. The raids were presented as an anticriminal crackdown, but protection of home production might have been a factor.

In the 1970s, almost all international monetary exchange paid for goods and services. Now most international money is exchanged for money in some other form. Turnover of foreign exchange (FX) alone amounts to $6 trillion a day. How do you regulate that? Recently, $150 billion of hot Russian money was laundered through a Latvian bank and a Moldavian judge with the able assistance of bankers in London. The global circuit of money is lawless and ungovernable. Nation-states, like Jamaica, can at best adjust to it. In any case, finance capital has become the dominant interest shaping government policy in the United States, Britain, Europe and the BRICS (Brazil, Russia, India, China and South Africa).

Shutting down gangsters with suitcases full of large banknotes is merely symbolic when compared with the scale of global monetary flows. Money is now issued not only by governments and banks but also by a distributed global network of corporations in myriad forms. The political and legal controls imposed on money flows after 1945 have been dismantled. The genie has escaped from the bottle.

Business corporations were granted their modern legal status by national governments over a century ago. But neoliberal globalisation now strains their alliance. Two-thirds of the hundred largest economic entities in the world are corporations. Supported by international organisations, they are building a world society of which they will be the only citizens. They argue behind closed doors that nation-states are weak and corrupt, national laws can't address the big problems and citizens are lazy and disaffected. What the world needs is morals, not politics and laws. 'Corporate social responsibility' proposes new rules for internal management and relations with governments.

When Narendra Modi 'demonetised' India's largest banknotes overnight, he claimed to be fighting corruption. But this was one battle in the global war of corporations against the informal economy. When structural adjustment policies dismantled controls over capital flows in the 1980s, the international agencies celebrated the informal economy as the 'free market' incarnate. But when the corporations turned to inward investment, they found they were paying too much tax and were undercut by informal operators with lower costs. A report on Turkey by

McKinsey ('the global management consultants') claimed that only 60 per cent of value added tax (VAT) was collected, mostly from corporations. If 90 per cent were paid, VAT could be reduced from 17 to 13 per cent. Modi's corporate supporters can move millions around with a click. They were not affected by demonetisation, but their informal competitors were.

Most anthropologists report what ordinary people do and think. But the human economy idea is not just a species of humanism; it places local findings in the context of humanity as a whole. I welcome this book's focus on people's experiences of the cashless society in many locations and, hence, offer some conceptual clarifications.

Cash is fiat money all right. But so, too, are deposits in bank accounts. Both are subject to inexorable depreciation. My student grant in the 1960s has lost 95 per cent of its purchasing power today. Maynard Keynes asked who the winners and losers from inflation are. Debtors gain, while creditors and savers lose. With deflation, money buys more assets and commodities. In the last century, the general recipe for prosperity was mild inflation; borrowers benefited from being indebted. The creditor class is now in power; money is free for those with access, and the rest of us suffer.

Money transacted online gives powerful organisations access to our economic lives. Tax avoidance is more difficult. This can be a source of greater security for some. In this book, poor people seem usually to lose, acquiring unsustainable debt and lacking the knowledge to take advantage of innovation.

South Africa has seen a massive increase in black indebtedness to the banks. But Africans have taken avidly to mobile money transfers—not just to M-Pesa but everywhere. Any institution confers benefits and drawbacks. But anthropologists tend to emphasise the latter for the cashless society. Migrants in South Africa until recently had to find a bus driver to deliver their cash back home. Now remittances are faster and more secure.

There are good reasons why M-Pesa has been adopted so widely. Before, a peasant might need to walk thirty kilometres to pay his annual taxes, only to be ignored by a petty bureaucrat. Now he sends the payment from home and gets a receipt. Farmers can check prices in regional markets before sending their produce. The victims of road accidents often died because blood was in short supply; now the family can buy blood before their relative arrives at the hospital. It helps that transfers are organised by telecom networks, not the banks. In rich countries, banks resist mobile money.

Georg Simmel's *The Philosophy of Money* is our best guide. He believed that money derived its traditional authority from its material form (coins, notes, etc.) and from the community of its users. He predicted that the former would decline and the latter would become more obvious. Thanks to the digital revolution, both are fast occurring. Money, as we read here, is increasingly virtual, and online tracking keeps tabs on us all. But where is the community of users today? Simmel assumed national monopoly currency, while Karl Polanyi pointed out that before central banks, multiple currencies circulated together. National capitalism is ending now. Do anthropologists throw light on this? *Who's Cashing In?* shows that they can.

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