Plastic Promises

Credit and Debt in Emerging Cashless Economies

Filippo Osella

Taken together, the chapters by Hohnen, Ravnbøl and Kolling in this volume illustrate how the urban poor in Denmark and Brazil navigate access and participation to cashless economies. Cashlessness here is far more than a technological innovation that simplifies market exchange; instead, it entails the deployment of novel modalities of credit that appear to produce significant shifts in the life-worlds of social actors. In this reflective piece, I will draw out some of the themes connecting these three ethnographic studies. I begin with the suggestion that the shift towards cashlessness discussed in this volume can be made sense of in the context of a progressive radicalisation of processes of financialisation of the everyday, rooted in the promises and premises of early neoliberalism. This might not come as a surprise, in that the popularisation of credit and debit cards in the mid-1980s in northern Europe and North America went alongside an extension of credit necessary to sustain and accelerate consumption at a particular time of economic conjuncture. In the midst of a crisis of Fordist models of industrial production, which led to technology-driven restructuration of industrial manufacturing or full-fledged deindustrialisation of many a centre of post–Second World War capitalist development, 'plastic money' became a prosthetic to the expansion of consumption. Easy access to credit made up for the shortfalls of declining wages, job insecurity and unemployment.

The shift from production to consumption characteristic of so-called postindustrial societies—discussed extensively, for instance, in Daniel Miller's work (see, e.g., Miller 2005)—has been undergirded not only by the expansion of credit facilitated by credit/debit cards but also by the different relation to cash and savings that these cards engendered amongst users. The whole ideological project of neoliberalism—and central to its successful vernacularisation—hinged on a progressive atomisation of the social. This atomisation was mediated by the promise of individual social mobility and middle-class status, and it was predicated on and objectified through expansive consumption. However, this required, on the one hand, the deployment of increasingly complex financial instruments to generate and securitise credit and, on the other, the implementation of various modalities of financial inclusion. Indeed, in the Thatcherite Britain of the 1980s, economic liberalisation—and the devastation of cities and communities that have hitherto thrived on industrial production—heralded simultaneously the popularisation of 'plastic money' and a shift in the payment of salaries from cash to bank transfers. If neoliberalism sought to engender novel configurations for the participation to the nation, such a 'consumer citizenship' (see, e.g., Srivastava 2007) could not have gained popular traction without the progressive virtualisation of money and the extension of credit that the latter affords; that is, the unfolding of neoliberalism over the last forty years has afforded the materialisation of modalities of 'financial citizenship' whereby participation in the nation is premised on the capacity to access financial instruments and technologies of credit rather than on an expansive engagement with consumption per se. This all-too-obvious connection between credit and consumption has been eclipsed altogether in many a study of the cultural practices of the so-called new middle classes in the posteconomic liberalisation world.

The link is strikingly apparent in Ravnbøl's ethnography of Roma recyclers in Denmark as well as in Kolling's study of the politics of credit and debt amongst the Brazilian urban poor. It is also clear in many other contexts where, in the name of financial inclusion, digital finances and various forms of assisted credit have been promoted as a means to lift the urban and rural poor from poverty (see, e.g., Maurer 2015). The 'bottom of the pyramid' approach might have gained popularity amongst policy makers for its promise of 'helping the poor to help themselves'. Yet such an instigation to demotic entrepreneurship has come at a heavy price—the price of extensive indebtedness (Dolan and Rajak 2016; Elyachar 2012; James 2014). Here, Kolling's compelling ethnography adds to the voluminous body of work that, in recent years, has mapped out the trajectories of (neoliberal) financialisation of the life-worlds of the urban and rural poor in the global South and beyond. It is well known that, historically, the poor and the working classes need to rely on credit on a regular basis to make ends meet or to deal with life emergencies (Stallybrass 1998). Sometimes they access credit via forms of social reciprocity (Scott 1977) and more often than not they borrow money or other resources and goods from landlords, employers or money lenders. As a result, borrowers experience various forms of abjection, exploitation and debt bondage. However, we see that policies and politics of financial inclusion directed towards lifting the poor from 'exploitative' debt relations increasingly hinge on the deployment of cashless technologies (see Maurer 2015). They not only turn everyday social relations into capital or means for capital accumulation but also seek to absorb into the formal banking system money circulating in the so-called informal economy through quasi-formal credit arrangements.[1] We can see this, for instance, in Ravnbøl's Roma recyclers' cashless compensation for collecting bottles. The card-based compensation fosters the need for a personal bank account to allow for the smooth transfer of funds. And unsurprisingly, Roma respondents understand compliance to the requirements of a cashless economy not simply as a pragmatic arrangement—in the name of personal safety, for instance—but also as means to participate in Danish society, to share a degree of citizenship.

The transformations engendered by the long march towards cashless economies are even more stark in Hohnen's chapter. Here we find that, as a result of the aggressive marketing and expansion of digital finances, in the imagination of young Danes—especially those more socially and economically disadvantaged or vulnerable—the boundaries between credit and debt, between having and owning money are all but clearly drawn. What is significant here is not just that easy access to credit lines and the practice of cashless transactions blur the boundaries between credit and debt and, hence, make these youths vulnerable to spiralling debts but also that credit lines offer the illusion of an income or salary. Whilst such a conceptual shift might find resonance with current debates and experiments on the provision of a universal basic income, it is also the case that generating and maintaining access to credit requires skills and labour. It also requires—as in the case of Kolling's Brazilian urban poor—the capacity to mobilise extensive social relations. But participation in cashless economies does not merely require the labour of the urban poor; it also requires that poor people cultivate specific dispositions towards cashless economic practices—to access credit and consumption, for instance—and the embodiment of (a degree of) financial discipline. Indeed, all three chapters make evident several significant shifts. These include not only increased levels of indebtedness but also changes in how the poor understand the temporalities of credit and debt and how they understand the morality, accountability and reciprocal responsibilities of both lenders and borrowers. And yet such a process of subjectivation is at best fragmented and shot through with contradictions, seldom acquiring the all-encompassing sway evoked in Lazzarato's much cited *The Making of the Indebted Man* (2012).

As a counterpoint to the Danish youth discussed by Hohnen—and to Lazzarato's reductionist understanding of the relation between neoliberalism and lived experiences or subjectivities—cash exchanges and cashless transactions amongst the Brazilian urban poor continue to coexist, just as different forms of credit and of the relations between creditors and debtors interact or overlap with each other; that is, cashless economies—and the technologies that make them possible—are inevitably embedded in particular cultural understandings and social relations through which they are made sense of, experienced and, at times, bent to fit the predicaments of the poor. This is starkly revealed in the complex negotiations and multiple relations that the poor need to mobilise to access credit lines and to service ensuing debts. It is equally evident in the moral evaluations of the technologies and practices of cashless economies. As evident in this volume, cashless economies have become the object of social critique and, in some instances, allow for radical reflections on existing social hierarchies (see Sen, this volume). Here I am neither suggesting an anachronistic tension between 'tradition' and 'modernity' nor do I conjure forms of demotic resistance against the financialisation of the rural and urban poor's lives; rather, the three chapters I discussed underscore—in time-honoured anthropological fashion—the contingency and contextuality of cashless economies and of the credit arrangements they conjure up, whose unfolding and consequences seldom fit the anticipations of banks, government or development organisations. Here it would have been useful for the authors to hint towards the ways respondents might differentiate between different types of debts—and the moral obligations of repayment they might carry—as well as the processes through which credit/debit relations turn into extensive debt accumulated by the poor (Gregory 2012; James 2014; Peebles 2010).

These ethnographies of emerging cashless economies open two further lines of enquiry. The first concerns the vast amount of individual data generated by the practices of cashlessness and how they connect to the collection of electronic data in parallel realms. In India, for instance, the recent demonetisation that has been taken up by many contributors to this volume and the shift towards cashless transactions has happened alongside the introduction of biometric identity cards and of online payments for a new unified value-added tax and more. By considering the wider environment of cashless economies, anthropologists might interrogate the ways through which cashlessness becomes a technology for governing social bodies through the collection and management of individual users' data. This, in turn, should lead us to consider processes of financial individualisation produced by the compilation of users' profiles based on individual credit histories, whereby the lives of social actors are stripped of sociality, fragmented into behavioural data and then reassembled to stand for the subjects of financialisation of everyday life.

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Note

1. See, for instance, Timothy Mitchell's critical study of property titling programs in Peru (2005), and Julia Elyachar's appraisal of micro-credit programmes in Egypt (2005), or Deborah James' discussions of the outcomes of measures enacted in South Africa to deal with the legacies of 'credit apartheid' (2014).

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