Cash Economies

Jane I. Guyer
Johns Hopkins University
December 2007

Paper for the conference on

Rethinking Economic Anthropology:

a human centred approach

ESRC-funded

London School of Economics, January 11th and 12th 2008

This paper is a preliminary draft, written for presentation and discussion at the conference. Some references are incomplete and some sources have not been double checked. Please do not cite, quote or disseminate beyond the conference without permission.

Plenary 2 : Political economy of peripheral areas

From the call for papers:

"the complexities of local situations to the grand sweep of global movements… We seek to challenge the idea that the neo-liberal model of capitalism corresponds to a singular version of empirical reality. To this end we will explore how capitalism functions in several key sites of both "core" and "periphery" from an ethnographic perspective …. (in)a world where society is increasingly identified with the market. Ethnographic accounts revealed the complexities and creativity of these linkages.

Introduction

This paper is inspired by very recent study, including: participation in an economic historians' discussion of multiple currency economies (Kuroda et al 2006); the response papers to my book *Marginal Gains*, published in the African Studies Review (2007); a preliminary research visit to Nigeria in the summer of 2007; the spate of mainstream-insider publications on the condition of the U.S. national and world economies (Collier 2007, Taylor 2007, Stiglitz 2006, Hiatt 2007, Greenspan 2007); and my own recent thinking about money, number and price (e.g. Guyer 2006). This makes for a preliminary and programmatic paper here, rather than a fully rendered analysis of either field research or theory. My touchstone, however, remains Nigeria: a country whose population's extreme poverty and turbulence under devaluation and military rule in the 1990s was the subject of our collective effort at description and analysis (Guyer, Denzer and Agbaje 2002; Guyer with Denzer forthcoming), and whose borders and diasporas comprise several of the "cores" and "peripheries" of the twenty-first century world. As of the summer of 2007, the Chairman of the Central Bank of Nigeria, academic economist Charles Soludo, was developing an ambitious plan to make of Nigeria the greatest center for financial services in Africa. Funds were flooding in through the meteoric rise in the world oil price and capital for the development of gas resources. Quite ordinary people are suddenly buying stocks. Trade with the global south, from Brazil to China, is flourishing in the vast informal sector. And yet the local newspapers also told of electricity outages, impassable roads, insurrection in the Delta, and northern populations surging across the border into Niger for health care and food aid that is unavailable at home. I return to Nigeria towards the end of the paper, but simply reiterate here, as many scholars have done, that the "local" and the "global" of this session's title are now spatialized at such shifting interfaces that the need to theorize *processes* acutely is more pressing than ever. One disjuncture cannot "stand in" for another – as in an approach through generalized "postcolonial" theory, or a binary "west and rest" or "global elite and multitude" or even "capitalist enclaves and popular economies"[1] conceptual framework, or by taking sovereign countries one by one - since the overlays and intersections are precisely the questions we are concerned with.

In the founding works of economic anthropology, the "cash economy" was shorthand for the subsumption of labor to capital, covering labor and petty commodity production, largely in a colonial framework. By simplifying precapitalist and capitalist economies in order to examine their articulation, these foundational works did not yet envisage either the historical variability of capital nor the wild nature of cash. Seminal works of the 1980s opened up these two fields of enquiry: Wolf (1982) and Mintz (1985), and Taussig (1980), respectively. While bringing both inspirations forward, we are now also trying to keep up with rapidly moving frontiers, where what was once taken for granted as the unified core of industrial and financial capital and political power is now experiencing contestation, dispersal of functions and decentering.

Does our work on these creative frontiers therefore simply proliferate correspondingly? The focus on difference and disjuncture (Appadurai 1990) is pervasive, as: points of "friction" (Tsing 2005), "centres of calculation" (De Goede 2003, quoting Latour), and "margins" (Das and Poole 2004) within states and economies as well as between them. The importation of the idea of "assemblages" (Ong and Collier 2005) from philosophy also reflects aspirations towards a more radical post-structuralist position. In this last collection, a certain sense of diffuseness is conveyed, that recapitulates the sense of proliferation in the world itself. At a certain moment, this is probably very salutary as a mode of scanning the horizon. But can certain issues relevant to "the economy" be of compelling empirical and theoretical importance *across* the fracturing terrain, as Tsing suggests in addressing the "universal" and Das and Poole deploy to devote theoretical attention to "margins"? Muniesa, Millo and Callon, focus on "market devices", as "the material and discursive assemblages that intervene in the construction of markets" (2007: 2). Our conference title and the formulation of this session would draw us back, by a kind of homing instinct, to our theoretical history, and to the centrality of those particular "devices" that generate, sustain and reinstitute inequality.

Again, however, there is an ever-receding horizon of questions here: what – aside from the well-established topic of returns to labor in varied locations – would be a productive point of entry into proliferating forms and dynamics of an "inequality" that we also need to problematize? For example, is "class" still the most useful concept? For some, labor/wages is still a crucial line of enquiry to follow out. Taussig's fascinating ethnographic experiment, in *My Cocaine Museum*, with evoking places and experiences at the very outer edges of recorded history in the global labor economy is an example. There, no-one (by virtue of slavery) and no activity (by virtue of remoteness) really qualified for direct cash access. In an era when financial engineering pumps the life-blood of capital around the world, it has occurred to me to follow through on older work on the currencies of the slave trade to focus on forms of differentiation in the world of money.

The dynamics of the recent decades have created new terms for what I will suggest later is a version of an old phenomenon. Money circulates as capital very rapidly and through increasingly differentiated devices. The universal form of capital is the "dollar", a term which stands for all the "hard currencies" of the world. Necessarily this convention creates "soft currencies", and therefore locations where they meet one another. In the banking world the exchange is strictly regulated. In many other places the "dollar" is in cash, where soft currencies also operate like cash, as means of exchange. This makes of the "universal" form, the "dollar, itself a source of the particular, the obverse, the escapable, the "backward", and above all, the volatile. The question of cash as a monetary category, as distinct from capital forms of money, comes through various sources and from many discussions with colleagues. What seems anthropologically interesting about cash – the "human centered" aspects - is not only its "occult" qualities to people in the periphery (Comaroff and Comaroff 1999), nor its sheer scarcity amongst the very poor, the very marginal and those unable to "produce" anything for sale. Witnessing these conditions of life will always be a commitment of anthropologists, however theorized.[2] But there is also a slowly emerging *public* recognition - therefore an interpretive discourse, criteria of recognition and sets of practices - of a multiplicity in the monetary world that escapes classic theory that assumes capital and cash to be freely interchangeable versions of the "same thing", namely money. Not all money *is* easily fungible, even within a national monetary context. It depends on who holds it, their citizenship status, the apparent source and form of the funds and various other qualifications for conversion from one money form or financial instrument to another. In the soft currency economies, there are always "dollarized" zones. In the process of living these apparently *de facto* distinctions, ironically what was considered to be money's most fundamental and original "function" in mainstream branches of economic theory, namely to mediate exchange – hand-to-hand, as one step up from barter – seems to have become marginal: suspect, weak, vulnerable, even "dirty" (physically, as in Nigeria in the 1990s or morally, as in the need for laundering). From the side of capital institutions, the sheer materiality of cash is a nuisance; it is bulky, needing to be counted and stored, and amenable to counterfeit. From working on manilla savings in Eastern Nigeria in the era of the slave trade, I had been concerned with the devices of conservation, from the mobilization of spiritual protection to the architecture of storage, so have noticed the current analogous problems of securization and management.

A focus on modern cash necessarily brings such analogous issues to the fore issues that are masked in the phases of theory or ideology when money as seen as a singular phenomenon. All evidence suggests that money is no longer really seen as singular in pragmatic and political contexts, and maybe never has been (if we would look closely at the evidence). Public acknowledgement is growing that there are internal points of conversion, the materiality of the medium itself, the propensity to travel through social pathways without documentation, and so on. The locations we think of as “peripheries” deal quite largely in cash – soft currencies (as citizens) and dollars (as aliens) - as distinct from the formalized financial instruments in which value is now stored and profits made. So, as a thought experiment, this seemed especially compelling as a topic for a “Rethinking” session such as this, even though I am only in the foothills of approaching it. The paper maps out and exemplifies some empirical and theoretical sources I have found imperative to address in working towards a general theory of cash in the present world.

The Multiplicity of Money, Past and Present.

One of the most misleading ideological constructs in political economic writing – sometimes used as a simple shorthand and at others as a theoretical assumption – is that of “the market”, through which “money flows”. For the most part, economic anthropology has *always* focused on difference and connection: between modes of production; between money and barter; between heads and tails of the coin, the implicit geographies of internal and external, core and periphery, center and margin. Drawing on our long history of expertise in structural and systemic analysis, this attention to interfaces has tended in the past to turn towards the “two sides” themselves rather than to the points of interchange themselves. In my historical and ethnographic analysis of West African monetary transactions (Guyer 2004), I tried to keep the focus centered on the interface points, where I saw a specific asymmetry not only at one location between two systems but running through an expanding series of replications and transformations both within and between them.

There are already many other sources offering empirical bases for shifting our thinking from any posited tendency towards a singular all-purpose money under advancing capitalism, in favor of embracing multiplicity as the actually existing condition of most economic life past and present. All theory to the contrary, monies are ancient, highly varied and highly sophisticated. Many potted histories totally ignore the Chinese system, which is arguably the oldest. Trade ecumenes of great range, deeply institutionalized forms and technical complexity have existed for millennia. There is no reason to imagine that all these skills were subjugated or forgotten with the rise of European imperialism. Classically focused “ethnomathematics” has only begun to explore the variation in conceptualization and calculation. As anthropologists, keeping this horizon of imagination open is part of the basic commitment of the discipline.

Beyond this, however, two inferences can be drawn from the historical record. First, many (perhaps most) monetary economies of Europe and other state systems (India, China) before the rise of capitalism were multiple currency economies[3]. The higher and lower value coins moved in different circuits and were not strictly fixed denominations of each other. The monetary policy of states involved managing these circuits (see Fantucci 2006). Our methods are still too limited to work as diligently as the topic deserves on the monetary institutions of the traders who based their citizenship in these states. The extraordinary work of Goitien on the Jewish trade diaspora of the Mediterreanean in the Middle Ages, and of Ho (2006) on the Indian Ocean, tell us enough to draw two large conclusions: a) the languages and archival skills needed to do justice to these histories must be seen as such a barrier to comprehensive study that we have to assume the reality to have been yet more complex than we know; and b) the clues to pre-capitalist multiple-currency institutions, such as fictional units of account, are priceless. Kuroda has been able to look at the dynamics of Chinese currency history and the circulation of Marie-Theresa silver thalers (Kuroda 2007) in a grand circuit from Yemen through Ethiopia and the Sahara, in some of the terms teased out by this group of scholars.

Another line of enquiry has been into monies whose inventers and users think of them as social (Servet, Theret and Yildirim), or alternative (Maurer 2005). They have been instituted to mitigate certain aspects of capitalist financial practice that are morally unacceptable. The question that Maurer poses here – what is at stake? – points to the differentiations and articulations that actors themselves see. A full rendition of the lived temporalities and value mediations seem exactly the direction that ethnography should go, although these efforts suggest how limited the work is so far, concentrated as it is mainly on western cases, or cases accessible in western languages. How trade currencies are mediated, imagined and managed, for example, in Thailand might involve linguistic virtuosity and philosophical/mathematical sophistication that few of us are prepared for.

The hard/soft currency divide is another, relatively new, phenomenon that differentiates the multiplicity of the monetary world; it is the deliberate creation of differentiation under a theory of universality. It has its precursors in the trade monies used, for example, by Britain in Africa in the era of the slave trade. At the same time as Locke was promoting the pure silver value of the British coin, British merchants were importing cowries and manillas into Africa for the purchase of slaves, and later other commodities such as palm oil. For the European, these were "commodities", although they were used and treated in Africa as monies. We might see these monies as an example of Latour's claim that the purism of modernity necessarily produces hybrids. The hard/soft currency distinction was forged in the instabilities after World War I, but it became a common term with the proliferation of national currencies after 1960 and at the instigation of the money market after around 1975. It is presented as an emergent distinction and not a categorical one, even though the terminology is often mobilized as if it was principled. For example, Wikipedia's definition is "Soft currency indicates a type of currency whose value may depreciate rapidly or that is difficult to convert into other currencies. It is generally less desirable than hard currency to users." Many national currencies emerge from the money market as less desirable as international assets because they do not tend to hold value over time. They circulate as media of exchange.

Yotopoulos (2006) is one of the very few accessible economists to point out the self-fulfilling and recursive nature of this reality, and to point out its implications for the major popular phenomenon of labor migration, remittances and thereby (we might add, from anthropology) family, congregation and community formation. Families all over the soft currency world now need at least one member in a hard currency economy. They need actionable claims over them, and therefore they need institutions that mediate all the many conversions of monetary and affective value involved.

So a concomitant of soft currencies is various forms of “dollarization”: recourse to hard currencies for one or other of the “functions” of money alongside the soft currency in daily circulation. In some cases it is as a unit of account, not physically present as cash. But in a surprising range of instances, dollars circulate as one form of cash. An estimate in 1995 put at 55% to 70% the proportion of American currency bills in circulation outside the U.S., mainly in $100 bills used for high ticket items and assets (reference to find).[4] These circulate in the same worlds as the soft currencies. The evidence we have (e.g. Roitman on the Chad Basin) suggests relentless shrewdness to arbitrage across currency regimes and to the uses of cash in those interstices of the financial system where the “core” institutions lose – or forego - direct control.

Our knowledge of these instances often comes from those whose theoretical commitment is to the unitary model and who therefore see “dollars as cash” and “soft currencies” as somehow non-normative. The wave of popular accounts by insiders, journalists and human rights activists, in a new form of part memoir/part analysis indicates how global monetary flows are constructed and what they do (Stiglitz; Taylor; Hiatt X2). We have to consider these accounts quite partial. Due to the normativity of their framework, the contextualized dynamics for populations is addressed at a rather generalized level, in brief narrative form, framed in the present tense, as if it would eventually dissipate or resolve. Other writers sometimes evoke a presentist formulation, for dramatic effect: from the astonishing rise of Dubai as a financial center (Davis 2006; Kanna), to the plunge of resource-rich eastern Congo into chaos, and the “amazing success” (Taylor 2007: 244) of the phasing and sequencing of the currency exchange program in Iraq. The replication across the world of “gated communities” (Davis 2006) connected by air travel, stands for many as a symbol to the vibrant combination of flows and barriers in the hard/soft currency world. The expanding historical attention to popular economies and the acuteness of ethnographic imagination about the present must impress on us that the dramatic skyline is the tip of the iceberg. Collective life and popular institutions are also being reshaped at these and the more mundane junctures that permeate daily existence for everyone, as they certainly have at earlier points in modern history.

All these sources on multiple currencies show clearly that the combination of the classic “functions of money” (Polanyi) is not evolutionary and additive, from medium of exchange to store of value, but rather historically variable. The function of storing value can be lost or impeded; payments can take precedence over exchange, and, most interestingly, the units of account across currencies can be fictional and the object of political control. Possibly the current intense concentration on normalizing and generalizing accounting techniques (see De Goede 2003; also Strathern 2000) is a new instance of those in power attempting to control the “unit of account” dilemma, to render the disjunctures in terms that both mediate and mask them, in terms that necessarily promote certain interests over others.[5] Each of the classic functions, and probably other new ones, may be embedded in different coexisting currencies, mediated by technical expertise and “market devices”.

I have returned to Das and Poole’s (2004) collection on the “margins of the state’; for one specific inspiration: that the modern theory of the state already contains a theory of nature that escapes it. In the case of law, popular justice and other forms of regulation have been colonized and internalized but not completely contained by the sovereign powers of the Law. So margins are already envisaged, and are already both a source of moral power and a threat to hegemony. Agency in these margins is therefore not always resistance, but rather the powers of everyday life to instantiate “the ordinary”. This is so remarkably close to the view of money that is coming into focus here that we hardly need reminding that the authors of both sets of ideas – the purity of money and the liberal state - were the same theorists (Locke in particular). Cash stands to capitalist money as popular justice to state law: preexisting its incorporation into, and monopoly by, the liberal state but never successfully completely tamed. This analogy and homology is also another reminder of the importance of citizenship in the realization of money’s potential. Currency type and citizenship can be foregrounded or backgrounded as differentiating principles, but the “legal” component of “legal tender” is always a constituent of people’s capacities to deploy it.[6]

I have been surprised to find how relatively diffuse and sparse is the social study of present day exchange rates, dollarization and related phenomena, given their importance and their influence on such key popular institutions of the “neoliberal” world as remittances. Anthrosource lists few articles directly devoted to dollarization or soft currencies. The economics debates seem fraught: for example, Eichengreen writes of dollarization: “these are issues on which theory provides little guidance … it is possible for clever theorists to build models that point in both directions. What is needed is systematic empirical work… .” (2005). Yotopouolos (2006) writes on the “asymmetric reputations” of national currencies that underly and reinforce the hard-soft dichotomy, almost in the tone of a voice-in-the-wilderness. Moments of crisis in soft currencies result in savings flight and irretrievable ratchetting downwards in their asset function; hence the danger (on one side) and the gain (on the other) of representing conditions as “crises”[7](see also Klein 2007 on “disaster capitalism”, which has been reviewed by Stiglitz as a polemic rather than an analysis).

It is not easy for us anthropologists to come to grips here, although Maurer’s work on the banking/formal side of conversionary dynamics certainly helps and Zelizer’s (1997) classic work on the social meanings of money keeps the imagination open. Schuler (2006) – an economist at the U.S. Department of the Treasury - has pointed out that even among economists there is no widely accepted system of classification for exchange rates which we could use for comparative and framing purposes. Sovereignty plays, as countries and their advisers set up varied and changing conditions for citizens and foreigners to exchange money. Currencies get pegged to the dollar temporarily (the new Iraqi dinar) or on a long term basis (the UAR dirham[8]), and unpegged (the Chinese renmimbi in 2005, under pressure). Currencies become treated as "hard" (the Israeli sheqel). The relevance, and even the basic facts, of the various cases seem (to my reading so far) quite contested and confused. For example, and relative to Africa, Stiglitz and Collier – both economists, both former World Bank officials – accord totally different importance to the debt and its monetary denomination. As we struggle to get some intellectual landmarks in place for the "grand sweep" of the "global movements" in hard and soft currencies, the need for an ethnography of representations, practices, institutions, imaginations and "market devices" on these frontiers is striking. With one to two very notable exceptions, there has little attention so far to the experiences, actions and imaginations of people living on monetary interfaces, and even to simple description of which currency is being used by whom, for what kind of transaction in what circuit and through which institutions: from the *suq* to the *esusu* to the stock market. Indeed, a concept that recurs is various forms of the verb "to disappear": as in "Capital enters Dubai and disappears" (Kanna); "funds (are) spirited away" (Sfakianakis 2002: 33); "How the US sent $12bn in cash to Iraq. And watched it vanish" (Pallister 2007).

Detailed study of phenomena that disappear from the public radar screen, and that are not entirely explainable as the experience of the downtrodden and those without history (as in the *Cocaine Museum*), will raise all the same ethical issues as the classic ethnographies provoked in the postcolonial literature, not to mention the physical dangers of "being there". We can read into some examples to see how these and other problems would present. I have chosen four short cases of one cash phenomenon, "dollarization", the circulation of hard currencies outside the sovereign state in which they are legal tender and therefore, in most cases, alongside other currencies. These are not yet really principled examples, so much as cases I can find where the important vectors overlap in different ways, the conversion points emerge differently and populations participate in a manner that (perhaps) reflects the culture and experience that Gudeman has been advocating we pay close attention to. So I am not looking for simplicity, or ideal typical exemplars. Neither do my examples include the largest dollarized markets, such as the African diamond trade and bunkered oil, because I want to hold illegal transactions aside for the moment. Nor do I include the most obvious inequities of the large exchange rate changes between hard and soft currencies in the 1980s and 1990s, such as the persistence of the dollar denomination of international debt repayment alongside soft currency wages paid for labor in the production of goods sold in hard currency markets; these all operate on conventional national borders. I want rather to look closely towards ordinary life in several places on different instances of the hard/soft: capital/cash currency line. Given the stage of my thinking they have to end with questions rather than conclusions.

The first example looks at a place that would qualify by any geographical criterion as a distant periphery, the island of Nauru in the Pacific, which lives entirely from capital transfers. The second asks questions about a managed monetary multiplicity to re-establish the isomorphism of monetary and political sovereignty at a crucial disjuncture: the early stages of the war in Iraq. The third invokes a key anthropological study of disjunctures in popular and official monetary multiplicity (Dominguez' study of Israel in the 1970s and 1980s), and a continuing implication for the region. And the fourth returns to mediation of the naira and the dollar in Nigerian world trade.

Instances towards an ethnography of cash economies

1. Full Dollarization in a periphery[9]

Nauru is a kind of limit case: one where we hardly know from the accessible sources or can reliably imagine what cash there is and how ordinary people get access to it. Although distant, small and tropical, Nauru's entire economy is in hard currency, the Australian dollar[10], which come in as capital and which the population does very little (perhaps now nothing?) to "earn". And at one time, in the 1980s, they had the highest per capita income in the world from the mining of phosphates. The cash part of the economy is almost invisible in the sources because the capital transfer activities dominate. All over the world, communities are now written into constitutions as holding rights in royalties on natural resources, and are – in principle - recipients of international aid. It matters enormously how that cash is categorized and accessed, what it is used for, how and by whom it is managed: applied to in-kind expenditures, so not circulated at all? Given out as coupons, so for restricted non-market purchases? Given as cash-in-hand, so susceptible to lateral claims by kin and others? If given as cash, is it invested in Australian bank accounts, real estate and other metropolitan assets? Or paid out for what are likely to be very high priced goods for basic living on Nauru, or perhaps bet on the football pools? And does each new resource of this kind, as it comes over the horizon, become a new subject of contestation over the realization of citizenship claims? By the sheer intensity of its qualities in the "neoliberal" world, Nauru gives "island ethnography" a new horizon.

I am sure the basic answers to these questions would be accessible, but analysis would take longer since the issues ramify in all directions. Nauru is an eight-square mile island in the central Pacific, with a population of 13,500. It gained independence from Australia in 1968, but took the Australian currency as its own. The exhaustion of phosphates from guano led to a sequence of efforts to keep up revenues and incomes, and to re-establish a viable collective life. They include: a case brought against Australia in the International Court for damages for pollution during the phosphate era; establishment of a tax haven and a for-fee passport service; payment for the location of a boatload of refugees from Iraq and Afghanistan who were otherwise headed towards Australia; Chinese aid in return for diplomatic recognition; and a U.S. climate monitoring facility. Nauru's fame soared in 2002 when it was rumored to be the preliminary destination planned for any defecting North Korean scientists, under Operation Weasel (Foster-Carter 2003).

Such a collapse and series of switchbacks in sources of money income is unusual for a hard currency country. Sovereignty and location offered a varied set of taps into the monetary world that absolutely nothing else could or did. The whole idea of labor value was surely eclipsed. Nauru offers a clear example of the conversionary thresholds of the monetary world where the key diacritic is the line of sovereignty and not the line of currency. It is only amenable to this slot in the monetary transfer system of the world because it is formally independent. Small and poor communities all over the world are beginning to realize these same assets, as royalty rights are written into constitutions, and, very particularly, with the passage in the United Nations of the International Declaration on Indigenous Rights in September 2007. They will be working on the kinds of monetary conventions to be negotiated with the outside and invented for distribution within. The experience of these 13,000 inhabitants of Nauru, over the series of shifts in sources, is a microcosm. The most I have found about the population itself in my brief review is that they have the highest obesity and diabetes rates in the world.

2. Temporary dollarization

There must be hardly a more compelling case for an understanding of cash than Iraq. There are several available accounts, but they are thin and partial. From 1995 to the time of the invasion, there were citizens' entitlements to food through the food for oil program. It has been said that 60% of the 26 million inhabitants of Iraq depended solely on the program for food, in kind.[11] There is a frustrating lack of attention in all this literature to the actual ways of life of the Iraqis from day to day: work and wages, occupations in the food industry, administration of provisioning, the place of markets and traders and so on. Attention is heavily focused on the capital circulation in the large contracts for the sales of oil and the purchase of large quantities of grain, particularly on corrupt and complicit practices by the foreign suppliers. But as a sphere of exchange for the "common people", we have to assume that after 1995 imported food in kind circulated in its own ways.

Much of the rest of the daily economy was probably lived in cash. Sfakianakis writes that "The economies of most Middle Eastern countries are still cash-dependent and transactions occur much more often in cash" (2002: 38). Three currencies were in circulation: two kinds of dinar – the so-called Swiss dinar focused in the Kurdish areas, and the Saddam dinar in the South - and U.S. dollars. The Saddam dinar suffered the enormous inconvenience of coming in only two denominations, far apart in value.

Taylor's (2007) account of the post-invasion monetary system is the most detailed although not necessarily the most objective or complete, since his view necessarily emanates from his task under the Coalition Provisional Authority to manage the transition to a new currency. Reading it as an anthropologist and having worked on spheres of exchange and multiple currencies, there are fascinating gaps in the account, which goes briefly as follows. Following the invasion, the CPA left dinars in circulation, but used U.S. presidential executive orders and the mediation of the Treasury to freeze Saddam's dollar assets abroad to turn into cash to pay Iraqi government salaries and pensions in U.S. dollars. Hence the dramatic account of airlifts of $1.7 billion in cash in the summer of 2003. Later, as dinars and dollars circulated against each other, the country was prepared for the withdrawal of the old dinars (worthless after Jan. 15th 2004) and the issuing of new ones, which were financed by the dollars in cash found in Saddam's palaces (taken, it is said, from the Central Bank) and dollars returning to the Central Bank following the salary injections of the previous summer. According to Taylor's account, the new dinars were distributed at 240 locations and were immediately taken up and became very popular: so much so that the first wave of dollars returned to the Central Bank in unanticipated volumes and could be kept as capital (to return to below). The entire process looks orderly and is celebrated in the text as an extraordinary achievement.

In the mean time, however, other packets of billions of dollars were being poured into the country for the war. The press was outspoken about what they saw as chaos and what was eventually written up as “Fiasco” (Ricks 2006). I quote at length from newspaper coverage on order to scan the whole horizon of where observers thought these dollars were going: “How the US sent 20 Billion….. One CPA official described an environment awash in $100 bills"; the memorandum says. "One contractor received a $2m payment in a duffel bag stuffed with shrink-wrapped bundles of currency. Auditors discovered that the key to a vault was kept in an unsecured backpack.” "They also found that $774,300 in cash had been stolen from one division's vault. Cash payments were made from the back of a pickup truck, and cash was stored in unguarded sacks in Iraqi ministry offices. One official was given $6.75m in cash, and was ordered to spend it in one week before the interim Iraqi government took control of Iraqi funds.".

The minutes from a May 2004 CPA meeting reveal "a single disbursement of $500m in security funding labelled merely 'TBD', meaning 'to be determined'."

The memorandum concludes: "Many of the funds appear to have been lost to corruption and waste ... thousands of 'ghost employees' were receiving pay cheques from Iraqi ministries under the CPA's control. Some of the funds could have enriched both criminals and insurgents fighting the United States."

According to Stuart Bowen, the special inspector general for Iraq reconstruction, the $8.8bn funds to Iraqi ministries were disbursed "without assurance the monies were properly used or accounted for". But, according to the memorandum, "he now believes that the lack of accountability and transparency extended to the entire $20bn expended by the CPA".

"It's remarkable that the inspector general's office could have produced even a draft report with so many misconceptions and inaccuracies," Bremer said in his reply to the Sigir report. "At liberation, the Iraqi economy was dead in the water. So CPA's top priority was to get the economy going."

Bremer maintained one slush fund of nearly $600m in cash for which there is no paperwork: $200m of it was kept in a room in one of Saddam's former palaces

· 19 billion new Iraqi dinars, worth about £6.5m, was found on a plane in Lebanon that had been sent there by the new Iraqi interior minister

· One ministry claimed to be paying 8,206 guards, but only 602 could be found

· One American agent was given $23m to spend on restructuring; only $6m is accounted for

(article entitled So Mr. Bremer…)

“most of the money simply disappeared” :

The principal was a mysterious Iraqi by the name of Naer Jumaili, and a half a billion dollars in Iraqi defense funds would eventually find their way into his private account at the Housing Bank of Jordan. The exact whereabouts of that money and the whereabouts of Mr. Jumaili are presently unknown
(Mother of all heists)

The amounts of cash involved are dizzyingly different in different accounts and I have no idea how to reconcile them. That problem aside, It is quite difficult to imagine the two situations at once: an efficiently replaced, stable and increasingly popular dinar, displacing the dollar in routine circulation, alongside floods of dollars "disappearing". One possible explanation could be that the quasi totality of new dollars went either out of the country or into storage, and therefore did not circulate at all in popular cash transactions as a medium of exchange.,, as predicted by Gresham's Law. "Bad money" drives out "good" when both are legal tender and therefore forced to circulate at a given rate of exchange. On the other hand, salaries and payments were clearly being made in dollars and an entire food market system would have to re-establish itself - with producers, artisans, traders, prices, household budgets and so on - after eight years of administered international trade and internal distribution. Until more evidence can be garnered, the one conclusion an anthropologist might draw is that, however much the claims of success by those who engineered the money exchange are warranted, the management of the multi-currency spheres of exchange by the Iraqi people – the 26 million living all over the country – must have been brilliant. And with implications that we can only guess at for the moment. We run up against the same problem of documentation as with the oil-for-food program. If interest in "the economy" is equated with GDP, then assessment of the re-establishment of an Iraqi economy would focus closely on oil, state payments, the central bank and like institutions. If we focus on the people's economy of employment and provisioning we have to search for something else: local nodes of expertise of a wholly different sort, with skills honed in the experience of a multiple currency dynamic that is not necessarily, at the lived level, a "transition".

3. Popular Dollarization

The only extended study of a phase of dollarization that I have found so far in the anthropological literature is a fine article by Virginia Dominguez (1990) on Israel in the 1970s and 1980s.[12] Bur virtue of return trips over a long period, Dominguez was able to follow the popular response to a rapidly inflating Israeli currency and a resulting dollarization in a way that the sources to not offer for present-day Iraq. The people's response was evident in newspaper articles, advertisements for items for sale (from apartments to dogs to lunch) and from an accessible and constant commentary, including cartoons, jokes and all the sources of a free and vocal press. The study is exemplary of the kinds of sources that studies of popular monetary dynamics need to search for.

The interesting conclusion she draws is that a collective sense of the "real" with respect to standards of value emerged from the experience. Asset-holding and business accounting are done in dollars; the small transactions of life are done in shekels. Dollars are thought of as "real" value'; shekels as the value of nationalism. The dollar is a store of value and a unit of account; the shekel is a medium of exchange. Both, she argues, are "popular objectifications of representation and reality" and not direct descriptions of an empirical state of affairs. (Dominguez 1990: 40). As far as I know the exchange rate is not pegged, so a certain freedom of policy action is retained: presumably used to mediate interpretations of the real and the representational as conditions shift.

There is a whole further area that could be explored here, for which I have only clues. The shekel is now cited as a "hard currency", so it is a regional currency as well as a national one. In 1994, two Israeli banks were given exclusive rights to provide financial services to the Palestinian Authority under the Oslo Accords.[13] Transfers of money are made in shekels, which is one of the official currencies, alongside the Jordanian dinar.

So in a ramifying set of extrapolations from Dominquez's study one needs to understand the popular forms of multiple currency management, and above all the ways in which cash creates margins that are imprinted with representations within and across populations understood not only as nationally distinct but actively hostile.

4. The South-South International Trade

This entire question cash and proliferating points of conversion was opened up for me by work in the *Money Struggles* group in the late 1990s, and last summer, finding something out about the enormous sums that merchants in and out of Nigeria are said to carry on their persons. Doubtless all multiple currency economies comprise at least some of these dynamics. At one time, this propensity to "carry" cash was associated with two dramatic phenomena. One was the famous dozens of suitcases of dollars in cash that Madam Abacha was said to be trying to travel with after President Abacha's sudden death in 1998. Their sons had been well known to carry cash to London, where several newspaper reports of the year 2000 claimed that they maintained close personal relationships with prominent banks. The other, and closer to home for those us primarily interested in ordinary life, was the "cash-and-carry" practice of the era of devaluation, when the naira (a soft currency) fell from parity with the dollar to about 160 over a period of fifteen years, with sharp and sudden lurches downward in particular years.[14] A series of bank collapses had added to people's mistrust of the formal money sector, so the flourishing response to the opportunities of new global markets seems to have been largely mediated in cash. It would be difficult o exaggerate how large a market this is. Although oil dominates the formal economy and the GDP, the livelihoods of the 140 million or so people of Nigeria depend on trades that link Brazil, Britain, Dubai, and China in wholly new ways.

Perforce, Nigerians work across the conversion from hard to soft currencies. Almost all of Africa's present national currencies (except the franc CFA) are "soft" to one degree or another, and most of them have been massively devalued between 1983 and 1999.[15] They are even somewhat unfamiliar, even to Africa scholars: the Ethiopian *birr*, the Malawian and Zambian *kwacha*, the Ghanian *cedi*, the Swazi *lilongeni*, the Bostwana *pula* and so on.[16] The area now called Nigeria developed centers for monetary exchange and local expertise in money management over several centuries. In certain senses, this expertise has been transposed over time to the international hard/soft divide. The nonformal foreign exchange markets in Lagos, Ibadan and most cities are based on very old regional market links amongst Hausa-speaking money-changers whose predecessors developed skills over centuries in places along borders such as Maiduguri, and along trade routes to north Africa that go back into the first millennium and the expansion of Islam. Adesina's (2002) fascinating paper recounts the varied conversions the "mallams" make: between different regional currencies, between hard and soft, between fresh crisp notes for ceremonies and dirty ones from the urban marketplace, between the banks and the people, between weekday and weekend services, and so on. They say they need a common language and diligent learning to do business successfully;

it is a commercially risky business in which a novice can loose enormous sums without exactly knowing how. Probably, juggling the sheer variety of conversion types, each with its own margin, is extremely difficult. Their level of expertise has risen over the years; the illiterates are being replacd by university graduates who keep track of the international markets by cellphone and computer. And, like the “money magnets” of the Eastern Nigerian past, they monitor the circulation of fakes with a diligence that would be impossible in the banks.

One money changer explained: “Foreign currencies are very hard to recognize and in the past there is something we called grade one fake. This fake was more difficult to identify and they looked like the real original currency. The grade one fake was more common in Dollars. Based on this someone that was new in the business could fell prey of this; even the senior ones could also fall prey of it. We don’t have mercury and we don’t use it to detect fake money here. We use our hand to touch it. We believe on seeing and touching and through that we can detect fake from original. So once we touch we can detect the grade one fake. Some money changers also give their customers fake money and that was common when we did not have association. At the time we started association, we started monitoring such crime and if any member is caught in such bad activity the association will lock the person’s shop and the person will not be allowed to do the business again.” (Kabiru Salami Notes 2006). As another said, “Anybody who brought fake dollars a few years ago was thoroughly beaten up. These black market operators were illiterates who thought that people were out to take advantage of their lack of education. But now if you bring fake currency we query you. If you are found a victim of confidence tricksters, we counsel you and allow you to go. But if you are found to be a rogue, you are handed over to the police.” (Adesina 2002: 85).

Monitoring, protecting, promoting; training in how to count and convert, how to hide and to transport; how to write up trustworthy documents for some cases and to go with straight trust in others: these and many others are the occupational skills of the money changers of the 21st century who make it possible for peoples in the margins and peripheries of political consideration to make a living and purchase even the smallest necessities of life. Almost every manufactured good that the present Nigerian uses has passed through Dubai, where much of the trade is dollarized and conducted in marketplaces that I doubt are located in the high rise buildings on the skyline. Chinese merchants sell hundreds of thousands of dollars’ worth of goods of Nigerians in a single batch: in dollars brought in cash.

So the additional anthropological insight to take forward from here is that the “realities” and ”representations” of monetary value that seemed to stabilize in Iraq, and that Dominguez identifies for Israel with an explicitly recognized popular sense of spheres of value, are mediated by what is probably a vast army of local experts. They are street-level experts; they are very numerous and probably quite varied in skill and discipline. But their cumulative reach in the political economy of peripheral areas in the 21st century is vast.

Towards a conclusion

I have used the idea of spheres of exchange because it is a familiar one and eminently transposable into an anthropology of foreign exchange: of citizenship, capital and cash. But it is only transposable as signpost towards shifting anthropological analysis of this domain of the global economy away from IPE (international political economy) and into arenas where everyday life is created. Once opened up to ethnography, the conceptual and theoretical issues will proliferate far beyond the notion of spheres, and the terms of critical political economy will become important again. We cannot do without the thinking of economists such as Yotopoulos and Schuler. The exchange rates and conditions of the globalized economic world are not researchable without help. They are esoteric; the amounts of money at stake are enormous; and the re cords are probably as confusing that those on Iraq. And yet, inequality, vulnerability and deep reasons for major policy interventions run along these vectors in ways, and with effects, that we are not yet grasping. At some point, there should emerge some shared bases for theoretical critique, analytical debate, collaborative comparative research and just plain listening and witnessing to the realities and local representations of monetary experiences in the varied peripheral zones of time, space and society that emerge in the world.

References

Adesina, Charles Olutayo. 2002. Growth and Change in the Ibadan Underground Foreign Exchange Market during Devaluation.. In J.I.Guyer, Guyer, LaRay Denzer and AdigunAgbaje, *Money Struggles and City Life. Devaluation in Ibadan and Other Urban Areas in Southern Nigeria, 1986-96.* Portsmouth, NH: Heinemann,75-91.

Appadurai, Arjun. 1990. Disjuncture and difference on the global cultural economy. Public Culture 2,2: 1-24.

Callon, Michel, Yuval Millo and Fabian Muniesa (eds.). 2007. Market Devices. Oxford: Blackwell.

Collier, Paul. 2007. The Bottom Billion. Why the poorest countries are failing and what can be done about it. Oxford: Oxford University Press.

Cockburn, Patrick. 2005. What has happened to Iraq's missing $1bn? The Independent, September 19th

Comaroff and Comaroff. 1999. Occult Economies and the Violence of Abstraction. American Ethnologist. 26, 2: 279-303.

Das, Veena and Deborah Poole (eds.). 2004. Anthropology in the Margins of the State. Santa Fe: School for American Research

Davis, Mike. 2007 Dubai ….

De Goede, Marieke. 2003. Beyond economism in international political economy. Review of International Studies 29,1: 79-97. 2003.

Dominguez, Virginia. 1990. Representing Value and the Value of Representation. Cultural Anthropology 5,1: 16-44.

Eichengreen, Barry. What problems can dollarization solve? Journal of Policy Modeling, 23,3: 267-77, 2001. http://www.ingentaconnect.com/content/oso/462216/2003

Giraldi. Philip. 2005. Money for Nothing. Billions of dollars have disappeared, gone to bribe Iraqis and line contractors' pockets. American Conservative, Oct. 24th

Goitien

Greenspan, Alan. 2007.

Guyer, J. I. 2004. Marginal Gains. Monetary Transactions in Atlantic Africa. Chicago IL: University of Chicago Press.

Guyer, Jane I., LaRay Denzer and Adigun Agbaje. 2002. Money Struggles and City Life. Devaluation in Ibadan and Other Urban Areas in Southern Nigeria, 1986-96. Portsmouth NH: Heinemann.

Guyer, Jane I. 2006. "Prices: Towards an Anthropology of the Numbers". Anthropological approaches to the economy': a workshop. Max Planck Institute for Social Anthropology, Halle, Germany.

Guyer, Jane I. with LaRay Denzer. Forthcoming. ""The Craving for Intelligibility".Speech and Silence on the Economy under Structural Adjustment and Military Rule in Nigeria." In Steven Gudemen (ed.) *Economic Persuasions*. Oxford: Berghan Books.

Ho, Enseng. 2006. The Graves of Tarim. Geneaology and Mobilty across the Indian Ocean. Berkeley CA: Unversity of California Press.

Hyatt, Steven (ed.) 2007. A Game as Old as Empire. The secret world of economic hiy men and the web of global corruption. San Francisco: BK.

Kanna, Ahmed. 2007. Dubai in a Jagged World.

Klein, Naomi. Disaster Capitalism.

Kuroda, Akinobu et al.2006. Session 61: Complementary Relationship among Monies in History. XIV International Economic History Congress. Helsinki, Finland, 21 to 25 August.

Kuroda, A. 2007. 'The Maria-Theresa dollar in the early twentieth century Red Sea region: a complementary interface between multiple markets'. Financial History Review 14,1: 89-110).

Maurer, Bill. 2005. Mutual Life, Limited. Princeton University Press.

Mekay, Emad. 2004. 'Staggering Amount' of Cash Missing In Iraq. InterPress Service, August 21st,

Ong, Aiwha and Stephen J. Collier (eds.) 2005. Global Assembages. Technology, Politics and Ethics as Anthropological Problems. Oxford: Blackwell.

Ong, Aihwa. 2006. Neoliberalism as exception : mutations in citizenship and sovereignty. Durham NC: Duke University Press.

Pallister, David 2007. How the US sent $12bn in cash to Iraq. And watched it vanish. The Guardian: Thursday February 8, 2007

Ricks, Thomas E. 2006. Fiasco. The American Military Adventure in Iraq. New York: Penguin.

Roitman, Janet. 2005. Fiscal Disobedience. An anthropology of economic regulation in Central Africa. Princeton NJ: Princeton University Press.

Schuler, Kurt. www.dollarization.org

Servet, Michel, Bruno Theret and Zeynap Yildirim. N.d. Universalite du fait monetaire et pluralite des monnaies. Ms.

Sfakianakis, 2002. Gray Money. Middle East Report 222: 32-39.

Stiglitz, Joseph. 2006. Making Globalization Work. New York: Norton.

Strathern, Marilyn. ed. 2000. Audit Cultures: Anthropological Studies in Accountability, Ethics, and the Academy. London and New York: Routledge

Taylor, John B. 2007. Global Financial Warriors. The untold story international finance in the post-9/11 world. New York: Norton.

The Guardian. 2005. So, Mr Bremer, where did all the money go? July 7th.

Tsing, Anna Lowenhaupt. 2005. Friction. An Ethnography of Global Connection. Princeton: Princeton University Press.

Wolf, Eric. 1982. Europe and the People without History.

Yotopoulos, P. A. 2006. Asymmetric Globalization: Impact on the Third World. Stanford Center for International Development, Working Paper No. 270.

Zelizer, Viviana. 1997. The Social Meaning of Money. Princeton University Press.

[1] This last title I have used myself, faute de mieux.

[2] Simple witness was one of our motives in the collective research in Nigeria in the 1990s. See Guyer, Denzer and Agbaje 2002

[3] I have learned much of what I know from the pioneering work of Akinobu Kuroda and collaborators in a conference session for which I was a discussant: Complementary Relationship among Monies in History. Helsinki, Finland. XIV International Economic History Congress: 21 to 25 August 2006

[4] "A wider political economic analysis would need to address the historical reasons as well as the ongoing pressures in the circulation of dollars outside the United States. For example, "The United States derives great economic and political power from this dollar hegemony. During the 1990s, dollarization accelerated. A number of countries pegged their currencies to the dollar or even adopted the dollar outright as their national currency, hoping that this would solve inflation problems. Dollar-denominated notes, especially $100 bills, grew in popularity with individuals as well as criminal networks, becoming the US's largest export." (Global Policy Forum http://www.globalpolicy.org/nations/sovereign/dollarindex.htm)

[5] To take a mundane example, when per capita income is reported in dollars, the effect of the exchange rate and the degree to which local goods are bought through a dollar connection are masked.

[6] To check on the work of Aihwa Ong (2006) on dual and multiple citizenship in the neoliberal world and its implications for monetary transactions. I am reminded of a merchant I met who was one of four brothers: each of whom had acquired a different nationality. As he told me he just tapped his head with his finger, to imply "we are thinking".

[7] See also Klein 2007 on “disaster capitalism”, which has been reviewed by Stiglitz in the New York Time Book Review as a polemic rather than an analysis.

[8] The value of the UAR dirham has been fixed to the US dollar since 1980 at the rate of 1 USD to Dh.3.67, which is particularly relevant to Dubai as a financial center, of which more later. Dubai website. http://www.middleeasthub.com/dubai/dubai-currency.html

[9] Provisional sources on Nauru are pieced together from a radio program, broadcast December 9th 2007, The Middle of Nowhere (www.thisamericanlife.org) and several follow-up references in newspaper articles, Foster-Carter 2003; entry in Wikipedia; articles indicated in Anthrosource.)

[10] One source suggests that the Australian dollar is an example of a “commodity currency”, in the modern sense that its value reflects very directly the world prices for its major exports. But, as mentioned in the text, these categories of currencies according to exchange conventions are not stable or agree upon by economists.

[11] This seems very unlikely unless it refers to the urban population only. Even then, it would make of Saddam’s food distribution system almost as pervasive a system as wartime rationing. Doubtless sources do exist on the question but I have not yet researched them.

[12] I am sure there will be others, particularly for phases of the currency crashes in Indonesia, Thailand and Argentina in the 1990s. So far, I am more aware of the emergence of “alternative currencies” in these cases than of dollarization. E.g. Maurer (2005) on the gold Koin Emas, and work in economics on the Argentinian local coupon systems (to find)

[13] Some sense of the intricate convolution of regulations and flows in this area can be inferred from a news article in The Forward, an American Jewish newspaper, Dec. 14th 2007.

[14] For a history and anthropological analysis of devaluation in the popular economy of Ibadan and other urban centers in the south, see Guyer, Denzer and Agbaje (eds.) 2002).

[15] I was able to get this information for 1983 and 1999 only because we own those issues of Africa on X dollars a day. The State Department’s “background information” for travelers on their website is woefully spotty on any currency information at all. I suppose this is because dollars are exchangeable everywhere. I won’t go into the political economy here, but it’s obvious that these economies have been dollarized on increasingly poor terms. See Yotopoulos 2006.