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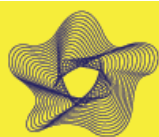
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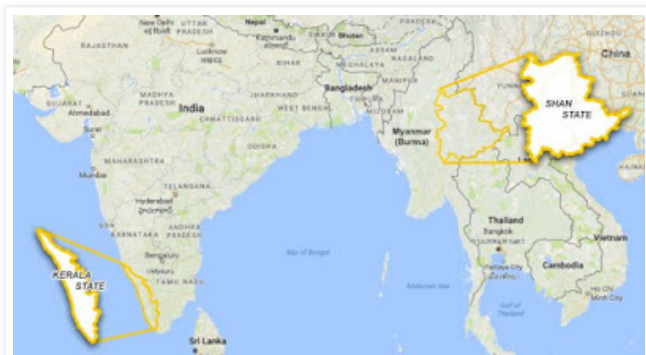


IMTFI
INSTITUTE FOR MONEY, TECHNOLOGY
& FINANCIAL INCLUSION

Monday, October 9, 2017

Intermediaries, Cash Economies, and Technological Change in Myanmar and India (Part Three)

By IMTFI Researchers and [Elisa Oreglia](#) | SOAS, University of London, UK and [Janaki Srinivasan](#) | IIIT, Bangalore, India



Is mobile money changing the way people carry out their financial transactions in rural markets in Myanmar and India? Our comparative qualitative research of an agricultural market town in northern Myanmar and of a fishing market in southern India showed the multitude of ways people move, borrow, and save money in [these places](#), and the value that humans bring to transactions that could easily be made through ICTs yet continue to be done “the old way.” ICTs and specific applications such as mobile money bring a different type of value, and in this final post we reflect on what we learned about human and machine intermediation in financial areas.



First of all, the combination of various technologies and brokers, such as traders and auctioneers, in rural markets in Myanmar and India translates the global reality of finance, financial tools, international supply chains, and political economy into an actionable reality for local farmers and fishers. A key feature of human brokers is that they are flexible and responsive to the changing political economy of their countries in ways that are not always possible for technology by moving in the grey areas between official regulations and informal economies, and thus leveraging gaps or strictures in the official

economy. This flexibility is the constant value that users get from using human brokers rather than ICTs, all other things being equal. Because humans can leverage their social knowledge in their roles as brokers, they are able to adjust to changes in a broader political economy as well as to the specific users who they are working with. Thus, they can offer temporal and spatial fixes as well as their expertise in ways that are attuned to the times and their users. Technologies, on the other hand, face constraints regarding the extent to which they can be flexible based on what is inscribed into them by their creators and by the regulatory regimes in which they operate. For example, the fact that

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mobile money makes financial transactions visible is a feature that is inscribed into both the hardware and software that power mobile money and into the regulatory framework that allows it to operate under certain conditions. ICTs can be used flexibly, but this flexibility has to be figured out by its users, and there are limits to how much flexibility a given technology affords along a particular dimension.

A second point that we want to highlight is how brokers are usually better equipped, financially and often socially, to appropriate ICTs and leverage them to strengthen their positions in the markets, sometimes undermining farmers and fishers and reducing them to mere recipients of their expertise, or even trapping them in relations from which they cannot escape. As both cause and consequence of their trade, brokers are able to inhabit different social worlds that their clients are often not able to successfully bridge: the sense of “feeling out of place” that makes opening a bank account a much bigger challenge than simply gathering the documents required to accomplish the task. Ethnicity, gender, religion, caste, and educational levels all contribute to making people feel out of place in certain situations and environments. This kind of expertise in navigating and bridging different social worlds is perhaps the hardest to delegate to ICTs. Whereas in principle social barriers to entry are lowered on the class-less and ethnicity-blind world of ICT-based services such as digital money, or Market Information Systems, in reality such experiences are highly mediated by the offline worlds that people belong to.

Thirdly, we suggest that the question of whether or not financial transactions can be mediated more efficiently or effectively by humans or technologies cannot be answered in the abstract without referring to the specific conditions of a specific place.

We will note that, for example, the problem that ICT users might have with being tracked in their transactions is less of a concern where digital technologies are introduced together with system reforms that make the system less predatory. The axis of time/space is also amenable to technological

rather than human mediation, once structural reforms change people’s material circumstances. The 2016 demonetization in India and the demonetizations that Myanmar experienced in its recent history have uniquely affected certain segments of the population for whom the state was and is an unreliable financial partner. Such actions reverberate through time, and rhetoric alone is insufficient for persuading the same people that the state is now concerned about their financial inclusion. Once again, the issue of time is at the forefront: the consequences of financial encounters, either between individuals or between individuals and institutions, extend through time, and the latest ones take place in the shadow of those that happened before, thus needing the appropriate historical and political background to be fully understood.

Finally, we want to stress how it is easier for existing social practices and networks to adapt to innovation than it is for them to be changed by it. This is not a novel finding, but it is often overlooked when talking about the potential for inclusiveness of digital technologies; they are, in fact, more empowering for those who are already in a position of power, and who can thus acquire them earlier and deploy them alongside their existing tools and networks. For instance, traders acquired mobile phones before fishers and farmers did, and were able to reconfigure their own networks to take advantage of them. Once again, if looked at purely from a transactional and financial perspective, fishers and farmers are perpetually catching up with the better-established traders. Using (or not using) ICTs and tools like digital money in their own way rather than according to the expectations of the government and of financial institutions is their own act of resistance to reclaim their own well-established practices.

Read their illustrated final report, "Intermediaries, Cash Economies, and Technological Change in Myanmar and India", drawings by Krish Raghav (krishcat.com).



The report examines the range of roles that (human and non-human) actors and material practices that are involved in conducting financial transactions have, showing the central role that historical legacies and politics play in explaining why both cash and financial intermediaries persist in the digital age.

Links to past blogposts: "Intermediaries, Cash Economies, and Technological Change in Myanmar and India ([Part One](#)) and ([Part Two](#))."

Posted by IMTFI at [5:17 AM](#)



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