REVIEW ESSAY

Can Technology Democratize Finance?

Nick Bernards

Democratizing Finance: The Radical Promise of Fintech, Marion Laboure and Nicolas Deffrennes (Cambridge, Mass: Harvard University Press, 2022), 288 pp., cloth $35.

The Future of Money: How the Digital Revolution is Transforming Currencies and Finance, Eswar S. Prasad (Cambridge, Mass: Harvard University Press, 2021), 496 pp., cloth $35, paperback $21.95.

New forms of financial technology (fintech) have proliferated in the last decade. Fintech applications have become inkblots onto which observers project both their hopes and their fears about our present and future economies and societies. Technologies such as automated financial advice programs ("robo-advisors") and low-cost day-trading platforms (most famously Robinhood) promise in different ways to make investment in conventional financial assets directly available to a much wider cross-section of the public. Yet this access also comes with exposure to big losses and exploitative fees. Similarly, cryptocurrencies promise "decentralized" and "trust-free" assets free from the inflationary pressures ostensibly implicit in state-backed "fiat" currencies. But in practice, at best, these have proven to be highly volatile and speculative assets, with an alarming carbon footprint to boot. At worst, they are uniquely vulnerable to fraud.

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In development circles, mobile money systems have been widely lauded. Mobile money refers to simplified payment systems, in which users pay cash into or withdraw money from mobile money accounts at designated agents, which can then be transferred to other users using a PIN. Kenya's pioneering M-PESA system, now nearly ubiquitous in the country, has been directly credited with having lifted 194,000 households (or 2 percent of households in the country) out of poverty.[1] But these claims about Kenya have been challenged;[2] M-PESA's success has not been replicated anywhere else to nearly the same degree, and the rise of accompanying digital and mobile credit applications has provoked growing concerns about overindebtedness. Experiments with new forms of credit scoring using various kinds of "alternative data," from psychometric personality tests to mobile phone metadata, have also proliferated across much of the Global South. For supporters, these examples raise the prospect of extending access to finance to people and microenterprises lacking conventional credit histories; for critics, they suggest the rise of intensely disciplinary surveillance creeping ever further into the daily lives and psyches of already-marginalized people.

Discussions of fintech, in short, tend to veer between two poles. On one hand, utopian visions of fintech promise faster, more efficient, more convenient, and, above all, more accessible financial services, which will usher in a more prosperous world and open up previously unavailable opportunities for the marginalized. On the other hand, dystopic visions warn of ungovernable financial systems ripe for money laundering and fraud, to which traditional tools of financial regulation cannot be applied, and that threaten constant, disciplinary surveillance by major corporations and authoritarian governments alike. The two recent books under consideration here are a good place to start to come to grips with this landscape of hopes and fears. Marion Laboure and Nicolas Deffrennes's *Democratizing Finance* epitomizes the optimistic case for fintech and, conversely, Eswar S. Prasad's *The Future of Money* straddles the dystopic and utopian visions.

In what follows, I trace out the contributions of both books to these debates, and more importantly make some critical comments about the conception of "financial democratization" that underlies the optimistic case of both sets of authors about fintech. That concept rests to a considerable extent on some often-unstated political assumptions. Money and finance are always political, and analyses of their shifting terrains are ultimately—explicitly or otherwise—at least in part works of political theory.[3] Discussions of money and finance hinge

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on questions of how social life is organized and governed, and how and on what terms people access material and other needs.

This is also true of analyses of technological change in finance. Both books considered here take us across political terrain, evident in Laboure and Deffrennes's titular claim that fintech will "democratize" finance. Prasad echoes these claims about the democratization of finance (albeit using the phrase itself sparingly) but hedges them against concerns about lost privacy and empowering interventionist and/or authoritarian governments.

Both books, in short, raise critical questions about what freedom, equality, dignity, and above all democracy might mean in relation to finance. Ultimately, it must be said, both are ill equipped to provide satisfying answers to these questions, insofar as they are working with a very thin conception of "democratization" that does not grapple with questions of power. What we need is a much more robust understanding of financial democracy, and of the obstacles to it, than the current fintech debate provides. Considering the limits of emerging debates about fintech and financial democracy—to which both books are notable and accessible contributions—in short is a worthwhile exercise insofar as it asks us to think about what a more meaningfully democratic financial system might entail.

The Fintech Revolution?

In *Democratizing Finance*, Laboure and Deffrennes encapsulate many of the optimistic narratives about fintech outlined in the introduction of this essay. New financial technologies, they argue, "have a common goal: they are designed to make financial services more accessible to the public" (p. 1). The fintech "revolution" "enables consumers to transfer funds, raise money for business start-ups, and manage personal finances without the help of an intermediary or professional," while also providing "access to banking and commerce in rural areas, and allowing individuals to receive social security transfers." In short, "modern fintech is democratizing finance" (p. 1). The authors situate the fintech revolution amid a series of deepening social and economic challenges, emphasizing the widening of intergenerational inequalities and the growing prevalence of "gig" work across sectors, arguing that innovative applications of fintech can solve the problems caused by contemporary capitalism.

Many of these claims are loosely substantiated at best and tend, I think, to overestimate the reach and impact of fintech. In one illustrative passage (pp. 173–78),

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written in September of 2021, the authors spend several pages on Facebook's experiments with issuing a digital currency and a digital wallet (basically, an application allowing users to buy and send digital currency). The currency was initially named Libra, the wallet Calibra; they were later renamed Diem and Novi, respectively. Facebook, as the authors emphasize, has 2.9 billion users, which ostensibly lends its experiments with money and payments a substantial advantage. The announcement of Libra in 2019 was accompanied by some grand claims about revolutionizing money, and provoked a good deal of consternation about whether Facebook and its partners could supplant state-issued currencies. Libra was meant to be a "stablecoin," backed by a basket of global currencies. Libra was quickly quashed by financial regulators, and Facebook's plans were subsequently relabeled (from Libra to Diem) and scaled back. The proposal for Diem promised multiple Facebook-backed cryptocurrencies, each tethered to a single existing currency (for example, Diem-GBP, tied to the British pound, and Diem-EUR, tied to the Euro), rather than a single currency backed by a complex basket of currencies. Facebook described its ambitions for the rebadged Diem in terms that put a much stronger emphasis on facilitating payments than on providing an alternative global currency. These scaled-back plans, in Laboure and Deffrennes's estimation, represented a viable means of working with regulators. As such, with regulatory barriers out of the way, they expected Diem and Novi to rapidly grow their share of global payments: "As global regulatory barriers fall, Facebook can expand as a financial payments platform" (p. 176). Indeed, they suggest that given the sizeable user base held by Facebook and related businesses, Diem and Novi's dominance was more or less inevitable: "Considering that Facebook and WhatsApp have more than three billion monthly active users, Novi will be able to collect a huge share of global payments" (p. 176).

These bold predictions were not borne out. In between the time Laboure and Deffrennes wrote those passages and the time *Democratizing Finance* was published, Diem had been shuttered. Novi lasted slightly longer, until September of 2022. While the regulatory issues highlighted by Laboure and Deffrennes were no doubt significant, particularly in forcing the restructuring of Libra/Calibra into Diem/Novi, they were far from the only salient practical obstacles faced by the project. It is not clear that many people actually used the service, nor that there was in fact a huge latent market for these products that had previously been inhibited by regulatory restrictions. Facebook clearly targeted cross-border remittances as its main "use case" for the experiment with digital currency,

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launching a pilot test of Novi for a limited number of participants in the United States and Guatemala. There is little-to-no publicly available information about this pilot, but it is hardly the only digitally enabled scheme to transform remittances in recent years. Previous efforts have lived or died in no small part on what is often called the "last mile" problem—that is, how to get money from the remittance service to its intended recipients.[4] One manner of navigating this challenge might have been that many businesses set up Novi wallets and accepted Diem as payment for goods, and then banks accepted Diem as payment for debts, and so on. Payments could then largely remain contained within the Diem/Novi system. Perhaps a more plausible scenario is that users might have found, or themselves constructed, readily available contact points to pay in and withdraw money from their Novi wallets. Either scenario is dependent on widespread access to the Internet and smart phones—services and materials that are unevenly distributed in a world facing persistent "digital gaps." Or, to put it simply, even with friendly regulators, the 3.9 billion users of Facebook and WhatsApp could only ever have been converted into 3.9 billion users of Diem and Novi at considerable difficulty. To be clear, this is one specific instance, but the features of Laboure and Deffrennes's approach that lead them to overestimate Libra and its successors are visible throughout the book (other examples are discussed further in the next two sections).

In *The Future of Money*, Prasad is for the most part more narrowly focused on money and monetary transformations than fintech in general—much of his discussion is focused on cryptocurrencies and central bank digital currencies (CBDCs). Overall, the book is a useful primer on how fintech and (especially) cryptocurrencies work. The first chapter outlines "the basics" of money and finance—described in a way that most heterodox or post-Keynesian economists would likely find unsatisfying, but more or less chimes with what one would read in a standard Econ 101 textbook. Providing a framing of what is being "disrupted" by fintech is, for all its limitations, welcome. Prasad then moves onto a short whistle-stop tour of the landscape of key fintech applications, mapping out the development of mobile money (leaning, as is custom in discussions of fintech for development, on the example of M-PESA in Kenya), peer-to-peer lending and crowdfunding, fintech lending, innovative forms of insurance, and changes to retail and international payment systems. It is on payments, in particular, that Prasad sees developments in fintech having profound impacts. This is the justification for something of a shift in focus as he moves from this general tour to the real meat of the book, which details across several chapters how various forms of digital money and payment systems are meant to operate, and some of their practical pitfalls. All of this is done in admirably accessible prose. He thoroughly explains bitcoin and the cryptocurrency boom, and then critically discusses different proposals for CBDCs and some of their potential promises and pitfalls.

Prasad sees many of the same upsides to the fintech revolution as do Laboure and Deffrennes. Fintech, in Prasad's estimation, "carries the possibility of democratizing finance by providing the economically underprivileged with access to the financial system" (p. 100)—he uses the specific term "democratizing" sparingly, but nonetheless at several junctures flags the potential. However, what Laboure and Deffrennes seem to take as virtual certainty Prasad poses as a question: "*Will* fintech make the world a better place?" (the title of an early chapter). Fintech, as Prasad notes, slots into a much longer history of financial innovations, which have not always made things better for society generally, or even in the long run, for financial systems and institutions narrowly: "Financial innovation is nothing new . . . and it is worth keeping in mind that revolutions have dark sides as well" (p. 6). Perhaps most importantly, Prasad highlights the dangers of fintech for privacy throughout the book.

In short, for all the difference that exists in their degree of faith in the democratizing powers of fintech, both books settle on a similar set of possible benefits to fintech applications—and indeed, a quite similar understanding of financial democracy. It is one that is widely shared in the business press, among financial regulators, and in development circles. It is worth noting that these benefits are contestable in their own right. This is not the space, though, for a lengthy critical analysis of the costs and benefits of fintech—insofar as it is possible to avoid doing so, in what follows I am less interested in litigating the ostensible benefits of fintech, or even the success and failure of fintech applications on their own terms, as mechanisms for broadening access to finance.[5] Instead, I want to unpack what it means to talk about fintech applications democratizing finance.

Whose Democracy?

These fintech debates echo wider debates in the last few decades about the democratization of finance more generally. The phrase is often associated with economics Nobel laureate Robert Shiller. In the 2003 book *The New Financial Order*, Shiller makes the central claim that "we need to democratize finance and bring the advantages enjoyed by clients of Wall Street to the customers of Wal-Mart."[6] By this, Shiller means giving them access to a fleet of (digitally enabled) risk management tools. As examples of what this might mean, Shiller discusses new forms of insurance for "livelihood loss" and home equity, or loan contracts where repayments are recalculated when income falls below expected levels.

In his later book *Finance and the Good Society*,[7] Shiller makes the political terms of this democratization especially clear, introducing the term in what he imagines as a rebuke to Marx. There is a slight shift away from Shiller's earlier emphasis on risk management toward the provision of entrepreneurial opportunities. The "central argument for public ownership of capital" in Marx's writing, according to Shiller, is that it would enable the breaking of a "vicious cycle of poverty."[8] Here, Shiller cites as evidence a passage from Marx's discussion of primitive accumulation, where the latter notes that "the process . . . that clears the way for the capitalist system, can be none other than the process which takes away from the labourer his means of production."[9] In Shiller's reading of this passage, Marx is arguing that "under capitalism the goals of society are set by those at the top," on the "unstated" and unexplained assumption that "a poor labourer could never start a business by getting credit from a bank or capital from wealthy investors."[10] For Shiller, though capitalism has in practice failed to actually empower poor laborers to do this, a truly "democratic" financial system would allow everyone access to credit to start their own business: "Our capitalist institutions do not yet fully live up to this ideal, but throughout history there has been a long trend toward the democratization of finance, *the opening of financial opportunities to everyone*."[11]

Neither Laboure and Deffrennes nor Prasad makes direct reference to Shiller, but this is nonetheless very close to the sense in which both mean democratization—that is, as expanded *access* to finance, and implicitly the opportunity to participate in setting "the goals of society" through opening new businesses. Shiller's explicit counterposing of his ideas to Marx's makes the political stakes of this mode of democratization clear. It is a claim that there is no need for radical change; the problem is not capitalism, per se, but that opportunities for entrepreneurial innovation are not currently available to all. Moreover, addressing inequalities by providing wider access to credit promises reduced inequalities through the operation of markets, without explicit redistribution.

It is worth noting that Shiller's argument in *Finance and the Good Society* rests on a telling misreading of Marx. Marx *did* in fact consider whether wider access to credit might mitigate the depredations of capitalism. As Stefan Eich has recently compellingly argued,[12] Marx's thinking about capital and capitalism developed in no small part in a critical dialogue with Proudhonian proposals for the "democratization" or "republicanization" of money and credit with more than a passing resemblance to some of Shiller's proposals. But in any case, Marx was not concerned about whether or not individual workers could "become" capitalists, as Shiller seems to suggest. In the passage Shiller cites, Marx is arguing that there cannot be such people as "capitalists" without a pool of laborers compelled to sell work for wages in order to survive, and that as such capitalism depends on the processes by which laborers are dispossessed of nonmarket means of survival. In the crudest terms, if a "poor laborer" were to successfully start a business, they would cease to be a laborer as such. They would, however, not be able to succeed as a capitalist without being able to find laborers to exploit.

Shiller takes this misreading to propose a utopia of entrepreneurial empowerment for the poor laborers of the world. Such a vision of democratization through expanding access is a fantasy, available (at best) to *some* "poor labourers." Despite this, it is a politically powerful idea. As Susanne Soederberg notes, calls for democratization and empowerment through inclusion and access to credit and financial markets for previously marginalized groups—the extension of membership in the "community of money," to use Marx's phrase—invoke the rights to participate in certain liberal freedoms (private property, enterprise, and contractual rights) while obscuring the underlying relations of exploitation on which financial markets ultimately rest.[13] Access to credit, in and of itself, does not promise liberation from capitalist social relations. Credit ultimately needs to be paid back. Indeed, for most, having borrowed against future wages only makes the compulsion to sell one's labor more acute.

Admittedly, neither of the books under consideration is worried about defending capitalism per se, in the way that Shiller feels a need to. It is perhaps the case that after a brief post-2008 crisis of confidence, to which Shiller's invocations of Marx speak, capitalism is once again the only game in town as far as bankers, McKinsey consultants, and Ivy League economists are concerned. But both books do very much share the vision of financial access as key to fighting inequality and dispossession without the need for direct redistribution. Prasad is perhaps less confident about the certainty with which this will happen, while Laboure and Deffrennes are more explicit about their belief that this will take place. The latter open their book with a chapter detailing a litany of social and economic challenges facing millennials, “the subprime generation,” in particular. They flag faltering economic growth, job markets in the midst of transformation as a result of automation and the rise of “gig” economies, and the seeming closure of the “housing ladder.” Traditional sources of social security and wealth building have been decimated by economic and technological change. Significant aspects of this picture are debatable,[14] but what is important for present purposes is how the book frames the fintech revolution as a more or less painless way to mitigate the resultant inequalities. A chapter on the rise of robo-advisers, for instance, concludes with the claim that

> digital wealth management solutions democratize finance by making investments accessible to millennials and the middle-class. They provide tailored investment solutions and access to highly sophisticated asset classes. They virtually facilitate access to wealth management . . . As a result, many more people could see investments produce rates of return like those received by wealthy individuals. (pp. 62–63)

The authors here are directly invoking one of the key arguments about inequality from Thomas Piketty’s *Capital in the Twenty-First Century*. Piketty argues that as a general tendency, $r > g$—or, returns to investment on capital tend to be higher than overall economic growth, and as such people who are able to reinvest their money in capital assets tend to accumulate wealth faster than ordinary people’s incomes grow.[15] Wealth, as a result, tends to become increasingly unequal over time without outside intervention. Where, for Piketty, reducing inequalities requires expressly redistributive measures, including highly progressive taxes on wealth and income, the democratizing promise of the fintech revolution is that we can reduce inequalities without any such painful adjustments for the already wealthy.

In this vein, it is worth noting that Laboure and Deffrennes and Prasad (and, for that matter, Shiller) imagine the democratization of finance strictly in terms of the capacity of individuals, households, and businesses to access financial markets—what I referred to earlier as the most commonly held view of financial democratization. Ultimately, however, this version of financial democratization —which we could label the “access-based” view of financial democracy—is rooted in a highly restrictive understanding of democracy and democratization. It conceives of democratization and ultimately economic justice as products of more equal access to financial services. The Marxian critique introduced above—that finance cannot, in itself, move us beyond the relations of dispossession and

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exploitation inherent in capitalism—suggests some key limits to this vision. We might contrast the access-based view, though, with more robust visions of financial democracy that have been articulated recently. These I will label "collective control" views, which start from an emphasis on meaningful and deliberative public control over the key social functions played by financial markets.

Fred Block, introducing a recent edited collection sharing a title with Laboure and Deffrennes's book, notes that the phrase "democratizing finance" comes bundled with a wide range of meanings—from expanding access to formal credit to people traditionally reliant on loan sharks and pawnshops, to opening up new forms of savings and investment.[16] Block notes that the phrase is thus "politically ambiguous," insofar as extending credit or investment opportunities to the poor can be "either a project of egalitarian reform, a cover for new forms of exploitation, or a complicated combination that benefits some and hurts others."[17] But for Block, a meaningful democratization of finance cannot stop with access to affordable credit for poor and middle-class households. It must include weakening the dominance of major financial firms, as well as establishing meaningful collective democratic control over the investment functions currently dominated by large corporations.

Indeed, we might well go further still, following the Marxian perspectives highlighted above in the claim that there are profound limits on the extent to which changes to credit and financial systems, in and of themselves, can achieve wider democratization of life under capitalism.[18] Democratizing finance as such, even in the "collective control" view, is perhaps inadequate without removing key social functions and basic needs from the domain of private financial markets in the first place. In many cases, these have only recently been delegated to the financial system. In most of the world, the privatization and financialization of pensions has taken place within living memory. Likewise in the case of basic needs such as housing and education. Educational debt and exclusionary housing markets are perhaps two of the most acute flashpoints in the operation of contemporary financial systems. From the United States to the U.K. to South Africa, the introduction and/or increase in tuition fees in recent decades, driving increases in student debt, has been met with widespread protest. There are certainly arguments to be made that housing or educational debt should not exist because access to these and other essentials should not be commodified in the first place.

A debate about the democratization of finance cast entirely in terms of access to financial services, as in the fintech debates encapsulated in the books under review,

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ultimately closes off these and other thornier questions. Moreover, as I will show in the next section, beyond the question of what we mean by "democracy" with respect to finance, there is an equally important question of how, exactly, financial democracy might be brought about.

Making Financial Democracy

It is worth noting that while both *Democratizing Finance* and *The Future of Money* provide lucid and accessible descriptions of an impressive range of fintech applications, neither delves into why and how new financial technologies emerge. Fintech appears in Laboure and Deffrennes's book as a benevolent force for the social good. In one of the rare instances where they hint at profits as a motive for creating these technologies, we are told that Facebook's twin aims in the Libra/Diem/Novi debacle were (1) to increase advertising revenue, supplemented by fees from payments and foreign exchange, and (2) "to provide payment solutions to those who are unbanked (currently 1.7 billion people worldwide)" (p. 175). Yet even here there is little serious consideration that these goals might be in tension, or skepticism about the practical limits of Facebook's capacity to achieve either of them. But for Prasad, lacking Laboure and Deffrennes's confidence in the powers of fintech, the alternative is uncertainty. Technological change, for Prasad, often seems more like an uncontrollable external force against which policymakers (he is especially interested in central bankers) are continually reacting, and which is subject to the whims of state actors, in particular, who might seek to redirect new technologies in authoritarian directions. Prasad closes his book on the same ambivalent terms as he spends most of the text:

> Financial technologies are opening up a wide vista of possibilities for improving the economic conditions of humanity, especially that of the poor and economically marginalized. There are costs too, as basic human values such as privacy may fall by the wayside. Problems such as corruption, government ineptitude, the rapaciousness of political and economic elites, and inequality between and within countries will continue to fester. Technology, after all, is no match for human nature. (p. 360)

Either way, we are left with not much more than blind hope. For Laboure and Deffrennes, much rides on their oft-reiterated assumption that "entrepreneurs" (a curious way, incidentally, to describe Facebook or Chinese e-commerce giant Alibaba) are primarily interested in solving wider social challenges. In Prasad's case, pairing a vision of fintech democratization with a more realistic assessment of its prospects leaves us with little more to do than cross our fingers and hope both that the regulators get it right and that the financial start-ups and incumbents are responsible innovators.

This is revealing, I think, of a certain paradox behind the idea that technological change might produce an access-based form of financial democracy: It promises a painless, inclusive improvement without changing the distribution of wealth and power in the existing world economy. But, in order for this kind of improvement to come about, we have to leave it to a very small subset of "innovators"—incidentally, overlapping strongly with those who might stand to lose the most if a vision of financial democracy rooted in collective control were implemented—and (hopefully) enlightened regulators. The democratization of finance through fintech is not only a relatively impoverished vision of democracy, then, but an expressly depoliticizing one.

The question of who or what might bring about a more democratic financial system is nonetheless a problem for more substantive visions of financial democracy as well. Michael McCarthy argues that progressive visions of "democratized finance" have tended to skirt engagement with explicitly political questions—most of all with how democratized financial structures might be protected against efforts to erode democracy and accountability on the part of financial elites.[19] He argues ultimately that community- or public-controlled financial structures cannot coexist with private ones organized along capitalist lines. The nationalization of banks is thus a necessary (though not sufficient) condition for a genuinely democratic financial system, insofar as "leaving capitalist financial institutions intact and private fails to confront the basic source of their structural power in politics: their control over the allocation of finance."[20] A genuinely democratic financial system, for McCarthy, would depend on public control, but also means of "activating and reproducing" direct public engagement in the governance and operation of publicly owned banks. Stefan Eich similarly talks about a need for "an improved public understanding of the power of money, its political possibilities, and how these are currently unfulfilled."[21]

In a slightly different vein, some authors have suggested that the increasingly widespread experience of indebtedness might itself be a basis for the exercise of collective power over the way the economy is governed. "Mass indebtedness," notes *Can't Pay Won't Pay*, a collaborative manifesto from the U.S.-based Debt Collective, "connects those of us living in the United States with millions of others around the world—it connects Ferguson to Greece, Puerto Rico to Bolivia."

Debt in this sense is "a non-violent weapon we all have access to—if we can leverage it in concert."[22] Collective refusal to pay, through "debt strikes" organized locally, regionally, nationally, and even transnationally, the authors hold, represents not just a way of challenging unjust relationships of indebtedness but also a meaningful way to exert "people power" over the terms on which the economy is organized and run. Claiming collective control over our debts, then, might well be a means of exerting collective control over finance, and ultimately over the economy more widely.

This is not the place for an extended engagement with the merits and demerits of these or other recent proposals for building a more democratic financial system, or with what the relationship is between building a collectively controlled financial system and abolishing capitalism altogether. Marxian perspectives would insist that the former can ultimately only free people from the relations of dispossession and exploitation characteristic of capitalism insofar as it contributes to the latter. The key point for the current discussion is that we cannot count on developments in fintech to democratize finance. A critical consideration of financial power and its choke points—the kind that McCarthy and the Debt Collective offer—must be the place to start.

Conclusion

The democratization of finance through fintech—the provision of a more equal, more accessible financial system and, ultimately, economy in which entrepreneurial and other opportunities are more widely available—is for many an appealing vision of the present and future. The two books reviewed here are exemplary embodiments of these visions and, in Prasad's case in particular, of some of the obstacles to their realization and the hazards they carry with them. Though I disagree with significant parts of both, they are worth reading as lucid and accessible summaries of what is likely to become an increasingly important debate.

Ultimately, though, both books reveal profound limitations to our wider debates about fintech in particular, and our financial future more generally. Fintech democratization offers up a limited, depoliticized vision of being able to resolve profound social and economic tensions through innovative financial services. This misguided vision is nonetheless worth taking seriously from the perspective of political theory insofar as it points us toward some important questions that need answering if we want to achieve a more substantively democratized financial

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system and society: How do we exercise collective power over financial systems? What social functions *should* be left to private finance? And, what kinds of political action, language, and solidarities need to be built in order to make those things happen?

NOTES

1 Tavneet Suri and William Jack, "The Long-Run Poverty and Gender Impacts of Mobile Money," *Science* 354, no. 6317 (December 9, 2016), pp. 1288–92.

2 See Milford Bateman, Maren Duvendack, and Nicholas Loubere, "Is Fintech the New Panacea for Poverty Alleviation and Local Development? Contesting Suri and Jack's M-Pesa Findings Published in *Science*," *Review of African Political Economy* 46, no. 161 (2019), pp. 480–95.

3 This is not by any stretch a novel point of my own. See, among others: Stefan Eich, *The Currency of Politics: The Political Theory of Money from Aristotle to Keynes* (Princeton, N.J.: Princeton University Press, 2022); Geoff Mann, "Hobbes' Redoubt: Toward a Geography of Monetary Policy," *Progress in Human Geography* 34, no. 5 (October 2010), pp. 601–25; and Emily Gilbert, "Common Cents: Situating Money in Time and Place," *Economy and Society* 34, no. 3 (2005), pp. 357–88.

4 See Vincent Guermond, "Remittance-Scapes: The Contested Geographies of Remittance Management," *Progress in Human Geography* 46, no. 2 (April 2022), pp. 372–97; and Daivi Rodima-Taylor and William W. Grimes, "International Remittance Rails as Infrastructures: Embeddedness, Innovation and Financial Access in Developing Countries," *Review of International Political Economy* 26, no. 5 (2019), pp. 839–62.

5 I will note in passing, though, that readers interested in critical views on these perspectives are increasingly spoiled for choice. Aside from the pieces cited in notes 2 and 4 above, see, published in the last year or so: Alexis Henshaw, "'Women, Consider Crypto': Gender in the Virtual Economy of Decentralized Finance," *Politics & Gender* (2022), pp. 1–25, www.cambridge.org/core/journals/politics-and-gender/article/abs/women-consider-crypto-gender-in-the-virtual-economy-of-decentralized-finance/D886A5539FAD03C9548DF9FF960D575F; Alison Hearn, "The Collateralized Personality: Creditability and Resistance in the Age of Automated Credit Scoring and Lending," *Cultural Studies* 37, no. 1 (2023), www.tandfonline.com/doi/abs/10.1080/09502386.2022.2042576; Vincent Guermond, "Whose Money? Digital Remittances, Mobile Money, and Fintech in Ghana," *Journal of Cultural Economy* 15, no. 4 (2022), pp. 436–51, www.tandfonline.com/doi/full/10.1080/17530350.2021.2018347; Ashley Cordes, "Storying Indigenous Cryptocurrency: Reckoning with the Ghosts of US Settler Colonialism in the Cultural Economy," *Journal of Cultural Economy* (2022), www.tandfonline.com/doi/abs/10.1080/17530350.2022.2110924; Nick Bernards, *A Critical History of Poverty Finance: Colonial Roots and Neoliberal Failures* (London: Pluto, 2022); and Ali Bhagat and Rachel Phillips, "The Techfare State: Debt, Discipline, and Accelerated Neoliberalism," *New Political Economy* (2022), www.tandfonline.com/doi/full/10.1080/13563467.2022.2147494.

6 Robert J. Shiller, *The New Financial Order: Risk in the 21st Century* (Princeton, N.J.: Princeton University Press, 2003), p. 2.

7 Robert J. Shiller, *Finance and the Good Society* (Princeton, N.J.: Princeton University Press, 2012).

8 Ibid., p. 5.

9 Karl Marx, quoted in Shiller, *Finance and the Good Society*, p. 5. See also Karl Marx, *Capital*, vol. 1 (New York: Penguin, 1990), pp. 874–76.

10 Shiller, *Finance and the Good Society*, p. 5.

11 Ibid., p. 5, emphasis added.

12 Eich, *The Currency of Politics*, ch. 4.

13 Susanne Soederberg, *Debtfare States and the Poverty Industry: Money, Discipline and the Surplus Population* (London: Routledge, 2014), pp. 22–23.

14 The attribution of weak job markets and precarity to automation is questionable—see, for example, Aaron Benanav, *Automation and the Future of Work* (New York: Verso, 2020). Equally, to single out the plight of millennials and intergenerational inequalities as a primary axis of inequality is a debatable choice given that these factors are arguably of considerably less significance than class and racial inequalities, even in areas like housing wealth. On this point, see Brett Christophers, "Intergenerational Inequality? Labour, Capital, and Housing through the Ages," *Antipode* 50, no. 1 (January 2018), pp. 101–21; and Desiree Fields and Elora Lee Raymond, "Racialized Geographies of Housing Financialization," *Progress in Human Geography* 45, no. 6 (2021), pp. 1625–45.

[15] Thomas Piketty, *Capital in the Twenty-First Century* (Cambridge, Mass.: Harvard University Press, 2017).

[16] Fred Block, "The Meaning of Financial Democracy," introduction to Fred Block and Robert Hockett, eds., *Democratizing Finance: Restructuring Credit to Transform Society* (London: Verso), pp. 1–20.

[17] Ibid., p. 14.

[18] See Eich, *The Currency of Politics*, pp. 137–38.

[19] Michael A. McCarthy, "Three Modes of Democratic Participation in Finance," in Block and Hockett, *Democratizing Finance*, pp. 159–86.

[20] Ibid., p. 179.

[21] Eich, *The Currency of Politics*, p. 219.

[22] Debt Collective, *Can't Pay Won't Pay: The Case for Economic Disobedience and Debt Abolition* (Chicago: Haymarket Books, 2020), pp. 133–34.

Abstract: This essay reviews two recent books—Marion Laboure and Nicolas Deffrennes's *Democratizing Finance* and Eswar S. Prasad's *The Future of Money*—on financial technology (fintech) and the future of money. Both books present overviews of recent developments in fintech and assess the prospects of technological change to deliver a more accessible, equitable financial system —described in both cases as the "democratization of finance." I raise two key concerns about the limits of the "democratization" implied here. First, the vision of democratized finance implicit in both books rests on claims about widening access to financial services for individuals, households, and businesses. This contrasts with more substantive visions of democratized finance that entail the exercise of accountable, deliberative decision-making on monetary and financial questions. Second, "fintech democracy" rests on a very thin account of *how* finance might be democratized, stressing exogenous technological change, with little consideration of relations of power, institutional reforms, or mobilization. Both books provide eloquent and comprehensive overviews of emerging fintech debates, but in so doing ultimately reveal important limitations to achieving financial democracy through fintech.

Keywords: fintech, democratization of finance, finance, technology, Karl Marx