

THE CURRENCY BEHIND THE FLAG

PART I

The Journey Begins

Before we can talk about reserve currencies or sanctions, we need to see the ordinary machinery underneath an ordinary payment. Part One follows Amara's invoice from her desk in Kiambu County into the wider financial system that is about to carry it around the world.

Look closely at that single sentence, *payable in United States dollars*, and an entire hidden world opens up. Kenya's currency is the shilling. Germany's is the euro. Neither Amara nor Lena is American, does business in America, or banks with an American institution as their primary lender. And yet the currency that will carry value between them is the dollar, a piece of financial infrastructure controlled by

a government neither of them elected and a central bank neither of them can call.

This is not unusual. It is, in fact, the global default. Coffee like oil, wheat, copper, and dozens of other commodities that move across borders every day, is conventionally priced and invoiced in dollars, regardless of who is buying or selling. Economists call this a *vehicle currency*, a currency used not because either party particularly wants dollars, but because using it is simpler, more liquid, and more widely trusted than the alternative of haggling over an exchange rate between shillings and euros directly. We will return to why the dollar earned this role in Part Two. For now, notice only that it has one, and that this fact alone is about to shape everything that happens to Amara's invoice.

Here is the question this book exists to answer: how does \$42,300 actually get from a bank account in Hamburg to a bank account in Nairobi? Not the fairy-tale version, "the bank sends the money," but the real mechanical version: which computers talk to which other computers, which institutions temporarily hold the funds along the way, what gets checked and by whom, what gets deducted and why, and how

many days pass before Amara can actually spend what she is owed.

The honest answer is that Amara's payment is about to be handled by a network of banks, none of which she has heard of, following rules written by regulators in Washington, Brussels, and Basel, using a messaging system headquartered in a small town outside Brussels, denominated in a currency controlled by a central bank in Washington, D.C. By the time her shillings land in her account, the payment will likely have touched at least one American bank, simply because so much of the world's dollar-denominated trade clears through the United States, whether or not the United States is a party to the transaction at all.

That last point deserves to be said plainly, because it is the thread that runs through this entire book: **the infrastructure that moves money internationally is not neutral.** It has an address. It has owners. It has a government that can, under the right legal conditions, freeze it, redirect it, or shut it off, for anyone, anywhere, whose payment happens to pass through it. Most of the time, for most people, this is invisible, because most payments go through without incident, the way Amara's almost certainly will. But the same rails that

carry a coffee farmer's honest invoice are the rails that carry a sanctioned oligarch's yacht payments, a central bank's foreign reserves, and a government's war chest. Understanding how the ordinary case works is the only way to understand what happens in the extraordinary one.

We will unpack each of these figures over the chapters ahead. For now, hold onto the shape of the question: one invoice, moving through a world of institutions, currencies, and rules that Amara never chose and Lena never sees. Chapter by chapter, we are going to make that world visible.