



**THE INTRINSIC AND INSTRUMENTAL VALUE OF MONEY**  
AND RESOURCE MANAGEMENT FOR PEOPLE'S WELLBEING IN RURAL KENYA

AUGUST 2016

The intrinsic and instrumental value of money and resource management for people's wellbeing in rural Kenya

By  
Silvia Storchi,  
Centre for Development Studies,  
University of Bath

August 2016.

**The report was commissioned by FSD Kenya. The findings, interpretations and conclusions are those of the authors and do not necessarily represent those of FSD Kenya, its Trustees and partner development agencies.**



The Kenya Financial Sector Deepening (FSD) programme was established in early 2005 to support the development of financial markets in Kenya as a means to stimulate wealth creation and reduce poverty. Working in partnership with the financial services industry, the programme's goal is to expand access to financial services among lower income households and smaller enterprises. It operates as an independent trust under the supervision of professional trustees, KPMG Kenya, with policy guidance from a Programme Investment Committee (PIC). Current funders include the UK's Department for International Development (DFID), the Swedish International Development Agency (SIDA) and the Bill and Melinda Gates Foundation..



BILL & MELINDA  
GATES foundation

# Table of contents

<b>TABLES AND FIGURES</b>	<b>ii</b>	<b>Chapter 5</b>	<b>12</b>
<b>EXECUTIVE SUMMARY</b>	<b>1</b>	<b>IDEAS OF A GOOD LIFE</b>	<b>12</b>
<b>Chapter 1</b>		5.1 The role of the family and economic improvement	12
<b>INTRODUCTION</b>	<b>4</b>	5.2 The role of local norms and community relationships	14
<b>Chapter 2</b>		<b>Chapter 6</b>	<b>17</b>
<b>BACKGROUND</b>	<b>5</b>	<b>MONEY AND RESOURCE MANAGEMENT</b>	<b>17</b>
<b>Chapter 3</b>		6.1 Support Networks	17
<b>THEORETICAL FRAMEWORK</b>	<b>7</b>	6.2 Chama	21
3.1 Sen's capability approach and financial inclusion	7	6.3 Formal financial services	24
3.2 What does this mean for financial capability?	8	6.4 Livestock management	26
<b>Chapter 4</b>		<b>Chapter 7</b>	<b>30</b>
<b>METHODOLOGY</b>	<b>10</b>	<b>WELLBEING GOALS AND FINANCIAL INCLUSION</b>	<b>30</b>
		<b>Chapter 8</b>	<b>31</b>
		<b>CONCLUSIONS</b>	<b>31</b>
		<b>REFERENCES</b>	<b>33</b>

# TABLES AND FIGURES

## LIST OF FIGURES

Figure 1: The evolution of the concept: from financial literacy to capability	5
Figure 2: Capability set and Functionings	7
Figure 3: A wellbeing perspective on financial capability	8

## LIST OF TABLE(S)

Table 1: Respondents by gender, age and level of financial inclusion	10
--	----



# EXECUTIVE SUMMARY

## FINANCIAL CAPABILITY AND INCLUSION

Current initiatives for financial inclusion are about increasing the set of financial services available to people while there is a general agreement that financially capable individuals will effectively and responsibly use these services, therefore improving their wellbeing (Accion, 2013). However, to date there has been little research on understanding the potential relationship between financial inclusion and the improvement of financial management strategies, i.e. financial capability. Indeed, there has been little evidence that increasing financial inclusion actually leads to an improvement in money management strategies and ultimately to wellbeing improvements for poor people. Notwithstanding, the concept of financial capability is still used to mainly identify individual knowledge and skills in managing money through formal financial services.

## FINANCIAL CAPABILITY AND THE CAPABILITY APPROACH

The focus of financial inclusion has so far been on increasing access and quality of financial services for poor people, while developing their skills to engage with the formal financial system – their financial capability. By using the capability approach to look at both financial inclusion and capability, the focus is shifted from the services to people and their wellbeing. Indeed, financial inclusion appears to only be valuable if the increased availability and access to financial services allows poor and excluded people to better pursue their wellbeing goals. This means that the value of financial inclusion does not stand in the services per se but in what those services allow people to pursue, in the fact that they should facilitate people's pursuit of their valued goals. Although seemingly obvious, this approach might actually highlight a much wider range of valuable goals which go beyond standard impacts on consumption or assets.

In this perspective, financial capability is no longer a set of skills and effective behaviours, but the set of valuable opportunities which the financial system can offer people. By using the capability approach, this research is putting forward the following three methodological choices to explore financial capability by:

1. Adopting an emic view of people's financial practices, thus paying attention to how people develop their financial strategies as well as their deeper meanings and values;
2. Exploring the choice process, rather than only the outcome. This will bring to light both the instrumental and intrinsic value of people's financial practices. The instrumental value of financial strategies is here intended as the way in which they support the achievement of economic goals such as saving and investment. The intrinsic value of financial strategies is, on the other hand, normally created by the interaction between financial services with social and cultural norms of mutual support and community development. This will then show the non-economic value of financial practices.

3. Considering human heterogeneity and conversion factors which influence how people translate assets into wellbeing. By taking these into consideration, it is acknowledged that financial capability sets are individual and dependent on personal and contextual factors.

## METHODOLOGY

For this research, thirty-two respondents were purposively selected from two clusters where the a market research study (MRS) titled *A promise fulfilled? Financial market development in Kenya 2011 to 2015* (Johnson, 2016) was conducted. These were located in Kitui and Nyamira districts. Two rounds of qualitative interviews were conducted with each respondent and this report presents data on half of the respondents. The first round of interviews focused on respondents' life story and more specifically on their livelihoods strategies, their family and community relationships as well as their achievements and challenging moments. This set of interviews ultimately aimed to find out about respondents' life and their idea of wellbeing and what they value in order to have a good life.

The second round of interviews took place about a month after the first interview and asked respondents to discuss about their main expenses and financial strategies, covering a range of formal and informal financial instruments which respondents use. This set of interviews aimed to explore respondents' financial practices and how these are understood and valued within a broader wellbeing perspective. This report looks first at respondents' ideas of a good life and, second, at their financial practices and how these contribute to their wellbeing.

## IDEAS OF A GOOD LIFE

Data shows that respondents value improving their family situation. Economic improvements, working hard and providing for the family are all sources of pride and satisfaction. This is especially true for men who have historically been identified as breadwinners and primary responsible for the security of the house (Silberschmidt, 1999). However, women are also often busy looking after the shamba (farm) and doing small businesses at local markets, most of the time representing a substantial contribution to the household. Economic improvements are important not only for material wellbeing. For instance, respondents identify a better house with a higher social status and different stages of maturity in life. Gaining respect from the community is also related to the state of the house in which one family live. Different aspects of wellbeing are therefore linked to the improvement of one's own family and to the performance of each member.

Indeed, it is important for respondent to follow local social and cultural norms which relate to the different life stages and to communal living. Having a good marriage and many children is seen as wellbeing and it relates to respondents' identity and social status, as they are signs of success. Living in peace and

having good relationships both with the family and with the neighbours is also very important. Indeed, extended social relationships and performing a role in the community are also indicative of wellbeing as they constitute respondents' sense of belonging and identity within their living context. Mutual support and generosity are also very valued moral norms and respondents feel happy when they are able to help out. Ultimately, wellbeing is not an individualistic idea as it is created through family and community relationships.

### FINANCIAL PRACTICES

#### One-on-one support networks

Asking for help and "helping each other out" are valued social and moral norms. While asking for help is accepted under certain circumstances, helping people in need is perceived as a social and religious responsibility and respondents reported to feel happy when they were able to help family, friends and neighbours. However, there are norms around when it is appropriate to ask for help and this normally includes health emergencies, school fees and lack of food. At the same time, it is norm and expected that people first struggle on their own before asking for help and that support is not always sought from the same individual. These relationships of support are built on trust, mutual recognition and reputation. An important norm in these often ongoing relationships is reciprocity. Respondents showed that this can happen in different forms and at different times and also that help is at times given out of generosity, especially when people who are better off give small contributions to poorer people who come to ask for help.

These relationships of support are instrumentally valuable because they help during emergency situations. However, having support networks of this type is also intrinsically important for respondents' wellbeing because it connects to their identity, social status, respect and belonging. Receiving help from family and friends is a sign of being accepted within these social networks. Social and financial networks often overlap and respondents showed that there can be a poverty level below which people are no longer able to stay active in these reciprocal relationships of support and therefore may fall out from such relationships. In some cases, respondents showed that it is possible to try out new relationships of support which may remain a one-off help if the person asking feels not able to reciprocate the help. However, not being able to participate in financial support networks does not automatically lead to complete social exclusion.

#### Chamas – group support

Respondents are part of different types of groups, among which rotating schemes such as rotating savings and credit associations (ROSCA) and savings groups (also called table banking). Even if there are differences among the different group-based financial services, which this research did not intend to explore, they all showed some key characteristics. Indeed, respondents generally regard saving in a group very important because it motivates them

to save and better plan for their expenses. Respondents feel motivated to save because they can see other members save too and feel that they are planning for their expenses better because they know when it is their turn to receive their contribution – this happens with ROSCAs or merry-go-round where members know their turn to receive the group contribution. Therefore, groups are instrumentally valued to respondents because they help them achieve some economic goals such as saving and planning for expenses.

At the same time, groups are also important for people's identity and belonging because they are carried out with friends, family members, colleagues at the market, neighbours and so on. They are therefore important for respondents to create and maintain social relationships alongside financial support. Respondents tend to say that these groups "understand" when people have difficulties for instance in making their contribution, because they are aware of each other's family situation. This is normally compared to formal services which, according to respondents, do not understand their situations and are therefore for them more difficult to use. These groups are also important for social support because members can access advice and receive support during local ceremonies (e.g. payment of the dowry). Members can also do business with each other and learn new skills from each other. Although respondents tended to draw a positive and happy picture of *chamas*, literature shows that groups' activities are not always smooth and without complication. Overall, it can be concluded that the majority of respondents, even when using formal financial services, are in *chamas* and this is a strong sign of a widespread mode of development of rural Kenya which is based on mutual support and developing together.

#### Bank account

Among the 16 respondents represented in this report, only a minority of them was using or had used bank accounts at the time of the research. This is representative of the whole sample of respondents overall, respondents mentioned that having a bank account provided them with a motivation to work harder and save for their family's needs, such as education. Respondents talked about becoming more disciplined with their spending as withdrawing from the bank normally involves a plan. Indeed, there must be a need in order to withdraw money from the bank. The instrumental value of this service is therefore in improving people's discipline and planning, similarly to what was seen for group-based financial services. A bank account represents for most respondents who had one security from oneself (discipline), from theft, and from others (e.g. requests from others).

Two respondents mentioned feelings of pride and happiness when they were able to save. This represented an achievement and was important for self-esteem. However, bank accounts did not appear to be automatically supportive of respondents' social networks since accounts were mostly individual. Meanwhile though respondents used the money in their account to help and support people with whom they had close relationships. One respondent paid school fees for the daughter, another helped his mother



who was hospitalised and a third helped a friend who is in a similar business. As previously said, by being in a *chama*, members are directly contributing to each others' development. This is not true when people have a bank account which requires their agency, or active behaviour, to use the money to help someone else. Therefore, bank accounts do not seem to be operating in line with the community mode of development which is being supported by both one-on-one and group financial networks.

### Livestock

Lastly, the research explored the importance of livestock for respondents' life and wellbeing. Respondents buy livestock to save for the future and invest for future income generation e.g. renting out bulls for ploughing but also because livestock reproduces). Livestock therefore represents security for the future. Indeed, it is often sold in case of emergencies, for instance, for school fees, medications and food, thus it can also be seen as a form of insurance. Although, these characteristics of livestock could be related to an individualistic mode of development, similar to a bank account, livestock is locally perceived in a very different way. Historically, livestock has been used for rites of passage and other ceremonies, it has been exchanged between families in the form of dowry and as one respondent mentioned, it is a sign of wealth and end of poverty not just for the owner but more broadly. Indeed,

it is not rare for people to buy cows for friends and other family members. So that livestock also can be used to create and maintain social relationships and relationships of support. Even when respondents have moved to the city, they buy livestock to keep in the village whenever they can afford it and having no livestock is still a sign of extreme poverty, while owning livestock is related to social status, identity and respect.

### Conclusion

This research shows how different ways of managing money and resources have different intrinsic and instrumental implications for respondents' wellbeing. The report argues that relationships of support and *chamas* intrinsically contribute to aspects of wellbeing such as respondents' identity and social status, respect from the community and a sense of belonging. Ultimately, it shows that these informal financial ways of managing resources are more in line than formal financial services with the creation and maintenance of social relationships which are at the core of wellbeing. Therefore the value of financial inclusion should not be calculated through the characteristics of financial services, such as their price and profitability, but more broadly stands in the ability of the financial system to increase people's opportunities, their capability, to pursue their wellbeing goals and values.



### Chapter 1

# INTRODUCTION

This research sets out to identify people's valued wellbeing goals and how different money and resource management strategies contribute to these goals. This exploration is framed within the current discourse on financial inclusion and capability and, based on Amartya Sen's capability approach, argues for a new perspective on both concepts. Current initiatives for financial inclusion are about increasing the set of financial services available to people while there is a general agreement that financially capable individuals will effectively and responsibly use these services, consequently this will improve their wellbeing (Accion, 2013). However, to date there has been little research on understanding the potential relationship between financial inclusion and the improvement of financial management strategies, i.e. financial capability. Indeed, there has been little evidence that increasing financial inclusion actually leads to an improvement in money management strategies and ultimately to wellbeing improvements for poor people.

This research adopts the main concepts of the capability approach to shift the focus from the services to people and their wellbeing. Financial inclusion is therefore valuable only if the increased availability and access to financial services allows poor and excluded people to better pursue their wellbeing goals. In this perspective, financial capability is no longer a set of skills and effective behaviours, but the set of valuable opportunities which the financial sector can offer people. In order to understand for this to happen, the sector, first, needs to find out what people value in their life and, second, incorporate those values into their propositions.

Based on these considerations, this research adopts an emic view to explore both the idea of a good life and how people's financial and economic strategies contribute to that. The research adopts a broad view, by exploring several areas of people's life, covering their personal achievements but also looking at their relationships within the community and family. The research also looks at how various events affected people's economic and social status as well as how they felt about these changes. The perspective is that people's wellbeing is not something individually and independently created but it is mainly shaped within social relationships and by cultural norms. Therefore, the ways in which people talk about their life and their ideas of a good life need to be explored in relation to such context.

Financial and resource management strategies are also investigated in a broad way. Indeed, the research focuses on the ways in which people manage to pay for their main expenses and the ways in which they use different financial services. This focus brings to light a variety of formal and informal ways of managing money as well as the different meanings and values that are respectively associated to such strategies. Ultimately, the research seeks to

find out not only the instrumental contribution of money management to people's wellbeing, such as how certain instruments improve people's ability to save for future expenses. It also aims to find out how using certain financial services and engaging in particular financial strategies is important for people's identities, social status and their sense of belonging to society, which are all aspects of wellbeing created within relationships. This contribution of financial services are here considered to be their intrinsic value to wellbeing.

Uncovering the intrinsic ways in which money and resource management contribute to wellbeing is the main contribution of this report. This is in contrast with the current discourse on money management and financial inclusion which is rooted in an individualistic and rational economic perspective which does not consider the deeper social and cultural values and meanings of people's economic practices. Rather, it narrows down financial and economic practices to their solely economic value. On the other hand, this research understands human economic behaviour as influenced by social norms and cultural values. Consequently, the 'rationality' or 'appropriateness' of behaviours is explored by taking these norms and values into consideration. Individuals take decisions based on self-interest, social interests and moral values so that depending on the timeframe and social context where decisions are made, "all can be seen as rational" (Wilk and Cliggett, 2007, 190). Based on this perspective that comes from economic anthropology, everything that is economic is also social so that economic and social relationships often overlap and influence each other. On a deeper level of analysis, the economic is symbolic and therefore connected to people's identities and social status (Shipton 2007, 2010).

The analysis presented in this report seeks to retain a sense of this connection between economic and social, by presenting both the material and non-material, such as social and psychological, aspects of wellbeing. The first part of the report presents the current discourse about financial inclusion and capability and the key aspects of the capability approach which are here used to shift the perspective on those concepts. This will ultimately present the analytical framework which has been used for the data analysis. Subsequently, the report discusses respondents' ideas of a good life and how material achievements assume symbolic meanings when social and cultural norms are taken into consideration. The third part of the report uses four case studies to discuss the main ways in which respondents manage their economic and financial resources and how these strategies have instrumental and intrinsic implications for their wellbeing. The report concludes by highlighting how the identified money and resource management strategies contribute in different ways and degrees to the respondents' valued wellbeing goals.



Chapter 2

# BACKGROUND

Financial inclusion policy has evolved substantially since its beginnings in microfinance. With focus shifting from microcredit for investment to savings and now transactions, attention has also moved beyond provision to how services are used. This has brought a focus on financial literacy and capability in developing countries (OECD, 2005), intended to promote access and use of formal financial services (GPII, n.d.). While informal financial services are seen to offer more flexibility and convenience than formal financial instruments, they lack the same level of reliability, security, affordability, value and potential for scale (Chaia et al., 2013). In this context, the policy goals for financial inclusion intend to contribute to economic growth and poverty alleviation (GPII, 2010), people's financial wellbeing<sup>1</sup> as well as economic and social inclusion (Atkinson and Messy, 2013) through the provision of more affordable and appropriate financial services. Meanwhile, financial capability seeks to capture the idea that the effective and responsible use of such financial services will lead to improved wellbeing (Accion, 2013).

The concept of financial capability has now superseded that of financial literacy, according to which financial knowledge and skills – which are understood to be teachable – are key determinants of the ways in which people manage their financial resources and use financial services (OECD, 2005). Indeed, to date there is no evidence that increased financial literacy, measured in terms of knowledge of financial concepts, does in fact lead to improved financial decision-making (Mandell and Klein, 2009; Hilgert et al., 2003; Cole et al., 2009; Carpena et al., 2011). This lack of evidence seems to suggest that

financial literacy defined as knowledge and skills is a rather limited approach to understanding poor people's financial behaviour. Rather, it suggests that financial literacy is only one input into financial decision-making and other factors, such as impulsivity, external circumstances and behavioural biases, also contribute to what is regarded as poor financial management (Huston, 2010).

This has led to the concept of financial capability superseding that of financial literacy as a way of better representing the multitude of factors that are at the root of financial decision-making (figure 1). Indeed, the use of this definition resonates with a holistic view of people's financial behaviour, which goes beyond the sole consideration of knowledge and skills. For instance, qualitative research in low- and middle-income countries showed that people discuss financial capability as being constituted by behaviours, attitudes, psychological traits and motivations (Kempson et al., 2005; Kempson et al., 2013). In a small qualitative study conducted in Kenya, financial capability was associated more with individual efforts, commitment and discipline to increase household income and individual virtuous behaviour, rather than use of financial instruments and allocation of funds among them (Zollmann and Collins, 2010). In low- and middle-income countries, research respondents regarded planning for the future and day-to-day management of resources as the most relevant skills for good financial management and an indicator of being financially capable (Kempson et al., 2013).

Figure 1. The evolution of the concept: from financial literacy to capability



<sup>1</sup> Financial inclusion refers to the process of promoting affordable, timely and adequate access to a wide range of regulated financial products and services and broadening their use by all segments of society through the implementation of tailored existing and innovative approaches including

financial awareness and education with a view to promote financial well-being as well as economic and social inclusion" (Atkinson and Messy, 2013, p.11).

These studies suggest that the role of knowledge is not central in financial decision-making process. Rather, financial capability would be affected by a multitude of factors, such as knowledge, skills, attitudes, individual abilities and behaviours as well as the social, cultural and financial contexts in which people take their financial decisions (Collins et al., 2009; Atkinson and Kempson, 2008). Ultimately, financial capability is seen as multidimensional and composed of multiple domains (FINRA, 2009; Kempson et al., 2013), implying that individuals may be very good at some aspects of it but not all (Collins et al., 2009). Moreover, financial capability changes over people's lifetime and depends on environmental and personal circumstances (Accion, 2013), thus being in itself dynamic.

However, the policy discourse around financial capability is still predominantly characterised by a normative language in which financial capability is associated with a set of optimal financial behaviours, such as planning and budgeting, while impulsivity and risk-taking behaviours are synonymous with a lack of financial capability and poor money management skills (MFO 2015; Kempson, Perotti et al. 2013). This view is still influenced by what it means to be financially capable in developed countries. It is still conservative and risk-averse in its focus on planning and saving, therefore missing the fact

that often livelihoods in developing countries are developed and maintained through multiple sources of income and by taking up what may appear to be risky business opportunities in a context of high vulnerability and uncertainty. Moreover, despite the widening of the understanding of this concept, its measurement and conceptualisation often still involve an attempt to define and measure across countries a set of optimal financial behaviours, thus losing this wider and more contextualised perspective for which many are advocating (Ibid.).

Ultimately, the concept of financial capability is still seen as a way of improving people's abilities of managing their money through the use of a set of financial services, which are mostly formal and promoted by the financial inclusion discourse. Therefore, the attention is still on the characteristics of the services and the needed abilities and skills needed to use them in order to promote financial inclusion. In this report, Sen's capability approach will be used to offer a new understanding and theoretical framework for financial capability and inclusion, shifting the perspective from the services and people's abilities to what people value being and doing in their life, i.e. their wellbeing.



## Chapter 3

# THEORETICAL FRAMEWORK

### 3.1 SEN'S CAPABILITY APPROACH AND FINANCIAL INCLUSION

The capability approach was developed by the economist and philosopher Amartya Sen with the intention of creating an alternative space for the evaluation and comparison of people's living standards and wellbeing. One of the main contributions of this evaluative framework stands in the paradigm shift that proposes people's wellbeing to be evaluated based on what people are able to be and do in life rather than utility and commodities. Indeed, Sen proposes that inter-personal comparisons of wellbeing look at what people have reason to value in terms of "beings" and "doings". Therefore, people's quality of life should be observed through their valued achievements rather than through what they desire or the goods they possess. Within this perspective, Sen (1999) defines functionings as "the various things a person may value doing or being" (p.75), while capability is "the substantive freedom to achieve alternative functioning combinations" (Ibid.). In other words, capability is the combination of achievable opportunities that people have reason to pursue because they are valuable, while functionings are the real achievements that they reach.

Within this framework, the capability approach stresses the importance of people's freedom to choose the type of life they have reason to value among several opportunities (capability set) and considers choice as being intrinsically important for wellbeing. In order to include the aspect of choice within the evaluation of quality of life, Sen argues that policies should focus on the improvement of the capability set. This focus would, for instance, allow the distinction between the person who is starving because voluntarily on a diet and that who is starving because they are lacking food. In the first situation, the individual had the option not to starve, while in the latter the person has not voluntarily chosen to go without food. If wellbeing was to be evaluated through functionings, the two people would look the same as they are both starving. On the contrary, by focusing on capability sets, Sen attributes intrinsic importance to people's freedom of choice, which includes both the availability of options and the selection process (Sen, 1988).

**Figure 2: capability set and functionings**



The current policy focus on financial inclusion is based on the view that increasing access to financial services<sup>2</sup> for poor people will lead to an increase in their wellbeing (Accion, 2013). The focus has so far primarily been on the improvement of the availability and quality of formal financial services, the regulation of the financial sector and the ability of users to engage with the financial sector (through financial literacy and education programmes). However, there has not been a clear attempt to evaluate financial inclusion from the user's perspective to neither investigate what wellbeing is for people nor to examine whether and in what ways financial inclusion actually improves people's wellbeing.

This report adopts Sen's view of wellbeing as the achievements of valued "beings" and "doings". Developing an evaluative framework for financial

inclusion based on how financial inclusion supports wellbeing means, first, finding out what people have reason to value in order to live a good life, and second, whether the financial system that is available to them supports the achievement of these goals. Ultimately, this means that the value of financial inclusion does not stand in the services per se but in what those services allow people to pursue, in the fact that they should facilitate people's pursuit of their valued goals. Although seemingly obvious, this approach might actually highlight a much wider range of valuable goals which go beyond standard impacts on consumption or assets. This may therefore lead to the consideration of, for instance, how services enable funds to be circulated within communities or how they support the development of meaningful relationships with others, all aspects which are not at the top of the current financial inclusion agenda.

<sup>2</sup> Formal financial services are still mainly seen as being better and more adequate in terms of reliability, security and affordability than informal financial services, and therefore they remain

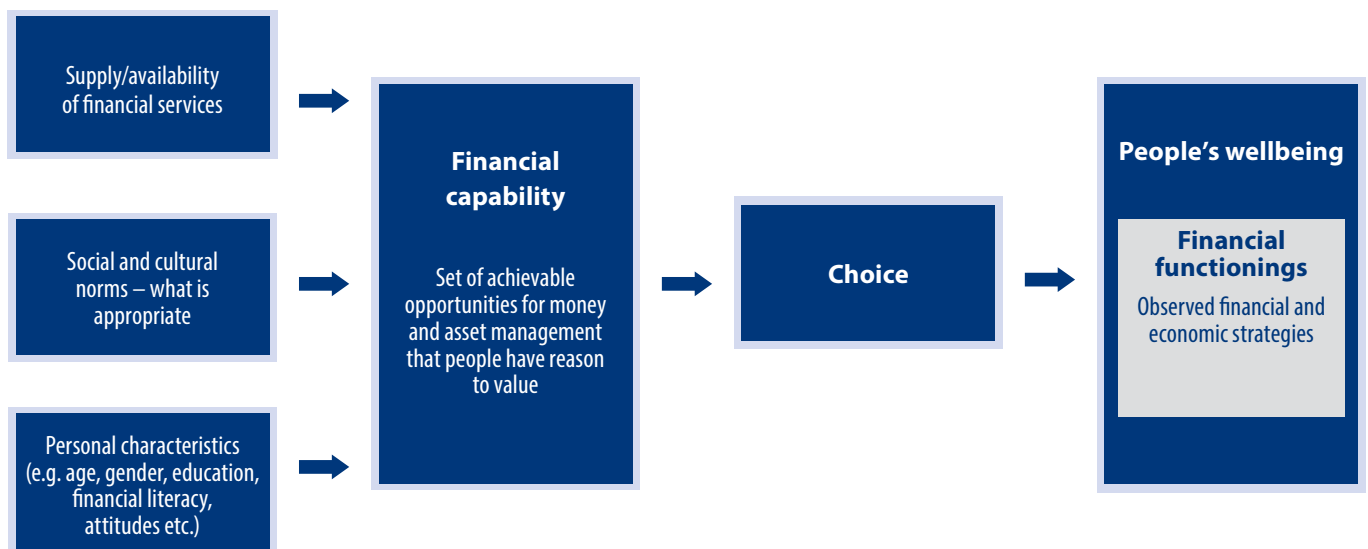
the main focus of financial inclusion. However, more recent initiatives for financial inclusion have extended their data collection effort to the informal sector (GPFI n.d.).

### 3.2 WHAT DOES THIS MEAN FOR FINANCIAL CAPABILITY?

Based on the concepts of the capability approach, financial capability is here intended as the bundle of available financial and economic strategies among which people can choose in support of their valued life goals, while financial functionings are the financial and economic strategies adopted by people (figure 3). Since Sen does not only attribute value to these final achievements but also to the **selection process**, the capability approach is here used to reinstate the value of exploring people's financial practices from an **emic perspective**, thus paying attention to the values and meanings that people attribute to them and how they relate to their wellbeing goals. This is in contrast to the mainstream studies on financial capability which put forward a certain set of "optimal" financial behaviours and explore neither the potential relations of these achievements with other wellbeing goals, nor the emic perspective of how people develop such financial practices, in relation to their social and cultural context.

On the other hand, this new perspective aims to explore the how and why of financial and economic practices. Indeed, this view can show that people may also choose not to use certain services, even if available and this may suggest the inadequacy of certain services in meeting people's needs. Considering both the final functionings and the selection process which involves people's freedom of choice<sup>3</sup> thus can bring a new depth to the understanding of people's use of financial services and eventually financial inclusion. For instance, this would allow the distinction between a person who is not using bank services because they are not locally available and a person who could easily access bank services but decides not to because, for instance, he values keeping his money circulating in his community through group saving and lending rather than "sitting" in a bank account. Again, this shifts the focus towards the states of "being" and "doing" that people are trying to achieve and what they value in life, rather than highlighting the qualities of financial services per se.

Figure 3. A wellbeing perspective on financial capability



<sup>3</sup> Notwithstanding the attention paid to people's freedom to choose, the CA recognises the existence of structural barriers, such as geographical distance and cultural and gender norms, which may prevent people from accessing certain opportunities i.e. in this case certain financial services and strategies.



If financial inclusion is meant to improve people's wellbeing through increased use of financial services, it is ultimately important to understand not only why people access financial services but also why they decide not to use some which are physically available. Indeed, **by adopting an emic perspective** the focus shifts on to the values and meanings of certain financial practices and this can highlight that people are pursuing certain financial practices for reasons others than economic. For instance, someone may decide to pay for the niece's school fees rather than saving the money in the bank because according to social and cultural norms people value helping others and believe in community development. Therefore one might place a higher value on helping a niece, than in accumulating funds for the future.

**By exploring the choice process**, rather than only the outcome we can observe how financial services have both an instrumental value for people to achieve certain economic goals (e.g. saving and investment) and an intrinsic value through the interaction of financial services and strategies with the wider social and cultural norms and in relation to norms of mutual support and community development. For instance, people may value saving money to invest later on in life but they may not regard the bank as their first choice as money in the bank is not working for the community. Some people may therefore prefer saving in an informal group where they can maintain social networks and at the same time keep their money into circulation (lots of other benefits such as timely contribution, advice from others and so on). This may show that people choose to use financial services not only for the economic value that they bring, but also for their alignment with broader social and cultural norms.

In addition, the capability approach highlights that **human heterogeneity and conversion factors**, which are personal, social and geographical characteristics, influence the ways in which people translate assets and resources into valued functionings (Robeyns, 2005). Therefore the capability approach recognises that the capability set will be specific for each individual and based not only on the supply side of the financial sector and other social structures, such as gender norms, but also on the individual knowledge and valued judgments of potential financial and economic options (figure 3). By using this perspective it is acknowledged that the financial practices of poor people are valuable in their own terms and as such need to be understood in relation to their own context of reference rather than by comparison to practices that are appropriate in other contexts. Similarly, literature in economic anthropology and sociology shows how economic and financial practices are also social practices and that there are different rationalities at work when people take financial and economic decisions.

This brief presentation of the capability approach and how it can be used to reframe the concepts of financial capability and financial inclusion shows that there are three aspects to pay attention to for a deeper exploration of these concepts. First, I have focused my analysis on the understanding of people's wellbeing as what they value being and doing in their life. Second, I have explored the meanings and values behind financial and economic strategies and use of financial services. Third, I have explored how these valued strategies contribute to people's wellbeing goals, instrumentally and intrinsically. This analysis has, at each step, explored the findings in relation to the cultural and social context in which the research was carried out.



## Chapter 4

## METHODOLOGY

This research was undertaken with respondents who were previously randomly selected for a market case study (MCS) titled *A promise fulfilled? Financial market development in Kenya 2011 - 2015* (Johnson, 2016). This means that respondents had all already been surveyed once by the time qualitative interviews were carried out for this research. Selection and participation of respondents in the qualitative interviews was therefore somehow influenced by their experience of the first survey. While the majority of respondents remembered having taken part in the survey and were happy to be interviewed again, some had difficulties recalling the first survey or complained that the reasons behind it had not been clearly explained and requested further clarifications. Overall, it was more difficult to contact women in those cases where the phone number collected during the first survey belonged to their husband or father. Respondents were not all contacted for the qualitative interviews at the same time. Some were contacted just two weeks after the survey while others were contacted over two months after their first survey. However, this did not seem problematic since the majority of respondents could still remember having taken part in the survey even after a couple of months.

Respondents were selected from four clusters which were covered by the MCS research, two rural and two urban clusters located in Nyamira and Kitui districts. One of the urban clusters was located very close to the main town of Nyamira (one kilometre away on the main road) while the other was located within Kitui town. The rural clusters were located in more remote areas, far from the two main towns and therefore had less easy access to financial and other types of services.

Respondents were purposively selected among the MCS respondents. There were about 15 respondents in each cluster in the MCS research and about half of them were selected for qualitative interviews. Age, gender and level of financial inclusion were considered in order to have a variety of respondents according to these indicators. Selection also depended on the willingness of participants to take part into the research and whether the respondents could be reached. In particular, in one urban cluster it was very difficult to follow up on young women, either because we did not have their phone numbers or because they were busy. Two rounds of qualitative interviews were conducted with each respondent for a total of 34 interviews during the first round. The second round of interviews had not yet been completed by the time this report was drafted. Therefore, this report is presenting a preliminary analysis of 32 interviews done with 16 respondents. The table below shows the 16 respondents by age category, gender and level of financial inclusion<sup>4</sup> as formal, informal, mobile and excluded.

Interviews were carried out by myself and research assistants. In the two clusters located in Kitui district I worked with a female assistant for all the interviews, while in the two clusters located in Nyamira district I worked with both a female and male research assistants to interview women and men respectively. This was decided after consultation with other researchers and research assistants who had previously conducted research in this area. Interviews were carried out in the local language, Kamba in Kitui district and Gusii in Nyamira district. In two occasions, interviews were carried out in Kiswahili because respondents were not from the local area. Also, interviews with three respondents were carried out in English.

**Table 1. Respondents by gender, age and level of financial inclusion.**

Gender	Age	Formal	Informal	Mobile	Excluded	Total
Women	Young				1	1
	Old	3	2	1	1	7
Men	Young	1			1	2
	Old	2	3		1	6
<b>Total</b>		<b>6</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>16</b>

<sup>4</sup> Age breakdown: respondents who are 18-35 years old are considered 'young' and those aged above 35 are in the 'old' category.

Financial inclusion breakdown: 'Excluded' refers to those respondents without any form of financial service, 'Mobile' refers to those respondents who only have access to mobile money, 'Informal'

refers to respondents who are part of informal groups such as savings groups and clan groups, 'Formal' refers to those respondents who are using formal services such as bank services or registered SACCOs.



The first round of interviews developed into a format in which we first asked respondents to talk about the broad story of their life before we probed more into specific areas such as their livelihoods activities, their family and community relationships, their life achievements and challenging moments. The interview tried to probe how the different situations that respondents were narrating have had an impact on their life and how they felt about them. Ultimately, we were asking people what constitutes for them a good life and what they were hoping to achieve in the future. Asking respondents about the good life took different forms: some respondents talked about a life without stress, others talked about a good life and in some cases we asked about a comfortable life, highlighting that we were interested not only in their economic situation but more broadly in what makes a life comfortable, considering for instance social relationships. Often respondents' answers focused on their material and economic achievements and on an idea of a good life which is based on material and economic successes. Therefore, it is important to relate their ideas of a good life to the rest of the interview which gave them an opportunity to talk more broadly about their life and relationships and what makes them feel good and bad in life.

The second round of interviews took place about a month after the first round. We asked respondents to talk about the events that happened during that time and also about the main expenses they have had over a certain time period. This varied based on the individual respondent's circumstances. Because the majority of the interviews took place during the first few months of 2015 (January to March) many respondents talked about very recent expenses related to school fees. In situations where there were no recent major expenses, respondents were asked to talk about the main expenses they have had in the last two years. Sometimes it was possible to cover both recent expenses and those happened during the two years before the interview. After talking about how respondents financed their main expenses, we asked them to talk about the formal and informal financial services that they use. Often relationships

of assistance had already been covered during the first interview and so this second one focused more on formal and informal services, the reasons why services were opened and used and what people had achieved and learnt by using certain services. Generally, respondents were more comfortable during the second round of interviews and on average they lasted between one and two hours.

The analytical methodology of this research is inductive. I have worked through the first round of interviews to identify the main themes related to people's wellbeing and their idea of a good life. Meanwhile, by using the second round of interviews I was able to identify the main strategies and services which respondents use and highlight the main reasons behind their choices. The methodology is also interpretive. Given the interest of this research into the values and meanings that are associated with money and resource management strategies and how these strategies relate to people's wellbeing, I have interpreted the strategies that have been identified from the second round of interviews in light of the wellbeing themes that were identified from the first round of interviews. In this way, I have explored the different economic and financial strategies for both their instrumental and intrinsic relevance for people's wellbeing.

The interviews were all transcribed from the local language into English. They were further edited by my research assistants and uploaded into Nvivo. Transcriptions were coded based on the main themes emerging. In this report, I am first presenting respondents' ideas of a good life, also taking into consideration their achievements and aspirations, by using excerpts from several respondents. Second, I will present four main strategies related to money and asset management using case studies. Each strategy will then be discussed using other cases to further explore the main issues emerging.

## Chapter 5

# IDEAS OF A GOOD LIFE

This chapter discusses key findings about respondents' ideas of what a good life is. It shows that these are often connected to material improvements of the family's situation. However, these improvements are important not only materially but also in relation to social expectations, values and identities. People perform certain roles within their families and social networks, trying to conform to the social expectations on how such roles should be performed in life. The achievement of these social expectations supports people's identity and self-esteem, giving them a sense of achievement and pride in their life. This shows that material achievements have deeper values and meanings which connect to areas of wellbeing other than material. Indeed, the respondents' episodes which made them happy and proud are highly connected with times when they were able to gain social status in the community and affirm their identities as mother/father and community members. Therefore, having a good life is not just having a life that is economically comfortable but also a life in which people can meaningfully relate to and belong to a certain family and community in which they operate.

In the sections below I will first explore how social expectations and identities are often related to the roles respondents play within their family and how conforming to these roles impact on their wellbeing, through their identity and social status. Second, I will explore how participation in local communities, as well as conforming to the local social and cultural norms, is important for respondents to experience a sense of belonging and recognition. Ultimately, this section wants to go beyond an instrumental view of material wellbeing, to highlight its symbolic connotations and connection with social relations and cultural norms.

### 5.1 THE ROLE OF THE FAMILY AND ECONOMIC IMPROVEMENT

#### 5.1.1 Household economic improvement and wellbeing

Respondents' idea of a good life, or a life without stress, is often presented in terms of material wellbeing and through their aspirations to better themselves and their families by, for example, expanding their businesses, having a better house and sending their children to school. Men in particular associate a good life with the ability to provide for the needs of their family. At a deeper look, the material and economic improvements, which people associate to a good life, are connected to a variety of social expectations. These, for instance, identify men as being the household heads and breadwinners of the family, therefore responsible for looking after not only the security of the household but also its material needs, such as food, education, clothes and medical bills (Silberschmidt, 1999). Because of this, male respondents often consider working hard as the only way to improve the situation of their families and meet all their financial needs. Indeed, working hard is seen as a positive characteristic, especially when it is connected to a rewarding situation where men are able to provide for their family, thus being for them a source of pride and satisfaction.

Daniel is 38 and works as a carpenter in a rural village in Nyamira district where he lives with the wife and three children. He says that he was able to buy a power-saw machine with his savings and expand his business. He employed two assistants to help him procuring the timber and making furniture. He was very proud of his improvement in business and the fact that he was also providing a service and jobs to the community. Thanks to his hard work, he was also able to buy cows.

*"For the last 10 years I can remember that I was able to raise money from my hard work and bought cows. You see buying cows is also a success in the society so I am very proud of that success. The next one I bought a power saw machine, which I used to make timber with. I used to employ people . . . am very proud that at that point in time I was a boss and I had employed some guys to work for me . . . I was feeling good, I felt satisfied that is the correct word until when the machine was stolen that's when I started losing my confidence".*

Daniel talks of his successes in life in terms of the economic improvements of his business and his household. When his business was doing well, he was able to buy bread for breakfast every day while after his machine was stolen and the business reduced he was buying bread only once a week. He also found it more difficult to pay for school fees which meant that at times the children had to stay home for a few days before he could pay the fees for them to go back to school. Household economic improvement is not only important for material wellbeing but it is also connected to non-material aspects of wellbeing. Indeed, Daniel says that he was feeling good and satisfied when the business was doing well, while he lost confidence when his machine was stolen. This event also shows that community relationships are not always harmonious and without jealousy. Daniel did not only lose confidence because his business halted and he was unable to provide for the family like before but also because he lost trust in some of his workers, whom he suspected stole from him.

As Daniel shows, circumstances change and people may not always be able to provide for their family on a regular basis. In the areas where the research was conducted, men are often low-skilled labourers in the informal economy doing casual jobs in very unstable sectors such as the construction sector.

Henry connects his ability to provide for the family with the reaction of its family and the wife who can "sing" different songs at the end of the day. Henry is 48 and does casual jobs as a mason. For him, providing for his family is a source of happiness and pride. Therefore, when he has money to spend for the household needs he considers that as an achievement.

*"When I go to look for contracts and I fail, I come back to find my wife just singing and so I feel bad. But the time I provide is when my family is so happy and the song sung is different".*

Women also speak of a good life in terms of material improvements of the household, such as having a better house, food on the table and being able

to send their children to school. In order for this to happen, women often depend on their husband's contribution to the household, especially when husbands work in urban areas, leaving the wife and children back in the village. Consequently, women value when their husband has a stable job and regularly contribute to the household. Indeed, a woman reported that when her husband did not have a stable job she was stressed. Being grateful for a husband's job does not mean that women do not contribute to the family needs. Indeed, they are often responsible for looking after the shamba (farm) and they engage in market trading of agricultural production. In more urban settings, they are also involved in other types of businesses related to manufacturing and trading. Moreover, among the respondents, a few women were widowed or separated and they therefore were the main providers for their families and often had to rely on the support from other relatives.

As pointed out above, the economic improvement of the household is important not only for material wellbeing, but also for other areas of wellbeing, connected, for instance, to people's self-esteem and confidence and their social status and relationships. For instance, having a good house is not only valued because it provides a better shelter but also because it signals people's status within a community. Indeed, men often mentioned that they aspire to make improvements to the house, while women often expressed gratitude for having a good house which can be their shelter and protect them from illnesses. For instance, an elderly female respondent said that she was educating her grandchildren with the hope that they would be able to build a better house where she could *"die in peace"*. However, a better house is not only useful as a shelter but as a source of respect in the community and social value. Elisa, a young widow with three children, says that if the husband was alive they might have been able to upgrade their house so that *"this would make us to be respected to an extent that even when visitors come they realise they are in a good home"*.

House improvements and changes can also be representative of different life stages. For instance, Daniel talks about how his life has improved in terms of the different house he lived in and had been able to build.

*"Overall my life has really improved, am doing well generally when I gauge the whole of my life because when I started out I was staying in my parents' house which was grass thatched, the one I told you about, but as tradition demands if you are older than other boys you leave it to the young ones, you are supposed to have your own house so when I built a small house next door to this one I had used second hand roofing iron sheets but with time I worked hard and I was able to build this house so am very proud of it as an achievement and it's a great improvement in my life"*.

This last quote from Daniel exemplifies both the instrumental and intrinsic connotations of having a better house. He values the improvements of his house not only because he now has a good roof over his head and a bigger space, but

also because this is a clear sign of his social status within the community and of a different stage in his life. Therefore, he is proud of his achievements. Material and non-material aspects of wellbeing, the instrumental and intrinsic values of material things and economic improvements are deeply connected.

The examples in this section show that respondents mainly talk about a good life and their achievements in life in economic terms and with reference to their family. However, the economic improvements are important not only for their instrumentality in ensuring, for instance, a better job, diet and shelter but also for other aspects of wellbeing which are created in relation to the social expectations around family members' roles. Indeed, people's sense of identity and their social status are all created with reference to a certain social and moral context. Providing for the family is seen by men as their responsibility and improving the family situation is the focus of both women and men who are working hard to ensure their children a better future. Wellbeing is therefore not seen in an individualistic way but it relates to the family and to the adequate performance of its members' roles.

### 5.1.2 Marriage and children: identity and social status

When respondents were asked to talk about their ideas of a good life having children and getting married were often mentioned as positive events and achievements. Indeed, life seemed to rotate around the goal of creating a family and both women and men consider themselves as having a good life when they have married and have had many children. Children are considered a blessing. Alan, who is 57, now lives only with his wife. Their four children moved to Nairobi for work and studies. He says that when his children come to visit him they are like flowers, while Carol, 38, with six children, says that children *"bring completeness in a family"*.

Daniel says: *"I am feeling good because ... now I have some children, so at least my status has changed as am considered as somebody who is successful in this place"*. Having children is an important life stage for both women and men and it is a source of respect from the community. Silberschmidt's ethnographic work (1999) shows that getting married and having children is linked to the existential identity of Gusii people (in Nyamira): these stages are prerequisite for people's social value and status, especially for women.

This is still the case, even in modern Kenya, where the role of children has changed and the burden of educating children has increased dramatically. Ulric, who is a father of seven and the family breadwinner, openly expressed his worries about being able to provide for his children's education and mentioned that if he was to go back he would choose to have fewer children. However, the fact that children will be helpful in the future makes his current struggle worth it.

*"People have been having a very bad perception about family planning methods, they say that once you start using these methods then your wife will be infertile. But big family is good too because your children will be able to help you in future even though you have to struggle a lot in order to take them through school"*.

Parents struggle to educate their children to give them a better opportunity for their future and, implicitly, to ensure that they will also be able to help them. However, it would be wrong to see the importance of children only through an instrumental perspective. Indeed, Daniel feels good about his children and he recognises that he can now play a different role in the community: children are a source of pride, social status and people's identity.

Taking care of the family does not mean to only provide for material things, as shown in the previous section. Indeed, men are also concerned about the quality of their family and raising their children with good values and morals. They are happy about having married to 'good' wives and having raised a family that is united and where there is no conflict. For instance, Jonhatan who has been married to four wives, says:

*"All the children know that I am their father, and since they were born they have no difference that they are of different mothers, they are just united and they live peacefully . . . I am proud that I was able to bring up the children without showing them any form of separation and discrimination".*

Women also appreciate having a unified family, where there is no conflict and this is often shown by the fact that in big families women, such as the daughter and mother-in-law, cook together. When female respondents were asked about the relationships in the household they often made reference to the fact that they were living in peace and cooking in the same kitchen, as a representation of good relationships. Matthew, a twenty one year old boy who lives with his mother, his younger siblings and the family of the older brother also says: "The relationship is good. We cook in the same kitchen and live peacefully". Only in one situation a respondent said that the daughter-in-law, who has now separated with her son, used to cook separately. Carol, who lives in a compound with six of her sisters-in-law, says: "This is a friendly and unified family and I am happy about the way they consult". Living in peace with the family was indeed mentioned as something valuable.

This section highlights again the importance of the family for people's wellbeing. In particular, it has shown that getting married and having children are important life stages linked to people's identity and social status. At the same time, having good relationships and living in peace with other family members is something important for people to feel and live well. This again reiterates the importance of the family for people's wellbeing: people talk of wellbeing at a family level and work hard to improve their household. At the same time, by taking care of their family and conforming to the social expectations connected to their roles as for instance head of the household and wife (Silberschmidt, 1999), people reinforce their identity, self-esteem and social status.

## 5.2 THE ROLE OF LOCAL NORMS AND COMMUNITY RELATIONSHIPS

### 5.2.1 Community relationships: being accepted and feeling good

Respondents' wellbeing does not only depend on having a good family and economic improvements. Being accepted by the community where someone is operating is also very important and this is shown by having a social role within this community: people feel good about having a role and strengthening connections of support and friendships. Women often move to the husband's community once they get married and it is important for them to be accepted by the new community. Hilary for instance remembers with fondness the time when she was brought to her husband's place, saying that there was a ceremony and her friends escorted to her new place. *"I was feeling very good since I was moving to my home where I have been married to"*. Hilary has now been married for many years, her children are grown up and left the house where she has remained with her husband. During her life she was able to build connections within the community and gain a place within it because people trust her.

*"What has changed is that people here have understood me well and even they give me obligations to do because they trust me"*. Here Hilary is talking about helping out during events which happen in the community, such as weddings or hosting guests. Her role within the community is important for her and is further recognised by her membership in a community committee from where she can access financial help in case of emergencies like health issues. Knowing that she can have both financial and moral support from neighbours, friends and the community makes her feel like she has an *"easy time"*.

Rachel is 24 and also moved to her husband's home when she got married at the age of 16. She now feels that she is well integrated with the neighbours with whom she does activities like fetching water. Moreover, she considers church gatherings to be very important opportunities to make friends with whom she can discuss her issues and stresses. The lack of theft and feeling of security as well as the lack of gossip and hatred among neighbours were spoken as important to live well and for people to be well accepted in the community. Rachel says:

*"Since we co-habit peacefully, people have a good opinion about me . . . There is no trouble because we do not hate and gossip each other. Gossip and hatred is what causes trouble among people"*.

However, community relationships are not always without conflict and fitting into new communities can also be challenging. For instance, Paola is 42 and also moved to her husband's place when she got married. However, she complains that no ceremony was done and the husband has not yet paid anything to her parents. Moreover, since she comes from a different tribe she

experienced several challenges, among which not knowing the local language which made more difficult being accepted by her husband's community and parents. She also says that since she was not introduced to her husband's church by him, she could not attend it for four years and life was hard.

*"I feel like I am not one of the community member, I am isolated. Like now when there are celebrations like weddings, when others are preparing to participate on these occasions, I am told not to."*

Men can also suffer from being excluded by their community. Henry, for instance, experienced problems in keeping one of his boys in school and, at the same time, the boy joined a bad company. The social pressure from the community to discipline the boy and send him back to school affected him greatly. "I felt so bad because they took me as a bad person and made jokes of me. It stressed me out so much to the point that I could not even eat". Henry was even reported to the local chief and then, together with the wife, they called the uncles to help them straighten the boy. Eventually, they sold their last cow to send him back to school. "I have gained my respect in the community" and now neighbours greet him again.

This again shows that belonging to a community, feeling accepted by such community and being respected are all important for people's wellbeing. Such relationships are very important in order to be accepted by the community and gain its respect. Often it is only when people deviate from such behaviours that social and cultural norms become evident and people experience situations of exclusion and marginalisation. Indeed, often respondents talked about these behaviours and norms when they were unable to follow and conform to them and this represented a source of conflict or lack of self-esteem and respect by others.

### 5.2.2 Cultural norms and people's life stages

Respondents' idea of a good life is highly influenced by local norms. These influence the social expectations around the different roles that people play in their life, depending on the stages of their life. As previously seen, there are social expectations around household roles, such as that of breadwinner. In addition, cultural norms also establish a series of ceremonies and rites of passage which signal different stages in the life of people, such as initiation ceremonies. Being able to follow such local customs and norms is important for people's self-esteem and identities, because it allows them to be recognised and respected by other people. For instance, as previously mentioned, getting married and having children are important steps in Gusii culture (Silberschmidt, 1999) and the payment of bride wealth is still considered important.

Henry repeatedly mentioned that he had not been able to pay bride wealth for his wife and that he was hoping to be able to pay at least one cow every year. In particular, he said that if he had been able to pay bride wealth he would have been respected from the in-laws and included in family decisions. Instead, he was not considered "man enough" and he knew that the wife could have been taken away from him. Even if such an instance seemed very remote, the role of

traditional customs affected his identity as a man and self-esteem. Moreover, not paying bride price may be a source of conflict.

*"The only conflict that we have with the sisters is that their husbands have not paid dowry . . . I have to pay because they might take my wife away. I am the only one who has not yet paid the dowry here in my family".*

Similarly, according to Kamba traditions which are strongly patriarchal the son's children are expected to be part of the family of their father. Melanie, an elderly widow who looked after her son's children for a long time, says:

*"I'm not happy at all with the behaviour from the in-laws. One of my granddaughter is married but she does not come here. She decided to take the dowry to the grandparents to her mother. This is very bad according to the traditions and makes me feel sad about the in-laws. My son's wife is currently home after separating".*

Muni would like to bring back her grandchildren because she says that the children are part of their father's family. This is also why she was expecting her granddaughter to take her bride wealth to her father's family. Similarly, Noah, an elderly man from a Gusii village, mentioned several times the fact that his sons in-law never paid any dowry for marrying his daughters and hardly help him out. On the contrary, in the past he paid ten cows to his parents in-law. It seems that especially for older people, who grew up in a more traditional society, the disappearance of such traditions are lived with sadness and as a lack of respect.

However, also for young men it is important to be acknowledged and supported by the community. They follow local customs to establish their household and gain respect and a role within the community. Daniel has recently organised the traditional circumcision of his two boys, aged 8 and 10, and he feels extremely proud of this. Moreover, doing the ceremony has changed his role within the community and he is aware that he can now have a more prominent role within it.

*"Am feeling proud that I have circumcised the boys and I have done the ceremony when you do the ceremony and feed the community members. I can now have a say in the community, am very happy".*

This section shows that following local cultural norms is very important for people to be respected and valued within the community and clearly gives people a sense of confidence and self-esteem. Also, such ceremonies often mark a new life stage for people (Silberschmidt, 1999). Daniel, for instance, talks about it in terms of his new role in the community as he can now participate in community discussions. On the contrary, situations where such local norms are not performed, as in the cases of Henry and Melanie, generate a sense of failure and lower self-esteem.



### 5.2.3 Social and moral norms: mutual support and generosity

Local norms do not only relate to cultural norms which, for instance, define people's passage to new stages of life. Cultural contexts also influence social and moral norms which guide how people behave with each other. These too create social expectations and pressure to conform in order to gain respect from the community and self-esteem.

One of such norms is that of mutual support and helping each other out. Respondents reported several cases in which they were able to help other people and how helping others make them feel good. This is not just a social norm but it is also found in the Christian teachings and people are reminded at Church of their duty to help those who are in need. Therefore helping others is a form of social responsibility and a moral norm, and people are happy when they can help relatives, friends and neighbours. At times this can happen through community fundraising where people are asked to contribute for a specific need such as medical bills or school fees but there is also a widespread practice of helping each other out with friends and neighbours in a reciprocal way.

Henry, for example, in order to contribute to community fundraising sells chickens to raise money to contribute.

*"I do feel good because when they need help I take it like I am the one who is in need and that is why I do that to make good relationship so that they can assist me next. And we do that to support each other as we proceed in life".*

Noah says that he always tries to help people in need, because communities operate through mutual support.

*"I feel good because I know when one comes to ask for help, I do understand that he has the problem and I am able to give the asked support . . . You cannot leave the needy yet you have the ability to help. As a community we have mutual support for each other".*

In a context where poverty is high and job opportunities are scarce, ensuring recognition and respect from others in the community promotes eligibility for help in case of need and it is a form of social security. This is useful in times of emergency. However, such instrumental perspective on relationships should be put into a broader perspective of wellbeing. Being able to help others who are in need is a way of participating into society, while gaining the respect from the community and becoming part of a larger network of people. Social networks thus become extremely important not only as a form of social security but also as a way of confirming one's own role in the community and gaining respect. This shows that social relationships are intrinsically important for people's wellbeing. Indeed, it is within relationships with people who share similar values about life that people identify themselves. This is why respondents feel good when they have roles in the community and are able to help other people.

Moreover, as Henry pointed out, there is a value in people helping each other to proceed in life. This shows a morality that goes beyond individualism and in which the appropriate mode of development takes a collective form. Ultimately, being part of the community is part of people's identity and it is through the development of such community that people thrive. For instance, people who are educated and able to help in their rural community of origin are regarded as 'good' people. This is why Matthew, who just finished secondary school in a rural village, hopes to get a good job to be able to help his mother with a new house and children in the community to go through school.

*"One of the things is education because when you get learned you get employed by the government and this enables you to earn good money, when the results come out and I succeed I will be able to help my mother and I will be able to help the disadvantaged and bring development in the community . . . When someone is learned he is satisfied. You can do important things and become able to help and support others. When you are educated people are impressed by you and are happy for you. When you are educated people respect you, like my village people respect you".*

Matthew shows that education is something of value. It is important in order to get a good job and be successful. However, success is not seen in a selfish and individualistic way. Indeed, Matthew talks of bringing development into his community, especially through education. He hopes he will be able to pay school fees for the disadvantaged children in the community. Therefore, his success is not in isolation but linked to the prosperity of his family and community.

Because helping out has such positive connotations, asking for help from one's own children, neighbours and friends is also widely accepted. However, there are different situations where help can be requested, some of which are more accepted and appropriate. People will mainly ask for support when in need of food or money for school fees and medical expenses. Types of help also vary depending on the relationship between the giver and the receiver and if some types of support may be acceptable between parents and their children, they may not be so in other relationship. I will go more in depth in the descriptions of such relationships in the next section on support networks. However, it is important here to underline not only the instrumentality of such relationships of help but the intrinsic value of such relationships for people's wellbeing.

Indeed, this chapter argues that people become part of a community by performing social and moral norms of mutual support. In this way, people gain respect from the community and a role within it. This is connected to their identity and self-esteem as individuals. Moreover, participating and nurturing relationships of support is indicative of a collective morality, where people identify themselves within a community and its development.



## Chapter 6

# MONEY AND RESOURCE MANAGEMENT

This chapter discusses key findings about the ways in which people manage their money and economic resources. The intention here is to examine how the ways in which people manage their financial and economic resources have an effect on their wellbeing, which could be instrumental, intrinsic or both. Saving and planning for the future are important for people to achieve some of their goals in life, such as paying for education. Meanwhile helping out and participating in groups of financial support are not only instrumentally important for people to cope with emergencies and plan for future expenses but also intrinsically valuable for people to maintain social relationships and reinforce their identities and sense of connectedness.

This chapter is divided into four sections, each of which focuses on one specific mechanism of resource management: social relationships of support, *chamas*<sup>5</sup>, formal financial services and livestock management. Those respondents who mainly rely on support networks and *chamas* normally do not have formal financial services. However, all the respondents who have formal financial services are also participating in *chamas* and helping other family members and friends out when asked for. Therefore, the order of the following sections is presenting financial management on a spectrum that goes from exclusion from the formal financial sector to use of and participation in informal and formal financial services. The last section will explore the economic and social aspects of livestock ownership and management which are shared by the majority of respondents, independently of their level of financial inclusion.

## 6.1 SUPPORT NETWORKS

### 6.1.1 Rachel's story

Rachel is 24 and a mother of three. She says that she had to drop out of school after Standard 3<sup>6</sup> because when the father passed away the family could not afford to pay for her school fees. She married at 16 in 2007 and now lives with the mother-in-law and her three children. Since her husband is the last born in the family, she says he is the one to inherit and this is the reason why they live on the family land with the mother-in-law. Rachel says she was accepted very well in the family and in the community, she now cooks with the mother-in-law and does activities with her neighbours such as fetching water together.

Rachel says that the best things that had happened to her were getting married, having children and buying her one goat. She feels like she is having a good life because she has a good home and children. She believes that going to church is part of living well because she can meet friends and also release her preoccupations. She looks after the shamba and her one goat, since she says that casual jobs in the area are paid very little. She is happy to have a good network of people around her. One of her neighbours, Esther, is a very good friend of her. They visit each other often and they help each other out in

case of need. The mother-in-law is also supporting Rachel and the children, sometimes she buys food for them or helps with school expenses and medical bills.

*"I feel happy that I have a good network of people around here ... I feel very happy because I can rush to Esther's place when I'm in need of something and she won't deny me ... Yes I do help her. We are always advised in church to help those who are in need ... I feel happy because we are supposed to help each other. So I should help other with what they don't have".*

In some instances, Rachel had to ask for support from her sister in Mombasa and her husband's siblings. Once, Rachel and a brother-in-law got cat bites and needed injections. The mother-in-law sold two goats and Rachel asked her sister for some money to pay for the remaining injection.

*"During this time I asked one of my brothers-in-law who owns a shop and lives in Mombasa for help but he was hesitant. He did not want to help he said he did not have money. So my second option was my sister and when I called her and asked her for help she sent the money ... that was not the first time we had asked for help. Every time we ask him for assistance he says he does not have. It has reached a point where we do not bother calling him to ask for help ... the wife is the one who influences him to turn us away".*

Another time the husband was sick and one of his brothers helped them out with the medical bills. Although in all these occasions the siblings were not expecting them to return the money, Rachel says that the husband will repay them back when his job will be doing well. The husband has now been employed for two months in the city of Thika and Rachel feels quite stable and optimistic about the job. Since now one of her husband's sisters is having problems with school fees, Rachel says that *"He will support the sister like he was supported"*.

Since now the husband is away, Rachel is receiving money on a monthly basis through a shop-keeper who is related with the husband and where she can take food on credit. She says she could also borrow from the shop-keeper in case of need, although that has never happened.

*"Last year my husband preferred to give me money to plan around the household needs because I know which things need to be taken care of at all times. For example there was a time he told he only had KSh 500. I decided to take KSh 300 to school and we had the KSh 200 for the*

<sup>5</sup> Informal group-based financial services such as saving and lending groups (also called table banking in Kenya) and ROSCAs (merry-go-round). The latter are rotating schemes where group members put together a fixed amount of money at every meeting and the whole contribution is given to a different group member at every meeting.

<sup>6</sup> Equivalent of Year 3 in English primary system

*household needs. My husband makes the money while I plan for it . . . I am doing better now, thanks to the budget. Now the money comes monthly compared to back when I would get some money every 2 to 3 days because my husband was around here then. Now with the monthly income, I am forced to make a budget and it helps me not to over spend or misuse it."*

At this stage of her life, Rachel is comfortable in asking for support when she is in need and she knows many people whom may be able to help her. At the same time, she is happy to give and help whenever she is in a position and the last time she received money from her husband she finished the money to make a contribution to church. She said she was fine without money in the house and that she did not expect any unexpected expense to arise. However, at times she saves some money in her purse and she was particularly proud of how she managed to buy some vegetables once with her own money.

*"I have many people whom I can ask for help from. However they are best suited for different situations. Like I cannot ask my brother in law for a little money for food, I would rather ask my mother in law or the shopkeeper or Esther. I would ask my brother in law for help in case I need a lot of money like in case someone is sick and they need to go to hospital. I usually know who is able to help".*

Rachel would like to move to Thika and set up a business to help her husband in supporting the family. She also hopes to take her children up to secondary school and she wants to join a local *chama* with the mother in-law and other three sisters in-law.

### 6.1.2 Trust and norms around "asking for help"

Rachel's story shows the importance of having a support network on which one can rely in case of need: on the one hand asking for help is widely accepted, at the same time "helping each other out" seems to be a strong social and moral norm within community dynamics. Indeed, Rachel is happy about helping other people and, at the same time, she feels comfortable whenever she needs to ask for support. However, there are norms which regulates what and when is appropriate to ask depending on the social relationship within which help is asked for. Moreover, mutual recognition and trust need to be present within such relationships for people to feel comfortable to ask for support.

For instance, Daisy, who normally receives help from her first born son who is a priest, recalls a situation when she needed cash quickly for some medications and her neighbour was at that time her quickest option.

*"It is only one neighbour because if you ask so many people they will go saying that you like asking people for money so it's only one person that you can trust, who also when they have a problem they can as well ask me".*

Daisy seems a very reserved woman. She does not participate in any community group, however she has developed a relationship of trust with one neighbour. In maintaining support networks, not only the receiver needs to trust the person who is helping out, but often the giver needs to trust that the receiver will be able to return the money or somehow reciprocate the support in case of need. However, in many instances people are just "helping out of generosity" and money does not have to be returned. The norms which regulate relationships of support define what is appropriate in each relationships. For instance, even if "helping out of generosity" seem to be a frequent type of support, it does take different forms depending on the type and closeness of the relationship between the giver and the receiver, their social and economic status, as well as the type and amount of support requested.

Hilary is 69 and two years ago fell sick and needed to go to the hospital and to purchase medications. Together with the husband they decided to first ask her brother, who is an accountant, for help. The brother irregularly send small amounts of KSh 1,000<sup>7</sup> to help every now and then. In that situation, however, he sent KSh 20,000. The total amount of the medical bill was of KSh 28,000 and Hilary's son was the one to settle the bill. Hilary sold some of her farm produce to cater for small expenses like transport. Hilary is also part of a community committee where they organise fundraising to help community members with medical expenses and school fees. She feels that having such a committee is making her life easy, however her brother and children are normally the first people she would ask for help. After some time, her son in Nairobi was promised a job after the payment of KSh 100,000. In order to help the son, Hilary sold a cow for KSh 22,000 and trees for KSh 20,000. Hilary said that selling some of their assets did not affect their lifestyle much because they have more cows and more trees. Besides now it is only her and the husband in the house. However, she felt bad that the son did not get the job at the end.

Hilary's story underlines two aspects which were also found in Rachel's story. First, there is a consensus on the appropriateness of asking for help, second, there seems to be norms about how to engage in such relationships of help. As the story shows, expenses related to medications and health procedures are part of this category of expenses which are eligible for support. Indeed, Hilary, instead of selling her assets to pay for her medical expenses, decided to

<sup>7</sup> 1Ksh=0,0074E on <http://www.xe.com/> [03-08-2016]

ask her brother first. *“I tried to seek help from my brother first. If that had not been successful then I would have sold my assets”*. Hilary knew that she could ask her brother for medical expenses, a support that she would have not had to return, while selling assets is always the very last option people go for. However, when asked why she did not ask her brother for help when the son was offered the job she says *“No, that would have been too much since he had already helped me out with my medical expenses”*.

Similarly, Rachel said that she has many people to whom she can ask but they are better suited for different situations. Not only it is appropriate to ask different people in different situations, but it is also generally appropriate not to ask the same person too often. These norms of behaviour are developed in practice and differ from person to person and within different relationships. These norms can be about the reason why help is asked, the amount needed and the frequency with which help may be appropriately asked for.

Henry's story similarly shows that there are different types of support relationships. He talks about one of his brother-in-law who works for the Ministry of Health and owns a school as his closest brother. Henry is able to access help from this brother who is relatively better off and he nurtures his relationship with him.

*“He is my closest brother. So rather than going to my brothers in law and my brothers who are also struggling like me since we are on the same level. They are also from the different mother, and my brother is at a different level and he is capable of helping someone. The others are farmers that is why they do not have enough money as well and we are on the same level such that they are struggling like me”*.

*“The situation is different that is when I go to my brother who is here and uncles I ask them little money like KSh 200 or KSh 1,000 and return back to them. But when I need more money like KSh 3,000 or KSh 5,000 I go to my brother who is at Kisii for support and even for him I do not return the money to him because he doesn't like me to return the money to him”*.

Henry's example shows again that there are norms of which people are aware. In this situation he talks about the different amounts that would be appropriate to ask from different people. Henry says he does not feel good when he has to ask for money but *“the situation makes me to borrow”*. This normally happens when he has a problem and he needs help, for instance for school fees.

Henry's story also shows the importance of nurturing different types of relationships with friends and family members and to follow the norms that regulates the ways in which relationships of support are played out. Indeed Henry is now thinking of ways in which he could send his son, who just finished secondary school, to college. He said he will struggle on his own first, before he can ask friends and family to help him paying the school fees.

*“Before I go asking for support from my brother, it is better if I struggle on my own first . . . when I have something I have saved already, that is when I can call for help from friends rather than asking them to help me yet I have nothing”*.

People know when it is appropriate to ask for help. This normally involves paying for medical expenses, school fees or food. Asking for help is not a selfish behaviour and people ask for help when they are in real need. Indeed, as it was shown in the previous section, people develop as a community and consider personal achievements in a collective perspective. Moreover, asking for help and maintaining support relationships are ultimately constitutive of people's identity as they receive recognition within certain social networks which may otherwise become distant, as Rachel showed with one of her brothers in law. Therefore, people know how to perform the norms around support relationships and how to maintain good relationships, but this is not because of an instrumental and individualistic goal.

### 6.1.3 “Helping out” and the dynamics of reciprocity

One of the tacit norms in these relationships of support is that of reciprocity. People always try to help others and maintain a reciprocal relationship with those who have helped them even when their help was out of generosity. This reciprocity may take different forms and happen at different times. For instance, Henry, in return for the help he receives from his friends, helps them out by doing construction works which they may need in their house. He gets paid for the work but he says that his friends trust that he will do a good job. Lately, he has also been growing napier grass but unfortunately he had to sell his last cow to pay for school fees. Instead of selling the remaining napier grass he had decided to give it to his brother since he has cows.

*“At the moment I am not intending to sell the napier grass because my brother who is a doctor has some cows and I have given him nepia grass because he assisted me with school fees at some point”*.

Henry cannot afford to repay back the money he was given but takes good care of maintaining his relationships with his friends and brother. By reciprocating in different forms the help he received, he shows his appreciation for it and his availability within such relationships. This shows that reciprocity is a fluid and dynamic norm which people develop and nurture within their relationships. Rachel also said that the husband was going to give back the money in the same way he had been helped. In that situation, reciprocity was within the family but directed to a different family member: the husband, who had been helped by his brother when he was sick, is going to help his sister paying school fees. Thus, there are no fixed rules on how such reciprocity should happen and this norm develops into different practices by the people involved. For instance, Matthew who just finished secondary school is planning to reciprocate in the future by planning to help his mum build a house *“because she brought me up, educated me and given birth to me”*.

These relationships of support are not just instrumental for people to cope with life shocks and big expenses in a situation where incomes are small and very irregular. If such system of reciprocity is so strong because of the external conditions which lead to its usefulness, there is also a good reason to argue that such connections are also essential for people's identity and self-esteem. There is more to these relationships than just their instrumental purpose. Helping others make people feel good as it was shown in the section on wellbeing. For instance, Carol has many friends and good relationships with her sisters-in-law and they often help each other out with food and other small needs in the house. *"I feel very happy because even the teachings say that blessed is a hand that gives rather than the one which takes".*

People feel good when they are able to help family members, friends and the community at large. This is not just an instrumental help, given in order to receive something in return: helping others supports people's social position within their family and community. Indeed, people also help in situations where any type of reciprocity seems very unlikely to happen. Alan for instance is relatively well off within his community. He was for a short time in politics and he is currently running a *posho* mill (maize mill) while the wife has a small shop at the *matatu* stage (bus station) in town. Their last born is finishing university and the older siblings are all working and helping him out finishing his studies. Alan knows that people in the community sometimes get stuck because of school fees, food and funeral ceremonies. Therefore, he joins in community fundraising but also assist people individually when approached.

*"It's like when someone walks up to me and asks, Councillor can you give me KSh100? You do not expect it back. They might ask for KSh 50 or KSh 200, maybe they are stuck. That is not something I expect to get back or go ask for it."*

This is part of that social responsibility to help each other which was shown in the previous section and it is important for people to feel they belong to a certain community. Even small help can become significant because they show the willingness to give and support other people while recognising the other person.

Indeed, it is by helping others that people are recognised by the other side of the relationship and thus this is important for their sense of self and belonging. It is by helping family and community members that one get to be part of them. Rachel, for instance, was well accepted by her in-law and her husband community and she feels entitled to ask for help to neighbours and in-laws. If she was not acknowledged as part of the family the situation might have been different.

#### 6.1.4 Networks of financial support and social dynamics

The stories above show that people can be both included and active within social networks and networks where they can receive and give financial support. Often, the two types of network overlap. However, financial and social dynamics can differ and not everyone can access someone who is better off in their social networks. Laura says:

*"My relationships with my sisters is good, we help each other, and if I need someone to talk to I can to them. I also visit them and come back with food stuff from them but we are not so well off such a way that we can ask big financial assistance like KSh 10,000, KSh 20,000 and so on from each other. But we are happy and love each other."*

However, Laura is part of women's groups where they access loans to support their businesses and families. She is not excluded from social networks but she is struggling to make ends meet and send her last born to school also because she cannot access anyone who is better off in her closest networks of family members and her business is not doing well. Ulric is in a similar situation as he cannot rely on people close to him for financial help *"because I don't have parents and my brothers are not well off in terms of finance. They all do casual jobs like me"*.

Similarly, Nyarongi only asks his children for help when he is sick. Because they are not well off and they also have their children he hardly gets any help unless he is sick.

*"I ask them when I am sick, and if I ask them when I am not sick, they hardly give me the money, and even my sons in-law have not even paid the dowry . . . I usually get help from the family members, my neighbours can give small support like food but it is hard to get help from outside"*.

These situations are not of social exclusions: respondents are part of social and support networks, however since everyone in these networks is in a similar position in economic terms, they find it difficult to access financial support of a certain amount when needed.

Elisa, who is widow, is also struggling to send her children to school and the only small support she can access is from her sister and uncle. She cannot get help from neighbours because she has children in school and *"they think that I cannot help them since my children are going to school"*. She also cannot take food on credit because *"here you cannot be given if you are poor, maybe you can be helped if you are sick"*. This shows that there is a bottom benchmark in terms of poverty which affects people's ability to stay active within support networks. People are too poor to be able to ensure some kind of reciprocity.

Belonging to such networks is fluid during one's own lifetime and it changes based on the life stage and economic situation in which people find themselves. Melanie, an old widow, who is providing for her adult daughter who is not married and her six children, is struggling to access help from neighbours and has also fallen out from the clan group where she has not been contributing for some time. However, in the past Melanie used to help around whenever she could. Now with the increase in the family responsibilities she is not able to help people and access any financial help from people in the community because she does not have the means to reciprocate resources. She continues to get help from her mum who receives a monthly pension.

*“The neighbours are good. . . my neighbours cannot lend me money, I have nothing to repay them with. It is a challenge for me. I have nothing I can give them, when my grandchild was sent for school fees, I went almost to everyone to get the money with no help. She had to sit back for one month until I got the money. It's not easy for them to give you money especially when they know you don't have . . . The time I used to have money, I gave them whenever they asked for help from me”.*

This shows that support networks are important but reciprocity might end at some point because people are too poor and they fall out from the networks of assistance. When people cannot take part in such networks their social safety nets break down. This can to some extent also lead to social exclusion. Matthew, who lives next to Melanie's farm, said that he helps her in the farm in some occasions without requesting any recompense. This shows that social inclusion and support from neighbours and friends may still be in place, although it may take different forms than financial.

When people are excluded from support networks, they may try new relationships. For instance, Melanie's daughter asked her cousin for help with school fees and this was her first time. These may be tentative relationships and they may remain a one-off help if people feel that they do not have the means to reciprocate in any way the help that they receive. In other situations, emergencies may be an opportunity to expand such networks. When Daniel's wife got sick he decided to try asking a friend rather than going to the *chama* he belongs because the *chama* would have charged him interest on the loan.

*“I said let me try with the friend as when I go to the group they will charge me with interest but the friend might not, and it was just my first trial and the friend responded”.*

This shows that people learn to create, maintain and access different and appropriate types of support relationships for different purposes and situations. People, however, do not only instrumentally pursue this. Indeed, the value in being part of such networks does not only rely in the financial support one can access but also in the social networks one gets to belong to. This can be shown by Paola's story. Her situation represents a very different case from that of Rachel. Paola's wedding was never formalised through any ceremony or certificate and she has never been completely accepted by the in-laws. This may have also been the case because she comes from a different tribe. The relationships with the new community have also been very difficult because she could not understand their language and she did not know about their culture.

*“I feel like I am not one of the community member, I am isolated . . . They simply don't want to include me in their activities”.*

For a long time Paola has been totally excluded from local social networks because she has not been properly introduced by her husband and therefore not formally recognised as part of his family and community. That has made her feel excluded from the social life of the community. She could also not access financial support since she had no friends. However, she could access financial support from her sisters and parents who are better off. Only recently, she was able to develop networks by joining a savings and credit cooperative organization and through her tailoring business. She now helps other members of the SACCO<sup>8</sup> when they are late for the payment. She says that now through her business and the SACCO she has joined she has made friends and has started to integrate more fully within the neighbourhood. Support networks are thus instrumental for people to cope with life's events but they are foremost a sign of people's inclusion and recognition of their identity and acceptance within social networks.

## 6.2 CHAMA

### 6.2.1 Jonhatan's story

Jonhatan is 61. He studied up to Form 1 and after a few years doing small businesses in Nairobi, he moved back to the village and got married. That was in 1980. In the following few years Jonhatan became dad of two girls and since according to traditional customs it is not good to give birth only to girls, his father advised him to take a second wife.

Jonhatan got married with the second wife in 1986 and he became father of a son in 1987. When Jonhatan had only one family he was living in the village where he was doing some farming to sustain the family. Once he had two wives and more children to support farming was not enough so he moved to the nearby town where he was employed in a butchery. In 2003, Jonhatan opened his own butchery and, although a few changes in the location of the business had happened, this is still his main occupation and source of income to support his latest family and all the children he had from his previous three wives and grandchildren whom he continues supporting.

When he first was employed in a butchery Jonhatan joined a *chama* whose members meet every day at the slaughter house. The members are all employers and employees of the butcheries in town. At that time, there were 30 of them and they used to contribute KShs 100 per day. Jonhatan left the *chama* when in 1999 he was fired from the butchery where he was working and joined it again in 2003 when he started his own butchery. At that time

<sup>8</sup> Savings and Credit Cooperative



he decided to start adding names to the *chama* and today he has 20 names (shares) and the members are 69, however this number changes as people change jobs and open or close butcheries. He says that the names in the group correspond to his family members. Jonhatan is very proud of his family, the unity and harmony among all his children. This is why he says that even when the first and third wives passed away, he never stopped supporting his children and he is now helping out with the grandchildren as well, helping their mothers with their education.

*“My wish is that when I grow old I will have no problems because I have brought up the children with good morals and they know I am their father. I wanted my family to grow up well despite that I have nothing but due to advice and effort. I encouraged to work very hard either in their work or in school because I want the future to be bright and also the time I will be nowhere I know I have left a well raised up family.”*

However, supporting such a big family is not always easy.

*“There was a time the business was not giving me enough money, I thought of dropping some of the names but I realised the chama is good to save the money, so it reached a time even when the job was not good I kept pressing on . . . The chama has helped me achieve a lot of things, I have been able to educate my children, I bought the water tanks for my farm, if it were not for the group I don’t know how I will educate my children, having so many children in school all at the same time is not easy and you need to plan.”*

Since Jonhatan has 20 names in the *chama*, he has to contribute KSh 2,000 to the group every day. This is why when his business was not doing well he thought of dropping some names to reduce his daily contribution. However, Jonhatan regards this group as the only reason why he was able to do so many things in life, such as educating his children. “This merry go round help me a lot I have to take money to this group every single day, I would rather not eat but take money to the group”. Indeed, the *chama* helps Jonhatan to plan for his expenses. Every time a new cycle starts he marks on the calendar the days in which he will receive his contribution and the fact that money needs to go to the *chama* every day helps him to make good use of it.

*“One is that I am now able to manage my money better because I know I have to get the money for the chama, and I know when I will receive a payout, the chama is okay and I always make sure there is no money left hanging around . . . one thing that I have learnt is that keeping the money in the chama is better than having the money in my phone, if it’s in the phone I might be tempted to use it on unnecessary things, but when I know maybe I am going to receive my money in two days time, I will remember I have school fees to pay and all that”.*

The *chama* is the way in which Jonhatan disciplines himself and is able to support all his family members. In addition, Jonhatan is the chairman of the group. He plays the role of father and advisor both within and outside the family.

*“I’m the oldest in my group so me being the chairman is as a result of being the eldest, I am able to advice the other members on how they can manage their money, I am not being paid to be the chairman but my words of wisdom help the others”. Jonhatan’s position in the chama recalls his role within his family. “They love me so much because I am the one who makes decisions in that family, if something happens back at home they must inform me. It’s just like I am the president when I go back home they all come to ask guidelines from me”.*

Having been in the business for a very long time, Jonhatan has built a long relationship of trust with the goat supplier at the slaughter. When the business does not do very well Jonhatan can get goats on credit to repay later in the day or when he receives his contribution from the *chama*. However, there are times in which Jonhatan also needs to take loans from the supplier in order to contribute to the *chama*. In this way he says he always has some debt with the supplier, and the amount is a combination from the goats he takes on credit and the money he borrows.

*“This money from the group is for paying debt if I had borrowed money from anybody . . . like when I don’t have money I go and get a goat on credit, after selling it well I give the money back”.*

Jonhatan says he finds it very difficult to save because he keeps investing money in his business and he supports his numerous children and grandchildren back in the village. *“I don’t have money to save in the bank, my money is always busy, my money is always moving around”.*

However, in doing this, he has developed a trustworthy support network through his business, the *chama* and the one-on-one relationship that he has built with the goat supplier. It is through this that he is able to play the father figure and head of the household who provides for the family. *“I keep it [the money] circulating, from the goats to the chama where it is collected in a lump sum and to school or whatever needs”.*

### 6.2.2 Group support dynamics

Jonhatan’s story shows that group support works through a different mechanism compared to the one on one help. Groups normally have some regulations and the reciprocity which is involved in these groups is less flexible than what can be negotiated in personal relationships. However, the level of informality is higher compared to formal services and this is often recalled by respondents by the fact that groups understand if somebody is having problems with the contribution or loan repayment. This is also one of the reasons mentioned by Jonhatan.



*"It's not a group of having problems because sometimes you can fail to pay due to some problems unlike SACCOs they don't consider that. For example when you are sick members of the group can excuse you but SACCOs cannot excuse you at all, no matter the situation you have to pay".*

Hilary, who is part of a *chama* which operates as both a ROSCA and a table banking group, says that this group is the most important financial service in her life. It helped her build the house and pay for school fees for her last born. *"I have learnt that being in a group can help you because when you save you get a larger amount of money out of it"*. Hilary regularly receives her contribution and also contributes to the saving pool of the group so that she can take out loans in case of need and this may happen three to four times a year. Being part of this group makes Hilary feel good and she knows that this group of friends who work together at the market can understand her if she has problems.

*"It has happened before. I went to the group and explained my situation. They charged a fine of KShs 100. And then the members contributed to help out with the loan and I paid them back later"*.

Here Hilary was explaining one instance when she did not have the money to repay the loan. The group charged her a fine but allowed her to stay and repay later on. For both Jonhatan and Hilary, the group is not only a financial service but it is also important because it allows them to be part of a group of people involved in the same business. Indeed, the social connections involved in these groups have a significant role for these respondents, as they normally are an opportunity for friends, family members and people involved in similar businesses to support each other not only financially but also at different stages in life. For instance, families often operate groups specifically to help each other out for traditional ceremonies and school fees. Alan says that he is only part of a family group while the wife participates in other *chamas*.

*"Every year however we have a family meeting 3 times a year when we share our problems and provide advice on how to cope with the challenges. We also pool together some money every month to help out with family issues that may come up. We keep the records for the money at hand . . . It's more like an emergency kitty. Like when you want to visit someone who is sick or maybe someone who has lost a loved one. It is not meant for development or anything else. For any development goals we do them individually"*.

Financial help is here combined with advice and it could be said that such groups reinforce the identity of a family and its members. Daniel, for instance, says that:

*"It has helped us to build the bonding especially . . . if somebody is sick we can contribute as a family as we consider them as our own or when somebody is going to college/school we can chip in and give support"*.

Daniel was recently supported by this family group to carry out the traditional ceremony of circumcision of his two boys. *"With this celebration we contribute KSh 500 shillings each but when it comes to issues of school fees or any other problem depending on the problem we discuss the amount"*. This shows how such family groups are acknowledging the importance of both education and traditional customs for young people's future. The support received by these groups is also linked to social value and respect from the community. Indeed, Daniel said that after having carried out the ceremony he can have a say in the community. Being part of group is therefore not only an instrument to receive financial support but it does also constitute an important part of people's social networks with effects on their identity. This also contributes to their sense of belonging to both a social and cultural system where values regarding a good life are shared.

Similarly, Thomas, together with the wife, is also part of a *chama* with other people doing business in town. He received from the group financial support when he wanted to visit his in-laws and some members of the group also accompanied him during the visit. He says that they always help each other if they are in need. Similarly, Laura who lives in town, is part of a Kenya Women group with other women back in her original village. She values not only the opportunity to access loans through this group but also the fact that they help each for traditional functions. For instance, the group helped her a year ago to clear the balance she needed to settle the dowry for her son to marry.

Lastly, being part of a group can be motivating for people to improve their situation and also to learn new skills. Daniel says:

*"the good thing I loved about the group is that there is motivation I receive from others as I see them giving their savings so I also give my savings to the group and the other thing is that when you are in need and you are meeting it takes a short time to go and withdraw the money from the group and assists you, I have been in this group for two years"*.

The group Carol is part of has been accessing loans for starting businesses together and with the last loan they received they have started producing ropes for sale.

*"Being in a group, I am able to get help. In case I have a problem of fee balance, I will get a loan from the group. I have learnt how to make ropes, and if the group collapses today, I can look for capital and start making ropes. I have also learnt how bank accounts work and also how to manage money. I can set money aside. Whenever I get a loan I am able to plan for it so that I can repay the loan"*.

Similarly to Jonhatan's story, being in a group is important for people to save money and plan for their expenses, but it is also an opportunity for people to improve their skills within an environment which is relatively familiar to them and safe.

However, in some situations people may be too poor to join a group as they may be too poor to nurture personal relationships of help. Elisa for instance says: *“Yes if I get money I will join a chama but if I don’t have a source of income then I can’t join one because I don’t want to eat people’s money”*. Melanie also has not been contributing to the clan group for some time and she does not know whether they have started giving out loans. She says she did not have the time to participate because she was looking after the cows of her elderly mother and she also lacked the funds for the contribution. Similarly to the case in which people are not able to maintain relationships of support because being too poor, people may also be unable to join groups. Again, the exclusion from these financial groups also has implications in terms of social exclusion, as networks are inevitably smaller.

Three main points come out from this discussion on groups. First, being part of a group seems to be helping respondents in managing their money, as they can plan better and save more. Second, groups understand their members. Respondents feel that they can also share their problems within the group and that the group will try to help them in difficult times, even if this means loosening the regulations of the group. Third, and linked to the previous point, groups constitute very important social networks. Respondents’ sense of belonging and identity are confirmed by being part of a group of people who share, for instance, their same occupation and life values. Therefore being part of groups is not only instrumentally valuable for respondents’ wellbeing, but also intrinsically important. It therefore seems “reasonable” that even people with formal financial services and slightly better off still participate in *chamas* and also help other people out.

## 6.3 FORMAL FINANCIAL SERVICES

### 6.3.1 Thomas’ story

Thomas is 33. He was raised by his eldest sister who helped him through primary school. However, since there was not much money he had to drop out of school for some time. During that time he started growing and selling vegetables and then buying livestock (chicken and goats) with his savings. In this way he was able to finish primary school and attend a polytechnic in Mombasa to become a mechanic. After polytechnic he worked for some time in Mombasa before going back to the village. Combining his savings at the time and the money he got by selling the land he inherited, he was able to buy his first piece of land in the village.

In 2006 he moved to town and started his mechanic business on the side of the road. He married in 2007 and in 2008 he bought a telephone and helped the wife set up a kiosk with sweets and biscuits. In 2009 they decided to change it to a vegetable kiosk, because with the increased amount of mobile phones available the telephone kiosk was not making a lot of profit. In 2010 Thomas opened his first bank account because he wanted to stop keeping money in the house. He decided to open the account with Equity because it was being marketed in town. In 2011 he opened a second account where his wife could save.

*“The reason why we opened these accounts was because we realised we could not continue saving money in the house . . . I feel more secure now that I’m saving in the bank and not in the house. Before I would always be anxious that if thieves break in the house they would find money and that would be disastrous to my plans. I felt relieved after starting to save in the bank”*.

Thomas values his accounts not only because they provide him with an increased sense of security but also because they help him being disciplined.

*“When you keep the money in the house, it is easily spent in unplanned budgets compared to when it is in the bank because you can’t withdraw money for petty issues. Like going for lunch I can control my expenditure when the money is in the bank compared to when I have it in the house”*.

He says that when he used to save in the house, he would never save more than KSh 10,000 or KSh 15,000, once the money reached that amount he would end up spending it. Instead, having a bank account gives him motivation to save more regularly and plan on how to use the money if he needs to withdraw.

*“You see like right now it has helped me manage my money more effectively. You see you cannot just go to withdraw just for the sake of it, you have to have a purpose for the withdrawn cash. I use very little money because I know I have to save some money in the bank. It also motivates me to save something every month. It has also been a vital saving tool for the education of my children. It has helped me in many ways”*.

In 2012, Thomas and his wife put together their respective savings and the contribution they receive from a *chama* they had joined and bought another piece of land, next to the previous one. They also bought livestock as this can become helpful in situations of emergency. Thomas feels that every time he sees those animals he will be reminded of the *chama* which helped him acquire them. Moreover, he values the fact that the *chama* does not only provide financial support. Indeed, they accompanied him and the wife when they wanted to pay a visit to the in-laws. He also withdrew some money from the account when he went visiting the in-laws. However, he says that he uses the accounts only when he needs KSh 10,000 or more. This can happen for business purposes, like when he goes to Nairobi to buy spare parts, or when he and the wife are helping some business friends out.

However, if someone asks him for a smaller amount than that then he would withdraw from M-Pesa or use the savings in the house. In fact, Thomas always keeps some money in the house for emergencies such as the school fees for his children in primary school so that he can pay immediately when they are sent home. He would then deposit money in M-Pesa once it reaches KSh 4,000 and he would subsequently deposit money in the bank if he knows that he will not need that amount of money for anything that he is planning to do soon.

In 2013 Theopilas' eldest sister passed on and she left a will that stated that Thomas would be looking after her two children. Thomas used to help the sister and her daughters whenever they were in need and has now moved to a bigger house to accommodate the bigger family.

*"I take care of her children and also take them to school . . . I used to send some money to her whenever she asked for assistance. I feel responsible for my sister's children because she took care of me when my mother passed on".*

In 2014 he also bought a car wash machine to expand his mechanic business because he said that the household expenses have now increased and he needs to work harder. Thomas sent her sister's children to secondary school this year. He started saving for the school fees last year, partly in his M-Pesa and partly at home since he wanted to make sure that he could pay the whole school fees at once. He said that since the two nieces are orphans he does not want them to feel that they are being neglected and so he did not want them to risk being sent home for school fees. Thomas feels responsible for his nieces' education and he is proud he has been able to take them both to secondary school.

In 2013 Thomas also joined a SACCO where he decided to deposit KSh 200 every day and which he defines as a "saving for my family". He says that he will be able to take out loans for education in the future if he needs to and also that the SACCO provides help to the family in case of the member's death. He remembers that when the sister passed away it had been very expensive to pay for transport from Nairobi where she was hospitalised and the burial service because she was not part of any burial group. Thomas is also part of another burial group where he contributes KSh 200 per month and a clan group where he contributes KSh 500 every three months.

Most recently, Thomas has also started paying an education insurance policy for his two children who are in primary school. He had lots of problems when he was going to school and he does not want his children to go through the same problems, like going to school without shoes. Moreover, he says that given the shortage of land the best thing one can give to the children is education. Thomas also has a very good friend to whom he can ask for assistance. "I only tell one friend whom I'm sure that if I tell him my problems, he can assist me".

Thomas believes that "savings help to build a brighter future" and he is working hard in order to provide for his family which now comprises of his two nieces.

*"When I bought the piece of land I was very happy for the achievement . . . buying the piece of land, supporting my sister's children to pursue education like any other person would feel . . . opening the bank account, joining a SACCO are some of the things I am proud about".*

He is using several financial services, formal and informal to build up his savings and make investment back in the village. At the same time he keeps social networks with friends and a good relationship with the in-laws whom he considers as his parents. He is hoping to have a stress free life when he is old and to be able to provide for the family and send his children to school up to the level that they wish to go.

### 6.3.2 The security of a bank account

As Thomas' story shows, being able to save money in a bank account has several advantages. Thomas felt relieved as he did not have to worry anymore about leaving his money in the house. He also said that having a bank account made him work harder so that he could save something every month and it made him more disciplined. The bank account works as a deterrent for him to spend money on small things which are not necessary. He feels that the money in the bank, even if initially were not saved for any specific purpose, must be withdrawn only when there is a need and a plan is in place. This shows two types of security: first, it is the physical security that the bank account provides and second, the security from the self (i.e. discipline) due to the fact that the bank becomes a way to make money more illiquid.

Daisy's eldest son opened a bank account for her and suggested her to save money in the account from her sales of vegetables. Daisy used to have a bank account when she was working on a tea farm but after she resigned she never opened another one. *"I have learnt to discipline myself on using money because if it's in the house I could be misusing money but since the bank is a bit far I can save it"*. She normally deposits whenever she has at least KSh 500.

Henry opened a bank account in order to receive his tea payments. *"This account has helped me in making savings because if the amount was in the house then I could easily spend it rather than when it is in the bank"*. Henry also took a loan from the bank which he used to pay school fees and was subsequently deducted from his tea bonus.

*"After all the services I have used, the bank is my most preferred choice because when I take my money there I have limited myself and saved it rather than when I have it at hand, with the bank I don't misuse the money"*.

Laura opened an account when her Miraa business was booming. *"Since I opened an account, I have been able to save and stop keeping money in the house. I have also managed to educate my girl. I can also get some money from the bank and boost my business"*. She said she has never experienced problems with the bank because she has never taken a loan from them. Since the business had been slow, she stopped it for a few months and during that time she said she was living off her savings from the bank. She used that money also to pay the school fees for her last born so the account is now empty.

As these stories show, having a bank account becomes a motivation for being disciplined. Respondents with bank accounts acknowledged that they were able to save more and also plan for their expenses better. This is because the account becomes something that is far from them and therefore it creates illiquidity. Having a bank account is therefore instrumental for them to achieve their wellbeing goals – especially their material and economic goals. For instance, Laura said that she used the money for school fees while Thomas was able to buy land. At the same time, having a bank account also gives respondents a higher sense of security and as Thomas said a sense of relief in knowing that the money is safe.

Similarly to Thomas' story, Ulric says that having a bank account used to motivate him to save and every time he was able to save something he would be proud of his achievement. "When I was saving in the bank, I could not misuse the money. I was always proud that I have something aside that I have saved". However, he stopped using the account when the children started going to school and he had to pay for school fees. He is now using all his money for school fees and he does not have much money to save. Moreover, he complains about the bank charges and recalls an instance when he needed KSh 9,000 because his mum was sick and remembered he had KSh 8,000 in the account. However, when he went to withdraw he only got KSh 7,300 because of the charges. So he now prefers to save in M-Pesa and Mshwari because they are everywhere and the withdrawal fees are cheaper.

Both Theophilas and Ulric's story shows that when people have bank accounts they become more disciplined and they strive to save money for their family's needs, such as school fees, for future emergencies or investments. They use this more illiquid service to save and plan for the future. Ulric also says that he felt proud whenever he was able to deposit money. So being able to save becomes an achievement which is also important for people's self-esteem. However, when confronted with requests of help from family and friends, maintaining such relationships of support becomes more important than keeping money in the bank. Ulric withdrew to pay for his mum's medical bill, while Thomas withdrew when he went to visit his in-laws and occasionally he withdraws from both accounts to help his and his wife's business friends.

This shows that maintaining connections, proving that you belong to a certain relationships and community of friends and being recognised in such relationships is more important than to preserve an individualistic plan for the future by keeping those savings in the account. Having a bank account per se does not improve people's social networks and does not intrinsically contribute to people's sense of belonging and identity. This is different from more informal financial services. Indeed, it was previously argued that being part of a *chama* and contributing to reciprocal relationships of support intrinsically constitutes people's identity within their family and community because identities are created through relationships. Therefore these other services have different meanings for people, they more obviously connect the

economic and social spheres of their life. On the contrary, maintaining and nurturing such relationships is not a direct result of having a bank account but it is a result of people's agency and decisions on how to use such accounts. This is why both Ulric and Teophilas withdrew to help family members and friends: because money "sitting" in a bank account would have very little meaning if it was not to be used for their family and community development.

However, there may need to exist a certain level of closeness in the relationship for people to decide to withdraw money from their bank account. Indeed, a couple of respondents mentioned that having money in the bank account relieves the pressure from community demands. If Ulric and Thomas have shown that money can be withdrawn from the bank account to help family members and close friends, this may not happen with any other community acquaintances with whom there is no close relationship of support and of reciprocity. Therefore, when people are faced with such requests of help from the community, keeping money in the bank account provides a third type of safety (beyond physical security and security from misusing the money) as they do not have the money at hand to respond to such request. Daisy says:

*"It's safer for me because you find that when there is an emergency around here you can be asked to contribute some money to take someone to hospital and you find yourself spending all the money in the house. When you take it to the bank it's hard to spend it on miscellaneous expenses".*

Alan expresses a similar feeling:

*"Having an account is an important thing. Because the money is not readily accessible to you, there are some things that you cannot do. If the money is close to you even someone can come to borrow you and you give them. So if the money is kept in account, it is better off. Then with an account, you can withdraw the money to sort out your problems".*

However, having said that, Alan also says that he keeps giving small help to community members who are stuck whenever someone knocks at his door. It seems therefore that having a bank account incentives people to save and plan for their expenses, often being a key instrument for putting money aside for big expenses such as school fees. It also relieves them from excessive pressures from the community and it gives respondents a sense of security and relief. While all these aspects are important for their wellbeing, having a bank account does not directly contribute to people's identity and sense of belonging and it does not automatically nurture their social relationships which are also intrinsically valuable for their wellbeing.



## 6.4 LIVESTOCK MANAGEMENT

### 6.4.1 Ulric's story

Ulric is 43 and has recently moved to Kitui where he does casual jobs in construction. He used to work in Nairobi but he said it was very far from home and expensive to visit so he decided to leave in 2011 and go back home to do farming. However, he realised that farming was not enough to support a family of 7 children who are now progressing through school and so decided to move to Kitui, which is about two hours drive from the village where his wife and children live. When he worked in Nairobi, the pay was good and the burden of school fees was lower so he was able to acquire livestock.

*"When I was working in Nairobi I thought of buying them [goats] because I knew I could sell them when I don't have money for food or even school fees. They were little and they have been increasing with time. I have sold some of them but they keep increasing since I don't sell them every time".*

For instance, he said once he sold a goat when his last born son was admitted to hospital and he also sold a cow when the mother was sick. *"I always like having livestock at home because in case of an emergency I can sell them very quickly"*. Livestock is for Ulric a way of saving for future emergencies. In this way, his money becomes temporarily illiquid while, at the same time, livestock are easily sold and so a quick way of having liquid money. Since Ulric works away from home, keeping livestock in the village is also a way to ensure that the family back in the village can eat and pay for school fees in difficult times when he cannot send money to them. For instance, Ulric remembers that once he did not receive his payment as expected and was unable to send money to the village. Thus, the wife sold a goat the day after to buy food for the house.

Ulric's first born son started secondary school this year. When last year, Ulric noticed that the son was doing well in school and he decided it was worth taking him to secondary he started saving in M-Shwari. He saved KSh 8,000 and then raised KSh 9,000 by selling three goats. Ulric says that he is not able to access financial support from his brothers because they are all farmers or casual labourers with children in school. Therefore, he feels a lot of pressure to ensure that he can afford school fees for his children. Managing livestock well is a very important strategy and he considers having livestock not just as a form of insurance in case of emergencies, but also as a form of saving and income-generating investment: *"Buying livestock is like saving. When they give birth it is like an interest. I also use the bulls to farm in other people's farm for money"*.

Ulric used to have a bank account in the past. He closed it when he had to withdraw all the money to help his sick mother and he complains that the charges at the time were too high and there was no ATM machine out in the rural area where he lived. Now whenever he has money he prefers to buy livestock and at times the wife sells the livestock for money which she needs or that she can deposit in her bank account.

*"I prefer investing in livestock because when I save it in my account at the time of withdrawals they always deduct some amount. And this made me limit my deposits ... It's risky but it's not that likely for all of them [goats] to die. Maybe chicken can die but I always sell them if they are many to limit the loss just in case a chicken infection come. I prefer the goats because they will multiply in numbers and that is better"*.

Similarly to other types of investment, investing money in livestock is risky and this is why Ulric explains that he needs to have a strategy to ensure that diseases will not spread among his livestock, especially chickens. At the same time, he highlights that the investment pays out because goats multiply in number and this is similar to an interest earned on his savings.

### 6.4.2 Savings and investing in livestock

Ulric's family live in a rural village close to Mutomo while he has spent the most of his life doing casual jobs in Mombasa, Nairobi and more recently in Kitui. His story shows the many forms in which Ulric values having livestock: for emergencies, as a form of saving and also income-generating investment. Ulric prefers to save in livestock because he can see the return on his savings in the fact that livestock multiply while the bank used to charge him on withdrawals. Other respondents also spoke of the value of having livestock and this attitude towards livestock cuts across geographical areas of residence and levels of financial inclusion. Indeed, also respondents who live in more urban areas and manage their money through a variety of formal and informal financial services consider livestock as a good way to invest their money.

For instance, owning livestock gives a sense of security for the future. Thomas, who lives in Kitui with his family and uses various formal and informal financial services keeps livestock back in the village and this is one of his form of security for the future. Thomas feels secure that he can sell the livestock in case of need.

*"I keep goats and poultry in the same piece of land which I sell when I have financial shortages like when there is a drop in income from the business. I cannot suffer when I have the livestock at home, I have kept them as a boost to my income when things are difficult in business"*.

Thomas has other sources of money which he can reach in case of emergencies. However, he recognises that saving part of his money in the form of livestock is also a form of security. This security through livestock at times appears in the form of income-generating investment. For instance, Daniel said he was very proud that through his hard work he was able to buy two bulls to be used for ploughing the land and also to be rented out to other people to get some income. He thinks this idea of buying cows was a success in his life. Unfortunately, both bulls died in 2012 because of a livestock disease. In 2014 Daniel was able to buy a cow as a young heifer.

*"The challenge I was facing was buying milk. It was cumbersome going to the road early morning waiting to see if somebody is passing with milk or*

*going to someone's house looking for milk so I thought it will be good to have our own cow to see if it will give us milk, so we bought it as a young heifer which was ready to be served and it gave birth two months ago and now we are taking the milk".*

Daniel raised the KSh 10,000 for the heifer from three sources of money: from his carpentry business, by selling some chickens and by some savings from the income he was generating by hiring out his power saw machine before it was stolen.

*"I had saved some money out of all these then I realised I had KSh 10,000, then I asked myself what was it that I was missing most and I decided it was a cow. That's when I bought it".*

In both cases, Daniel bought livestock as a form of income-generating investment. However, he also knows that livestock can become useful in case of emergency. Indeed, Daniel's wife recently fell sick and he was therefore thinking of selling the calf to pay for medical expenses if he could not get a loan from the savings groups he is part of.

Henry also recalls having some savings in 2013 and deciding to buy a cock and a hen with it, thinking that he could later on feed his children with the eggs. He now raises the chicks and sell the chickens at Christmas time. Unless urgent needs, Henry waits for Christmas time to sell because at this time the price for chickens goes up due to high demand. In October 2014, Henry was having too many chickens in his homestead and he felt he could not feed all of them. Therefore, he decided to sell the cock and give the hen to a friend under the agreement that once the hen hatched, the chicks will be divided in half between the two friends. Similarly to Ulric's strategy of selling some chickens every now and then to minimize the risk of diseases, Henry's strategy shows that the ability to manage livestock is very important in order to make the investment into it more profitable.

Once, for instance, one of Jonhatan's daughters asked him to sell a goat for her so that she could expand her little shop. However, when Jonhatan went to the village realised that the goat was pregnant and so decided instead to give the daughter cash for her activity and not sell the goat. When he later returned to the village he discovered that the goat had given birth to two calves and he was happy he took the right decision. These examples show that people see an economic value in saving and investing though livestock and also that managing livestock is key to make the investment worthwhile.

#### **6.4.3 Emergencies: livestock as insurance**

People buy livestock not only for income-generating purposes but also to secure themselves in case of future emergencies. Indeed, selling livestock for unexpected health expenses, education fees and food is common. For instance, as we saw earlier, Henry sold his only cow to cater for his son's Form 4 school fees.

*"There was no much change within the family, only the feeling that we had lost a cow, but again it was consolation that we have invested in the future of our children, because when we were selling the cow it did not have a calf yet so we were not milking it".*

Matthew, who is 19 and lives in a rural village, has started investing in livestock at a young age. He started doing casual jobs during school holidays and buying chickens since he finished primary school. He says that he rarely keeps money in the house and he normally buys some chickens and gives the rest of the money to his mother for household expenses. When asked why he prefers to invest in chickens rather than saving in the house, Matthew says that is:

*"because the chicken will hatch and increase unlike keeping the money in the house. One can easily use the money but for the chickens one cannot easily sell unless it is an emergency".*

Indeed, he said he recently sold a chicken to help with the school fees of one of his younger siblings. People normally sell livestock in case of emergencies as their very last option.

For instance, Rachel said that in 2009 when the husband was working in Mombasa they were able to buy their first goat. Since then they normally had to sell the goat kid each year to buy food and pay for school fees. For instance, in 2014, her husband had done some work at the school where their daughter was and they were waiting for the school to pay him. However, the school delayed the payment and they also sent their daughter home for school fees. At that moment, they decided to sell the goat kid to buy food and pay for school fees. *"We sold it because we were out of options. It is not something we really wanted to do. We needed the money".*

Carol, who also lives in a rural village and receives money from the husband who does casual jobs in a city, narrates that in 2010, since the husband had a better job, they were able to buy some goats. Since then, they have been selling the kids and keeping the mother so that it can give birth again. This has happened to pay for food or school fees but it was always their last option to get the money they needed. *"We don't sell often, unless my husband is not working and there is no other means of getting food. This has happened once, he was not doing any job and we had to sell a goat at KSh 2,700 to pay some money for fees and some food".*

When livestock are sold for emergencies, people may not get the money they thought their livestock was valued and so they talk of selling their livestock at *"throw away"* prices because they needed the money. This is different from selling livestock as a business which normally involves being able to wait for the right time to sell. In some instance, people may indeed sell their livestock even if that was not their last option, but because it seemed to them the best option anyway.



Jonhatan, for instance, sold a big bull for KSh 55,000 to pay for one of his daughters' college fees. He also thought of taking a loan from his goat supplier but he realised that that would have required him a long time to repay the loan so he decided it was better to sell the bull. Since he has other two bulls he says that selling one did not affect him too much. Jonhatan also has goats at home and once he decided to slaughter and sell four of them to pay for school fees. In this way he did not have to repay the goat to the supplier and he had more profit to put towards the payment of school fees.

*"Livestock has helped me a lot, like when I had to pay school fees for my daughter and sometime the people in the village need money to by some things and I don't have to take money from the business. In many instances the livestock have helped me. They also help my family, just in case money from work delays".*

People value putting their savings and investing in the forms of livestock because they are relatively safe assets that are easily liquidated in situations of emergencies. Indeed, this section shows that livestock are easily sold when people are in need of money for school fees or food. Therefore, through this perspective, livestock are also a form of insurance against future shocks.

#### **6.4.4 The social meaning of livestock and social exclusion**

Livestock are very valuable for people's economic situation: they are a form of savings, investment and insurance at the same time. There is more to this than its financial contribution. Shipton (2007, 2010) shows that livestock in the Luo community takes on social and cultural meanings as a representation of people's identity and social status within their community. Owning livestock thus has social and cultural aspects. Indeed, as Noah says livestock ends poverty and it is considered good in the community. Moreover, it is still

connected with the payment of bride wealth and the formal institution of a family, even if today it appears more and more difficult for men to carry on with this tradition.

Noah, for instance, wished that his sons had given him at least one cow so that he could have a good life. Indeed, he said that he paid 10 cows to his wife's parents while he was working while none of his sons in law had paid him anything to cover bride wealth for his daughters. Noah decided to join a

saving group where they were saving specifically to buy a cow but the group's administrator run away with their money. Only recently, Noah and his wife were able to buy a cow with the savings that the wife saved in the house, and of which Noah was not aware. He says that he is very much anticipating to start taking tea with milk and also that the cow brings him some joy.

*"I was very happy when we were able to buy ourselves a cow. Through our savings we were able to raise KSh 4,000 and buy a cow. Now we can say that our family has a cow".*

*"Basically it's the people around me whenever I meet them they say it's good that I have bought a cow since they point out the benefits like getting manure and at the same time it takes away poverty".*

The stories of Elisa and Melanie had been used throughout this document to represent difficult situations of respondents who were excluded from networks of support and were not able to participate in *chamas* because of their level of poverty. Looking at their situation in terms of ownership of livestock is also indicative of this exclusion from networks of financial support. While Elisa has never owned any livestock, Melanie used to own cows, goats and a donkey. However, because of animals' diseases and the increased burden in supporting her grandchildren's education, she has sold all of her animals and she is now in a higher situation of vulnerability.

*"It was a couple of years back. I had only three goats, one donkey and three cows. Two cows died and I sold the remaining because of drought. It doesn't rain here. I sold the goats and the donkey and some food to take my grandchildren to school ... Am stranded, I have no animals to sell, now I am hoping and depending on God".*

The economic and social importance of livestock ownership is highlighted by the fact that even respondents who live in town and use formal and informal financial services value investing their money into livestock (e.g. Thomas). Indeed, the social and cultural connotations of livestock are important for people's sense of identity and social value. Not having livestock is therefore another sign of economic and social exclusion which impacts negatively on people's wellbeing both instrumentally and intrinsically.

## Chapter 7

## WELLBEING GOALS AND FINANCIAL INCLUSION

**Wellbeing goals** are related to three main areas: the **family, personal status** and **social networks**. All respondents mentioned the importance of having a good family, getting married, having children and good relationships within the family. Respondents also talked about fulfilling their family and community roles and being respected by their family and community where they operate. For everyone it is important to cooperate and help each other in the community, looking after other people and cohabit peacefully. Ultimately, **wellbeing** is developed through social relationships.

Financial practice	Intrinsic value	Instrumental value
Relationships of support (e.g. neighbours, family, friends, colleagues)	These relationships give respondents a sense of happiness, safety, belonging, identity, respect and trust.	These relationships are important for respondents to cope with emergencies, such as health expenses, food and school fees.
Chama (e.g. ROSCA, family group, savings groups)	Groups give respondents a sense of belonging and identity. Respondents develop trust in other group members and they have a sense of security due to the fact that they feel understood by groups.	Groups motivate respondents to save regularly because they see other members savings, as well as plan for expenses and investments. This helps them using money wisely and maintaining money in circulation.
Formal services (e.g. bank account)	Having a bank account gives respondents a sense of pride for saving and sense of security (the money is safe). Saving regularly is seen as an achievement.	A bank account motivates respondents to save regularly and better plan for their expenses since they tend to withdraw only when a plan is in place and therefore reduce impulsive spending.
Acquiring or selling livestock	Acquiring livestock is related to feelings of happiness and pride. Owning livestock is linked to respect and social status (also related to dowry and other passage ceremonies).	Respondents acquire livestock as a means of saving and investment, as well as an insurance device against future emergencies.

## Chapter 8

# CONCLUSIONS

This analysis demonstrates how different ways of managing money and resource influence people's wellbeing both instrumentally and intrinsically. This means that managing money and resources not only help people save and plan for their future, so that they can more easily pay for big expenses, such as school fees, or cope with emergencies. Managing money and resources also have implications for other aspects of wellbeing which are not material.

Respondents' narratives show that people mainly talk about a good life and their achievements in life in economic terms and with reference to their family. However, this does not mean that wellbeing is only material. Indeed, it was argued that material things are often symbolic and that social and cultural norms influence ideas of wellbeing. Based on the work by Silberschmidt (1999), it was shown that it is through conforming to the social and cultural norms that people reinforce their identity, self-esteem and social status. For instance, it was shown that a good life is when men are able to provide for their family, when parents are able to send their children to school and when they are able to improve their houses. By conforming to these social expectations, respondents feel good and a sense of pride.

This analysis also shows that getting married and having children are important life stages linked to identity and social status. Having good family relationships and living in peace within the community were also regarded as important things to live well. Indeed this analysis argues that wellbeing is created through relationships and social dynamics. Belonging to a community, feeling understood by such community and being respected are all important for wellbeing. It was shown that respondents become part of a community by performing social and moral norms of mutual support. Moreover, participating and nurturing relationships of support is indicative of a collective morality, where respondents identify themselves within a community and its development. Ultimately, wellbeing is not seen in an individualistic way but it is developed through relationships with family and community members.

This analysis shows that some ways of managing money and resources also have intrinsic implications for these areas of wellbeing which were identified. Indeed, some ways of money management involve social relationships which, for instance, allow respondents to identify themselves with others who share their same life values. Identity, social status, respect from the community and experiencing a sense of belonging are all important aspects of wellbeing. It is argued that while relationships of support and *chamas* intrinsically contribute to these aspects of wellbeing, using formal financial services does not. Indeed, while respondents feel proud of being able to save better and a sense of achievement, using formal financial services does not support their participation in social networks and a mode of development that is based on the family and community.

Case studies were presented to show four main ways of managing money and resources. Relationships of support were presented first because all

respondents were involved in such support networks, even when they used other forms of informal and formal financial services. Indeed, even when respondents are relatively better off, they tend to "help out" other family members and friends. It is by helping others that they get to be part of their family and community. Relationships of support thus overlap with social relationships and are intrinsically important for respondents to feel good, for their identity, social status and self-esteem.

This analysis argues that people learn how to create, maintain and access different and appropriate types of support relationships for different purposes and situations. This also means that people know when and how it is appropriate to ask for help. People ask for help when in need and these relationships are vital and instrumental for them to cope with emergencies as they represent a form of social safety net. However, asking for help is not an individualistic and selfish behaviour. Similarly, helping out is not only done with the expectation of having something in return. Indeed, respondents' stories show that people develop as a community and consider personal achievements in a collective perspective. Mutual support is a form of morality and playing a role within these networks is constitutive of people's identity and intrinsically valuable for their wellbeing.

Some respondents managed their money through *chamas*. Again, the majority of those respondents with formal financial services were also part of informal groups. Respondents' stories show that being part of a group help them manage their money, as they can plan better and save more. They are also motivated to save more within groups and feel that groups have helped them achieve many things in life. However, there are more intrinsic implications for their wellbeing in being part of groups. Indeed, respondents generally felt that groups understand them. They felt that they could share their problems within the group and that the group would try to help them in difficult times, even if this means loosening the regulations of the group. Moreover, groups constitute very important social networks. Respondents' sense of belonging, social status and identity are confirmed by being part of a group of people who share, for instance, their same occupation and life values. Therefore being part of groups, similarly to participation in support networks, is not only instrumentally valuable for people's wellbeing, but also intrinsically important.

A fewer number of respondents saved money into bank accounts. Some had bank accounts which they were not actively using and some said that they had had bank accounts in the past, but not anymore. Generally, being able to save in a bank gave respondents a sense of security and relief. Respondents' stories showed that having a bank account incentivised them to save and plan for their expenses, often being a key instrument for putting money aside for big expenses such as school fees. In this sense, bank accounts represent safe places because they are physically safe and also because they feel distant from respondents, for whom it becomes less easy to withdraw. A couple of

respondents also mentioned that keeping money in the bank account relieved them from excessive pressures from community demands. However, when close family members and friends ask for help, respondents withdrew from their bank accounts in order to help. This shows that the morality of mutual support and collective development is stronger than individual development and selfishness. While being able to save in a safe place and plan for the future are all important aspects for people's wellbeing, having a bank account does not directly contribute to people's social relationships by keeping money aside rather than circulating in one's own networks.

This analysis, and other work done in Kenya (Johnson and Boulton, 2014), have also shown that the mode of development in which respondents identify themselves is collective. A morality of mutual support guides people's behaviours and thinking. It is by participating into these networks that people reinforce their identity, social status and self-esteem. Therefore, by using this perspective, it seems "rational" that even people with formal financial services and slightly better off still participate in *chamas* and help other people out, rather than saving all their money in a bank account which does not conform to that morality of mutual support.

This analysis has also explored the role of owning and managing livestock among other ways of managing money and resources. It was shown that the value of livestock cuts across geographical areas and levels of financial inclusion. Indeed, also people with formal financial services save for the future and invest in the form of livestock. Livestock represent a relatively safe form of insurance against future shocks, although livestock diseases and theft make it still a risky investment. It is a way to temporarily keep money illiquid and safer from external requests. Different cases were mentioned to show that livestock can easily be liquidated in time of need. In addition, owning livestock is not only economically valued but also socially. Livestock are still associated with rites of passage such as the payment of bride wealth which formalises marriages. Literature in economic anthropology has also shown that owning livestock is connected to the owner's social status and identity (Shipton 2007, 2010). One respondent in this research also says that livestock bring away poverty from the community thus associating livestock to a communal life style which is intrinsically important for wellbeing.

Lastly, this analysis has started to explore how extreme poverty can result into exclusion from support networks and *chamas* thus signalling that there are pre-conditions for the participation in such networks. Exclusions can take different forms. Two respondents were not part of any *chamas* because they could not afford the contribution and were finding very difficult accessing support networks beyond one or two family members. This was explained in terms of poverty, as they had nothing to contribute to such potential relationships. At the same time, these respondents also had no animals which they could sell for money. In these situations, it seemed as the social safety net broke down with further implications for social networks. However, one respondent receives help in the farm from one neighbour for no payment which may indicate that the mode of collective development and social networks are still in place, although they can take different forms.

Ultimately, this report has shifted the perspective from the qualities of different financial services to the value that these services have for people and their wellbeing. Wellbeing according to the capability approach was presented as what people are able to be and do in their life that is valuable to them and through this perspective the value of financial inclusion was here discussed in terms of how financial services enable people to better pursue their wellbeing goals. Through the same conceptual shift, financial capability was considered to be the set of valuable opportunities that financial services give their users to pursue their wellbeing rather than a set of optimal skills and abilities. This report shows that by changing the perspective in this way, qualities of financial services other than for instance their price and profitability, become relevant. Respondents have shown that wellbeing is developed through relationships and by following norms of mutual support. Other research conducted in Kenya has also shown the value of upliftment and community development (Johnson and Krijtenburg, 2014). This research shows that one-on-one support networks and group-based financial services are more in line than formal financial services with this mode of development and the creation and maintenance of social relationships which rest at the core of people's wellbeing.

## REFERENCES

1. Accion, 2013. Enabling Financial Capability on the Road to Financial Inclusion.
2. Alkire, S., 2002. *Valuing freedoms : Sen's capability approach and poverty reduction*. Oxford: Oxford University Press.
3. Alkire, S., 2005. Why the capability approach? *Journal of Human Development*, 6(1), pp. 115-135.
4. Altman, M., 2012. Implications of behavioural economics for financial literacy and public policy. *Journal of Socio-Economics*, 41(5), pp. 677-690.
5. Appadurai, A., 1986. Introduction: commodities and the politics of value. In: A. Appadurai, ed. *The Social life of things : commodities in cultural perspective*. Cambridge: Cambridge University Press.
6. Atkinson, A. & Kempson, E., 2008. Measuring and improving financial capability Designing an approach for Kenya. *Personal Finance Research Centre, University of Bristol*.
7. Atkinson, A. & Messy, F.-A., 2013. Promoting Financial Inclusion through Financial Education: *OECD/INFE Evidence, Policies and Practice. OECD Working Papers on Finance, Insurance and Private Pensions, No.34, OECD Publishing*.
8. Berry, S., 2007. Marginal Gains, market values, and history. *African Studies Review*, 50(2), pp. 57-70.
9. Browne, K.E., 2009. Economics and morality : Introduction. In: K.E. Browne & B.L. Milgram, eds. *Economics and morality : anthropological approaches*. Plymouth: AltaMira.
10. Carpena, F., Cole, S., Shapiro, J. & Zia, B., 2011. Unpacking the causal chain of financial literacy.
11. Chaia, A., Dalal, A., Goland, T., Gonzalez, M.J., Morduch, J. & Schiff, R., 2013. Half the World Is Unbanked. In: R. Cull, A. Demirgüç-Kunt & J. Morduch, eds. *Banking the World: Empirical Foundations of Financial Inclusion*. Cambridge, Massachusetts: MIT Press.
12. Clark, D.A., 2005. Sen's capability approach and the many spaces of human well-being. *J. Dev. Stud.*, 41(8), pp. 1339-1368.
13. Clark, D.A., 2012. Adaptation: Implications for Development in Theory and Practice. In: D.A. Clark, ed. *Adaptation, Poverty and Development: The Dynamics of Subjective Well-Being*. Basingstoke: Palgrave Macmillan.
14. Cole, S.A., Sampson, T.A. & Zia, B.H., 2009. *Financial literacy, financial decisions, and the demand for financial services: evidence from India and Indonesia*. Harvard Business School.
15. Collins, D., Morduch, J., Rutherford, S. & Ruthven, O., 2009a. *Portfolios of the poor : how the world's poor live on \$2 a day*. Oxford: Princeton University Press.
16. Collins, D., Zollmann, J. & Maina, B., 2009b. Financial Capability in Kenya: Preliminary Findings from FinAccess 2009. *Financial Sector Deepening*.
17. De Meza, D., Irlenbusch, B. & Reyniers, D., 2008. Financial capability: *A behavioural economics perspective*. Financial Services Authority London.
18. Drexler, A., Fischer, G. & Schoar, A., 2010. Keeping it simple: Financial literacy and rules of thumb.
19. FINRA, 2009. Financial Capability in the United States. National Survey - Executive Summary.
20. Frey, B.S., 1998. Not just for the money. Cheltenham: Cheltenham : Edward Elgar.
21. Furnham, A. & Argyle, M., 1998. *The psychology of money*. London: Routledge.
22. GPFI, 2010. Innovative Financial Inclusion: Principles and Report on Innovative Financial Inclusion from the Access through Innovation Sub-Group of the G20 Financial Inclusion Experts Group.
23. GPFI, n.d. G20 Financial Inclusion Action Plan. <http://www.gpfi.org/our-work/work-plans/g20-financial-inclusion-action-plan>: GPFI.
24. Graeber, D., 2011. Debt: *The first 5,000 years*. Melville House.
25. Guérin, I., 2012. Households' over-indebtedness and the fallacy of financial education: insights from economic anthropology. Microfinance in Crisis Working Papers Series.
26. Guérin, I., Morvant-Roux, S. & Villarreal, M., 2013a. *Microfinance, Debt and Over-indebtedness: Juggling with Money*. Routledge.
27. Guérin, I., Roesch, M., Venkatasubramanian, G. & Kumar, S., 2013b. The social meaning of over-indebtedness and creditworthiness in the context of poor rural South Indian households (Tamil Nadu). In: I. Guérin, S. Morvant-Roux & M. Villarreal, eds. *Microfinance, Debt and Over-indebtedness: Juggling with Money*. Routledge.



28. Guyer, J.I., 2004. *Marginal gains: monetary transactions in Atlantic Africa*. University of Chicago Press.
29. Hilgert, M.A., Hogarth, J.M. & Beverly, S.G., 2003. Household financial management: The connection between knowledge and behavior. *Fed. Res. Bull.*, 89, p. 309.
30. Huston, S.J., 2010. Measuring Financial Literacy. *J Consum Aff*, 44(2), pp. 296-316.
31. Ibrahim, S., 2011. Poverty, aspirations and wellbeing: afraid to aspire and unable to reach a better life—voices from Egypt. *Brooks World Poverty Institute, Working Paper*, (141).
32. Johnson, S., 2013. Debt, over-indebtedness and wellbeing: an exploration. In: I. Guérin, S. Morvant-Roux & M. Villarreal, eds. *Microfinance, Debt and Over-indebtedness: Juggling with Money*. Routledge.
33. Kahneman, D., 2011. *Thinking, fast and slow*. London: London : Allen Lane.
34. Kempson, E., Collard, S. & Moore, N., 2005. Measuring financial capability: An exploratory study. . *Financial Services Authority*.
35. Kempson, E., Perotti, V. & Scott, K., 2013. Measuring financial capability: a new instrument and results from low- and middle-income countries.
36. Kolm, S.-C. & Ythier, J.M., 2006. *Handbook on the economics of giving, reciprocity and altruism*. Amsterdam, London: Elsevier.
37. Mandell, L. & Klein, L.S., 2009. The Impact of Financial Literacy Education on Subsequent Financial Behavior. *Journal of Financial Counseling & Planning*, 20(1).
38. Narayan, D., Chambers, R., Shah, M.K. & Petesch, P., 2000. *Crying out for change*. Oxford: Oxford University Press.
39. Narayan, D., Petesch, P. & World, B., 2002. *From many lands*. New York: New York : Oxford University Press.
40. Nussbaum, M., 1996. Compassion: The basic social emotion. *Soc. Philos. Policy*, 13(1), pp. 27-58.
41. OECD, 2005. *Improving Financial Literacy Analysis of Issues and Policies*. Paris: OECD Publishing.
42. OECD, 2011. *Improving Financial Education Efficiency OECD-Bank of Italy Symposium on Financial Literacy*. Paris: OECD Publishing.
43. Parry, J. & Bloch, M., 1989. *Money and the morality of exchange*. Cambridge: Cambridge University Press.
44. Peebles, G., 2010. The anthropology of credit and debt. *Annual Review of Anthropology*, 39(1), p. 225.
45. Polanyi, K., 1957. The Economy as Instituted Process. In: K. Polanyi, C.M. Arensberg & H.W. Pearson, eds. *Trade and market in the early empires, economics in history and theory*. London: Collier Macmillan.
46. Robeyns, I., 2003. Sen's capability approach and gender inequality: Selecting relevant capabilities. *Fem. Econ.*, 9(2-3), pp. 61-92.
47. Robeyns, I., 2005. The Capability Approach: a theoretical survey. *Journal of Human Development*, 6(1), pp. 93-117.
48. Rowlands, M., 1995. Looking at Financial Landscapes: A Contextual Analysis of ROSCAs in Cameroon. In: S. Ardener & S. Burman, eds. *Money-go-rounds: the importance of rotating savings and credit associations for women*. Oxford: Berg.
49. Sahlins, M., 1976. *Culture and practical reason*. Chicago, Ill., London: University of Chicago Press.
50. Salazar, L.A., 2013. The social costs of microfinances and over-indebtedness for women. In: I. Guérin, S. Morvant-Roux & M. Villarreal, eds. *Microfinance, Debt and Over-indebtedness: Juggling with Money*. Routledge.
51. Sen, A., 1980. Equality of what? The Tanner Lectures on Human Values, Vol. 1. Cambridge University Press, Cambridge, UK.
52. Sen, A., 1985. Well-Being, Agency and Freedom: The Dewey Lectures 1984. *The Journal of Philosophy*, 82(4), pp. 169-221.
53. Sen, A., 1987. *On ethics and economics*. Oxford: Oxford : Basil Blackwell.
54. Sen, A., 1988. Freedom of choice: Concept and content. *European Economic Review*, 32(2), pp. 269-294.
55. Sen, A., 1997. Economics, Business Principles and Moral Sentiments. *Business Ethics Quarterly*, 7(3), pp. 5-15.
56. Sen, A., 1999. *Development as freedom*. Oxford: Oxford University Press.
57. Sen, A., 2004a. Capabilities, lists, and public reason: Continuing the conversation. *Fem. Econ.*, 10(3), pp. 77-80.

58. Sen, A., 2004b. How does culture matter? In: M. Walton & V. Rao, eds. *Culture and public action*. Stanford, Calif.: Stanford University Press.
59. Sen, A. & Hawthorn, G., 1987. *The Standard of living : the Tanner lectures, Clare Hall, Cambridge*, 1985. Cambridge: Cambridge University Press.
60. Shipton, P., 2010. *Credit between cultures : farmers, financiers, and misunderstanding in Africa*. New Haven, Conn., London: Yale University Press.
61. Shipton, P.M., 2007. *The nature of entrustment : intimacy, exchange, and the sacred in Africa*. New Haven, Conn., London: Yale University Press.
62. Simmel, G., 1990. *The philosophy of money*. 2nd enlarged ed. ed. London :: Routledge.
63. Smith, A., 1975 [1776]. *The wealth of nations*. Dutton Adult.
64. Thaler, R.H. & Sunstein, C.R., 2009. *Nudge : improving decisions about health, wealth and happiness*. New international ed. London: Penguin.
65. Wilk, R.R. & Cliggett, L.C., 2007. *Economies and cultures : foundations of economic anthropology*. 2nd ed. Boulder, Colo.: Westview.
66. Xu, L. & Zia, B., 2012. Financial Literacy around the World. An Overview of the Evidence with Practical Suggestions for the Way Forward.
67. Zelizer, V.A., 2010. *Economic lives: How culture shapes the economy*. Princeton University Press.
68. Zelizer, V.A.R., 1997. *The social meaning of money*. Princeton University Press.
69. Zollmann, J. & Collins, D., 2010. Financial capability and the poor are we missing the mark? *FSD Insight* [Online], Issue 2.



**FSD Kenya**  
Financial Sector Deepening

FSD Kenya is an independent trust established to support the development of inclusive financial markets in Kenya. **A** 3rd Floor, 9-Riverside Building, Riverside Drive  
• P O Box 11353 - 00100 Nairobi, Kenya • **T** +254 (20) 2923000  
[www.fsdkenya.org](http://www.fsdkenya.org) • [info@fsdkenya.org](mailto:info@fsdkenya.org) • [FSDKe](https://twitter.com/FSDKe)