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people's wellbeing in rural Kenya**

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

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Abstract:

This report uses a theoretical framework based on Sen’s Capability Approach to suggest financial capability should be understood as a set of reachable financial opportunities, which individuals have reason to value to achieve their wellbeing goals. From this perspective, financial inclusion can be evaluated according to its ability to facilitate poor and excluded individuals to better pursue their wellbeing goals. The empirical contribution of this report shows that formal bank accounts, while instrumentally valuable as means for savings, do not fit with a local mode of development based on mutual support and “upliftment”. By contrast informal financial strategies are more aligned with local social norms and moral values. They are therefore intrinsically better at contributing to people’s quality of life. By considering the role of non-economic value drivers, this report invites the financial sector to deepen its understanding of how and why services’ are adopted and used. It challenges the financial sector to align its financial inclusion proposition with such a broad set of drivers in mind.

Keywords:

Financial Inclusion, Wellbeing, Capability Approach, Kenya

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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 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. There is general agreement that financially capable individuals will effectively and responsibly use these services. This being the case financial services will, eventually, 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. The research adopts the position that financial inclusion is valuable only if the increased availability and access to financial services allows poor and excluded people to better pursue their wellbeing goals. From 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 for this to happen the financial sector, first, needs to find out what people value in their lives 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 lives, covering their personal achievements and struggles but also looking at their relationships within their communities and families. The research also looks at how various events affected people's economic and social statuses as well as how they felt about these changes. The research takes the position that people's wellbeing is not something individually and independently created but it is 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 contexts.

A broad range of financial and resource management strategies are also investigated. 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 associated to such strategies. The research seeks to find out the instrumental contribution of money management to people's wellbeing, how certain instruments improve people's ability to save for future expenses, for example. But it also aims to find out how using certain financial services and engaging in particular financial strategies is important to people's sense of identity, their social status and their sense of belonging to society, which are all aspects of wellbeing created within relationships. The contribution of financial services to these areas is 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 that is rooted in an individualistic and rational economic perspective that does not consider the deeper meanings of people's financial and economic practices. Rather, it narrows down financial and economic practices to their solely economic value. By contrast 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 from economic anthropology, everything that is economic is also social, economic and social relationships overlap and influence each other. At 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 the economic and social by presenting both the material and non-material - 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 that are used to shift the perspective on those concepts in the paper. The section demonstrates the rationale behind the analytical framework that has been used for 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 to the respondents’ valued wellbeing goals.

2 Background

Financial inclusion policy has evolved substantially since its beginnings in microfinance. With its focus shifting from microcredit for investment, to savings, and most recently to 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), the raising of which is 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 wellbeing² 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).

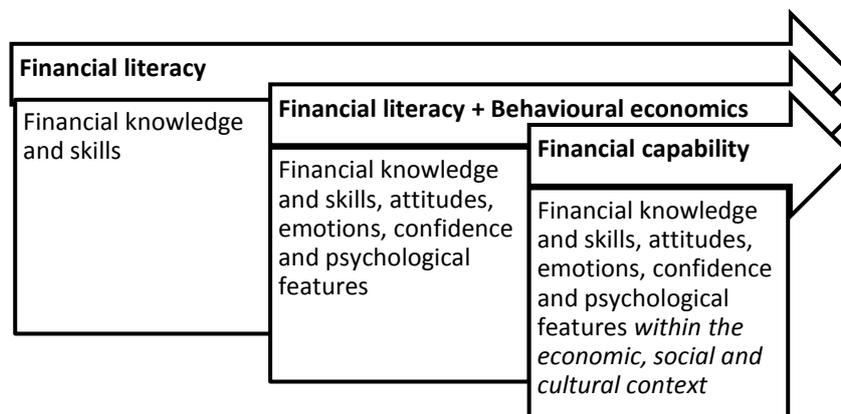
The concept of financial capability has now superseded that of financial literacy, according to which financial knowledge and skills - which are understood to be teachable – are key determinants of the ways in which people manage their financial resources and use financial services (OECD, 2005). Indeed, 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 behaviour with regards to their finances. It suggests that financial literacy is only one aspect of financial decision-making and that 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. Financial capability is argued to be a better way of representing the multitude of factors that are at the root of

² “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).

financial decision-making (Figure 1). The use of this definition resonates with a holistic view of people’s financial behaviour, which goes beyond considering knowledge and skills in isolation. For instance, qualitative research in low- and middle-income countries shows 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 with individual virtuous behaviour, rather than the use of financial instruments and the 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 treated these as indicators of a person being financially capable (Kempson *et al.*, 2013).

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



These studies suggest that the role of knowledge is not central in the financial decision-making process. Rather, financial capability is 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). Individuals may be very good at some aspects of it but not all (Collins *et al.*, 2009). Moreover, financial capability changes over people’s lifetimes and depends on environmental and personal circumstances (Accion, 2013), thus being in itself dynamic.

The policy discourse around financial capability is however 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 conservative and risk-averse in its focus on planning and saving, 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 the concept of financial capability, its measurement and conceptualisation often still involve an attempt to define and measure a set of optimal financial behaviours across countries, thus losing wider and more contextualised perspectives for which many are advocating (*Ibid.*).

Ultimately, the concept of financial capability is still seen as a way of improving people’s abilities to manage their money through the use of a set of financial services, which are mostly formal and promoted by the financial inclusion discourse. Therefore, most attention is still on the characteristics

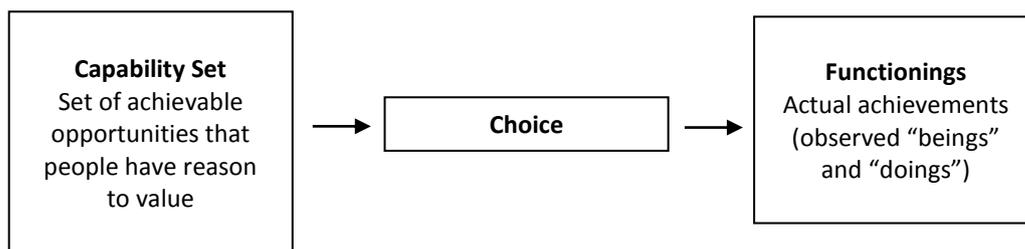
of the services and the abilities and skills needed to use them in order to promote financial inclusion. In this report, Sen’s Capability Approach (CA) will be used to offer a new understanding and theoretical framework for financial capability and inclusion, shifting the perspective from services and people’s abilities, to what people value being and doing in their life, what has been called their wellbeing.

3 Theoretical Framework

3.1. Sen’s Capability Approach and Financial Inclusion

The CA 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 should be evaluated based on what people are able to be and do in life rather than on utility and commodities. 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.

Figure 2. Capability set and Functionings



The CA stresses the importance of people’s freedom to choose the type of life they have reason to value among different 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 they are voluntarily on a diet and the person 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 were to be evaluated through functionings, the two people would look the same as they are both starving. But the picture changes where capability sets are taken into consideration. Sen attributes intrinsic importance to people’s freedom of choice, which includes both the availability of options, capabilities, and the selection process (Sen, 1988).

The current policy focus on financial inclusion is based on the view that increasing access to financial services³ for poor people will lead to an increase in their wellbeing (Accion, 2013). The focus has so

³ 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.).

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. Neither what wellbeing means for them, nor the ways in which financial inclusion actually improves their wellbeing, have been explored.

This report adopts Sen's view of wellbeing as the achievement 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.

Although seemingly obvious, this approach might actually highlight a much wider range of valuable goals that go beyond standard impacts on consumption or assets. This may 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, aspects that are not at the top of the current financial inclusion agenda.

3.2. What does this mean for financial capability?

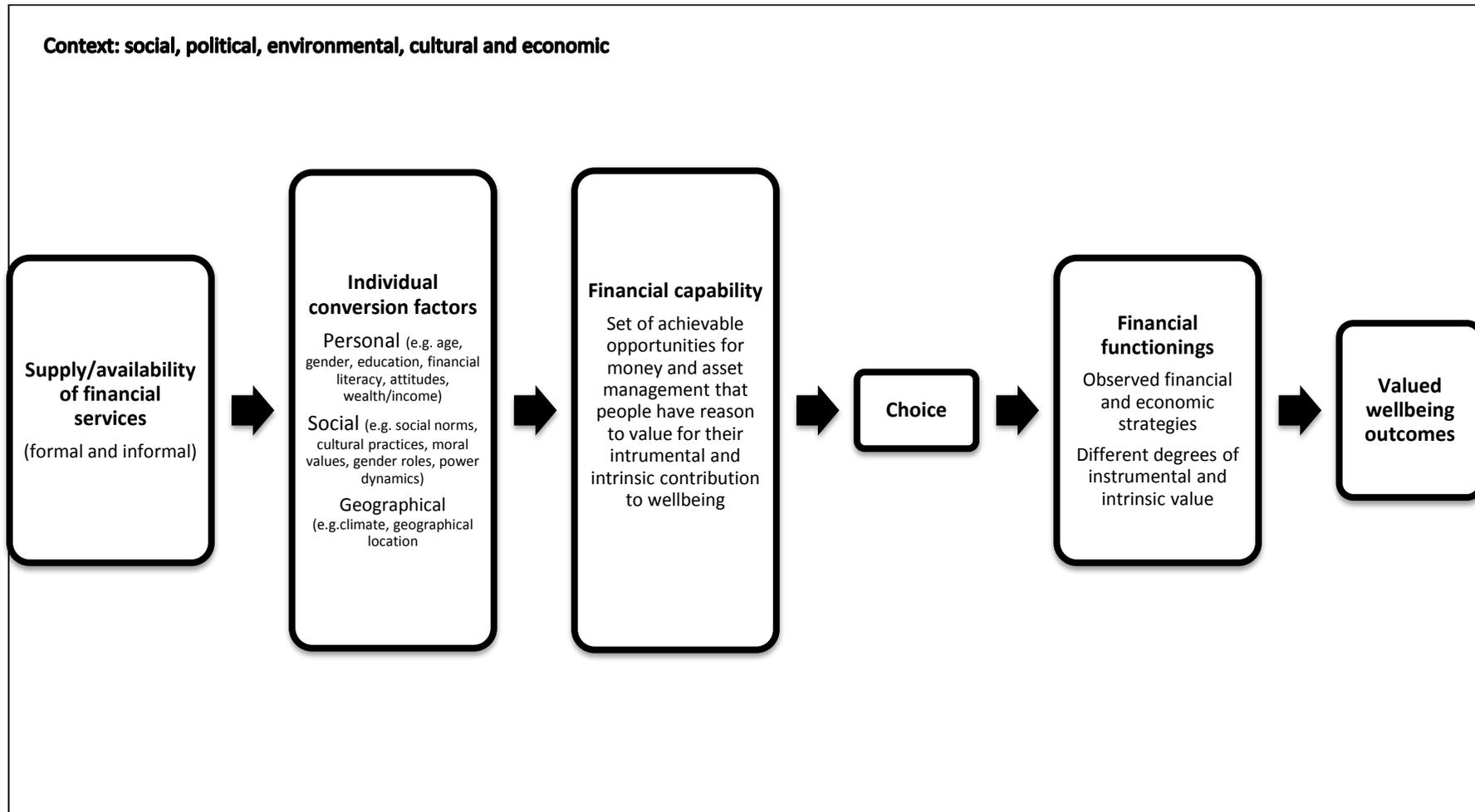
Based on the concepts of the CA, financial capability here describes the bundle of available financial and economic strategies among which people can choose in support of the achievement of their valued life goals. The availability of financial services, together with individual conversion factors will define the financial capability set (Figure 3). The financial and economic strategies within the set will be, for instance, geographically and economically reach, but also in synergy with individual's values and social norms.

The CA highlights the fact 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 CA 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.

In this framework, financial functionings are the financial and economic strategies adopted by people. Since Sen does not only attribute value to these final achievements but also to the selection process, the CA is here used to draw out the value of exploring people's financial practices from an emic perspective, of 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.

By exploring the choice process, rather than outcomes alone, 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 wider social and cultural norms. For instance, people may value saving money to invest later on in life but they may not use a bank because money in a bank is not working for the community. Some people

Figure 3. A wellbeing perspective on financial capability



may prefer saving in an informal group where they can maintain social networks and at the same time keep their money in circulation. Such instances show that people choose to use financial services not only for the economic value that they bring, but also for the way they align with broader social and cultural norms.

Ultimately, the framework used in this paper shows that financial inclusion can be expanded by expanding the set of valuable and reachable financial services among which people may choose, i.e. their financial capability set. If, as it has been argued, cases of voluntary exclusion are rare in developing countries where access and use normally coincides (Johnson and Nino-Zarazua, 2010), then the expansion of a financial capability set coincides with the expansion of financial inclusion. While increasing the supply of affordable financial services is part of financial inclusion, only once these services also lie in line with social norms and moral and cultural values, can financial inclusion expand, both in terms of access and use of services.

This brief presentation of the CA and how it can be used to reframe the concepts of financial capability and financial inclusion has highlighted three main points that are particularly pertinent to the rest of this report. First, I have focused my analysis on the understanding that people's wellbeing is 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.

4 Methodology

This research was undertaken with respondents who were randomly selected for a previous research project, the Market Case Study (MCS) (Johnson, 2016). The 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 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. Many of the latter 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 that were covered by the MCS research. These consisted of 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. Financial services and other types of services were harder to access in these places.

Respondents were purposively selected from 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 obtain some variety amongst respondents. Selection also depended on the willingness of participants to take part in the research and on whether the respondents could be reached. In one urban cluster in particular it was very difficult to follow up young women, either because the research team did not have their

phone numbers or because they were busy. Two sets 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. The report therefore presents a preliminary analysis of 32 interviews completed with 16 respondents. The table below shows the 16 respondents by age category, gender and level of financial inclusion⁴ as formal, informal, mobile and excluded.

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
Total		6	5	1	4	16

I carried out the interviews with 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 assistant, to interview women and men respectively. Interviews were carried out in the local language, Kamba in Kitui district and Gusii in Nyamira district. On two occasions, interviews were carried out in KiSwahili because respondents were not from the local area. Three interviews were also carried out in English.

The first set of interviews followed 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 interviews tried to probe how the different situations that respondents were discussing had an impact on their life, and how they felt about them. Ultimately, we were aiming to discover what constitutes a good life for our interviewees, and what they were hoping to achieve in the future. Our discussions about the good life took different directions: 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 based on material and economic successes. But it is important to relate these ideas of a good life to the rest of the interviews, which gave respondents an opportunity to talk more broadly about their lives and relationships and what makes them feel good and bad in life.

The second set of interviews took place about a month after the first. We asked respondents to talk about the events that happened during that time and also about the main expenses they had incurred over different periods. Responses varied based on the individual respondent's circumstances. Because the majority of the interviews took place during the first few months of 2015 (January-March) many respondents talked about very recent expenses related to school fees. In cases where respondents recalled no recent major expenses, they were asked to talk about the main expenses they had incurred in the last two years. Sometimes it was possible to cover both recent expenses and those that occurred

⁴ 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.

further back in time. 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 the second interviews 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 1 and 2 hours.

The analytical methodology of this research is inductive. I have worked through the first set of interviews to identify the main themes related to people's wellbeing and their idea of a good life. Meanwhile, using the second set of interviews I was able to identify the main financial 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 set of interviews in light of the wellbeing themes that were identified from the first set of interviews. In this way, I have explored both the instrumental and intrinsic value of different economic and financial strategies for people's wellbeing.

The interviews were all transcribed from the local languages in which they were conducted into English. They were further edited by my research assistants and uploaded into Nvivo. Transcriptions were coded based on the main themes that emerged. In this report I first present respondents' ideas of a good life, taking into consideration their achievements and aspirations. Second, I 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 that emerge.

5 Ideas of a good life

This section 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 social expectations of how such roles should be performed in life. The achievement of these social expectations informs people's identities, raises their self-esteem and gives them a sense of achievement and pride. This shows that material achievements have deeper values and meanings that connect to areas of wellbeing other than the material. Indeed, episodes that made respondents happy and proud were often those in which their identities and statuses as parents and community members were affirmed.

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 impacts on their wellbeing. 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. This section seeks to go beyond an instrumental view of material wellbeing, to highlight its symbolic connotations and its 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 or sending their children to school. Men in particular associate a good life with the ability to provide for the needs of their family. On a deeper

investigation, the material and economic improvements that people associate to a good life are connected to a variety of social expectations. Amongst other things these identify men as being the household heads and breadwinners in the family, responsible for looking after not only the security of the household but also the provision of its material needs, things like food, education, clothing 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 the only way to 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; this provides them with a sense 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 timber and making furniture. He was very proud of the improvements he had made to his business and the fact that he was also providing a service and jobs for the community. Thanks to his hard work, he was also able to buy cows.

"In the last 10 years, I can remember that I have been able to raise money from my hard work and buy cows. You see, buying cows is also a success in this society so I am very proud of that success. Next, 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 reference to economic improvements within his business and his household. When his business was doing well, he was able to buy bread for breakfast every day but 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; at times his 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. Daniel says that he was feeling good and satisfied when the business was doing well, but 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 his family like before, but also because he lost trust in some of his workers, whom he suspected stole from him.

As Daniel's case 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 construction. *"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".* Henry (quoted) connects his ability to provide for his family with the reaction of his family and his wife who "sings" 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 on the needs of the household he considers that as a positive achievement.

Women also speak of a good life in terms of material improvements in the household. In order to see these improvements happen, women often depend on their husband's contribution to the household, especially when husbands work in urban areas, leaving their wife and children back in the village. Consequently, women value their husband having a stable job and regularly contributing to the household. A woman reported, for example, 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 their family's needs. Indeed, they are often responsible for looking after the shamba (farm) and they engage

in the trade of agricultural produce. In more urbanised settings, they are also involved in other types of businesses related to manufacturing and trading. Among the respondents a few women were widowed or separated. They were the main providers for their families, but often had to rely on support from other relatives as well.

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 better shelter than a bad house but also because it signals people's status within a community. Men often mentioned that they aspire to make improvements to their house, while women often expressed gratitude for having a good house that can shelter them and protect them from illnesses. 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". Elisa, a young widow with three children, marked the importance of a good house for social status. She said that if her husband was still alive they might have been able to upgrade their house; "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. Daniel talks about how his life has improved in terms of the different houses he had lived in and had been able to build,

"Overall my life has really improved. I 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 he made to his house not only because he now has a good roof over his head and a bigger space in which to live, but also because the state of the house is a clear sign of his social status within the community, and also that he has reached a certain stage of life. He is proud of his achievements because of these things. The 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 instrumental components, but also for other aspects of wellbeing to which they connect. These are related to the social expectations surrounding 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. Men see providing for the family as their responsibility, while improving the situation of the family is the focus of both women and men. They work hard to ensure their children have a better future. Wellbeing is therefore not seen in an individualistic way but it rather relates to the family and to the adequate performance of roles by its members.

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 and I am considered as somebody who is successful in this place”*. Having children is an important life stage for both women and men and garners 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 foundational to people's social value and status, especially women's.

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. Utawala, 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, he feels that the fact that his 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 a big family is good too because your children will be able to help you in the 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 better opportunities in the future and, implicitly, to ensure that their children 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 identity.

Taking care of the family does not mean only providing for material things, as shown in the previous section. Men showed themselves to be concerned with the quality of their families and with 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 within which there is no conflict. For instance, Jonhatan who has been married to four wives says:

“All my children know that I am their father, and since they were born they have not experienced any difference because they are of different mothers, they are just united and they live peacefully ... I am proud that I was able to bring up my children without showing them any form of separation and discrimination”.

Women also appreciate having a unified family where there is no conflict. This is often shown by the fact that in big families women, like daughters and mothers-in-law, cook together. When female respondents were asked about their relationships in their households they often made reference to the fact that they were living in peace and cooking in the same kitchen. Matthew, a 21 year old boy who lives with his mother, his younger siblings and the family of his older brother also says: *“The relationship is good. We cook in the same kitchen and live peacefully”*. Only in one instance did a respondent describe cooking separately from a family member. In that case, the woman's son had separated from her daughter-in-law, who used to cook separately from her. Carol, who lives in a compound with six of her sisters-in-law says, by contrast: *“This is a friendly and unified family and I am happy about the way they consult”*. Living in peace with the family was repeatedly 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. Having good relationships and living in peace with other family members is important to people's sense of wellbeing too. These relationships are gendered; by taking care of their family and conforming to the social expectations connected to their roles as head of the household, and of wife, (Silberschmidt, 1999), men and women reinforce their identities, 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 on making economic improvements within the household. Being accepted by the communities where they live is also very important. Social roles within these communities, and their fulfilment are key to people's wellbeing; people feel good about having a role and strengthening social connections through these roles. Women often move to the husband's community once they get married. 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 home, saying that there was a ceremony and her friends escorted her there. *"I was feeling very good since I was moving to my home where I had been married to"*. Hilary has now been married for many years. Her children are grown up and have 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 that happen in the community, such as weddings. Her role within the community is recognised by her membership in a community committee from which she can access financial help in case of emergencies such as sickness. The knowledge that she can have both financial and moral support from neighbours, friends and the community as a whole 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 her neighbours fetching water and doing other activities with them. She also 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 a feeling of security, as well as the lack of gossip and hatred among her neighbours, were spoken of as important evidence that a person was living well in a community in which they were accepted. 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".

Community relationships are however not always without conflict, and fitting into new communities can be challenging. For instance, Paola, who is 42 and moved to her husband's home when she got married, complains that no wedding ceremony took place and that her husband had not yet paid anything to her parents. Moreover, since she comes from a different tribe she experienced several challenges within her new community. She did not know the local language, which made it more difficult to communicate with her husband's community and parents. She also says that since her husband did not introduce her to his church, she could not attend it for four years. These things made her life 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. As a result, the boy became involved with what Henry regarded as 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. , Eventually, he, his wife and the boy’s uncles worked to “straighten” the boy. The family sold their last cow to send him back to school. Henry explained, *“I have gained my respect in the community”* and also said that his neighbours now greet him again.

This once more shows that belonging to a community and feeling accepted by such a community are important aspects of people’s wellbeing. Often it is only when people deviate from locally appropriate behaviours that social and cultural norms become evident and people experience situations of exclusion and marginalisation. Indeed, respondents often talked about these behaviours and norms when they were unable to conform to them. They became sources of conflict or low self-esteem, such as in the cases of Paola and Henry. Playing a role in the community and establishing relationships by following local norms are very important if a person is to be accepted by the community and gain its respect.

5.2.2 Cultural norms and people’s life stages

Respondents’ idea of a good life is connected to local norms. These influence the social expectations around the different roles that people play in their lives, depending on the stages of life that they have reached. As previously discussed, there are social expectations around household roles, such as that of the male breadwinner. In addition, cultural norms also establish a series of ceremonies and rites of passage that signal different stages in the life of people. Such ceremonies include initiations. Being able to follow such local customs and norms is important for people’s self-esteem and their 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. He said that if he had been able to pay bride wealth he would have been respected by his in-laws and included in family decisions. Instead, he was not considered *“man enough”* to be involved. He was concerned that his wife might be taken away from him. Even if the likelihood of this actually happening seemed remote, the role of traditional customs had implications for how he saw himself as a man. Not paying bride price was also a source of conflict.

“The only conflict that we have with my 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 her 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”.

Melanie would like to bring back her grandchildren because she says that children, in her culture, are part of their father's family. This is also why she was expecting her granddaughter to bring 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. By contrast, in the past he had 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 is viewed with sadness. They also see the behaviour of some younger people as evidencing a lack of respect.

It is important for young men 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, for instance, 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. He is now one of its more prominent members.

"I am feeling proud that I have circumcised the boys and I have done the ceremony and fed the community members. I can now have a say in the community, I am very happy".

This section shows that following local cultural norms is very important if people are to be respected and valued within their communities. Following local cultural norms clearly gives people a sense of confidence and self-esteem. Ceremonies often mark a new life stage for people (Silberschmidt, 1999). Daniel, for instance, talks about how a ceremony led to a new role in the community, and has allowed him to participate more in community discussions. On the contrary, in situations where local norms are not lived up to, as in the cases of Henry and Melanie, they lead to a sense of failure and low self-esteem.

5.2.3 Social and moral norms: mutual support and generosity

Local norms do not only relate to cultural norms that, for instance, define people's passage into new stages of life. Cultural contexts also influence social and moral norms that guide how people relate to each other. These norms too create social expectations and pressure to conform.

One of these norms is that of mutual support, helping each other out. Respondents reported several cases in which they were able to help other people. In these cases their actions made them feel good. These kinds of actions are not just reflections of social norms but are also found in Christian teachings. People are reminded at Church of their duty to help those who are in need. 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 support is given 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 in less obvious ways.

Henry, in order to contribute to community fundraising, sells chickens,

"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 on the basis of 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. It is a form of social security. This is useful in times of emergency. However, such an instrumental perspective on relationships should be placed in a broader perspective on wellbeing. Being able to help others who are in need is a way of participating in society, while gaining the respect of the community. Social networks are extremely important not only as a form of social security but also as a way of confirming one’s own role in the community. 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.

As Henry pointed out, there is 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. He wants to be able to help his mother with a new house, and to assist children in his home community to get through school.

“One of the [important things in life] is education because when you get learned you get employed by the government and this enables you to earn good money. When my school 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. 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 widely accepted. However, there are different situations where help can be requested, some of which are more accepted and appropriate than others. 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; some types of support may be acceptable between parents and their children, they may not be so in other relationships. I will go into more depth in the descriptions of such relationships in the next section on support networks. It is important here only to underline the intrinsic value of such relationships for people’s wellbeing, as well as their instrumental benefits.

To conclude, this section has argued that people become part of a community by fulfilling 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.

6 Money and resource management strategies

This section 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. These could be instrumental or intrinsic effects or a combination of 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 for financial support are not only instrumentally important for people to cope with emergencies and plan for future expenses but also intrinsically valuable as they allow people to maintain social relationships that reinforce their identities and sense of connectedness.

This section is divided into four sub-sections, each of which focuses on one specific mechanism of resource management: social relationships of support, *chamas*⁵, formal financial services and livestock management. Those respondents who mainly rely on support networks and *chamas* normally do not use formal financial services. However, all the respondents who use formal financial services are also participating in *chamas* and helping family members and friends out when asked. Therefore, the order of the following sections presents 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. These 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 3⁶ because her father passed away the family could not afford to pay for her school fees. She married at 16 in 2007 and now lives with her mother-in-law and her three children. Since her husband is the last born in the family, she says he received the family inheritance and it is for this reason that they live on the family land with her mother-in-law. Rachel says she was accepted very well in the family and in the community; she now cooks with her mother-in-law and does activities with her neighbours, like fetching water.

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 talk about what is preoccupying her. She looks after the *shamba* and her one goat since casual jobs in the area are poorly paid.

She is happy to have a good network of people around her. One of her neighbours, Esther, is a very good friend to her. They visit each other often and they help each other out in times of need. Her mother-in-law is also supporting Rachel and her 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 ... 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".

⁵ 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.

⁶ Equivalent of Year 3 in English primary system

In some instances, Rachel had to ask for support from her sister in Mombasa and her husband's siblings. On one occasion, Rachel and one of her brothers-in-law got cat bites and needed injections. Her mother-in-law sold two goats and Rachel asked her sister for some money to pay for the remaining injection.

"During that 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 ... his wife is the one who influences him to turn us away".

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

Since her husband works away from the village, Rachel receives money on a monthly basis through a shop-keeper who is related to her husband and from whom she takes 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 KShs500. I decided to take KShs300 to school and we had the KShs200 for the 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 before 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 who may be able to help her. At the same time, she is happy to give and help whenever she is in a position to do so. The last time she received money from her husband she used it all to make a contribution to her church. She said she was fine without money in the house and that she did not expect any expenses to arise. However, at times she does save money in her purse. She was particularly proud of how she once managed to buy some vegetables 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".

In the future Rachel would like to move to Thika and set up a business to help her husband support the family. She also hopes to send her children to secondary school and wants to join a local chama with her mother-in-law and three sisters-in-law.

6.1.2 Trust and norms around “asking for help”

The story of Rachel shows the importance of having a support network on which one can rely at times of need. On the one hand asking for help is widely accepted, “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 that regulate what it is appropriate to ask for, and when it is appropriate to ask. These norms vary with the particular social relationship through which help is requested. 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, a priest, recalls a situation when she needed cash quickly for some medications and her neighbour was at that time her closest 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 does the receiver need 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 that regulate relationships of support define what is appropriate in each relationship. For instance, even if “helping out of generosity” seems 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 her husband they decided to first ask her brother, who is an accountant, for help. The brother irregularly sends small amounts of KShs1,000⁷ to help them every now and then. In that situation, however, he sent KShs20,000. The total amount of the medical bill was of KShs28,000 and Hilary’s son was the one who settled the bill. Hilary sold some of her farm produce to cater for small expenses like transport. Hilary is also part of a community committee that organises fundraising to help community members with medical expenses and school fees. She feels that having such a committee is making her life easy, but her brother and children are still normally the first people she would ask for help. Some time after her illness, her son in Nairobi was promised a job on payment of KShs100,000. In order to help her son Hilary sold a cow for KShs22,000 and trees for KShs20,000. 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 her husband in the house so they do not have many expenses. However, she felt bad because her son did not get the job after paying the money they had got together to help him.

Hilary’s story underlines two aspects that were also found in Rachel’s story. First, there is a consensus on the appropriateness of asking for help, second, there seem 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 a category of expenses that are eligible for support. Indeed, Hilary, instead of selling her assets to pay for her medical expenses, decided to 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

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

could ask her brother for medical expenses, support that she would have to return. Selling assets is always the very last option people go for. However, when asked why she did not ask her brother for help when her 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. It is appropriate to ask different people in different situations. Likewise, it is 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. As already noted, they can vary depending on the reason for which help is requested, the amount of help 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 brothers-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 well off. Henry 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 KShs 200 or KShs 1,000 and return back to them. But when I need more money like KShs 3,000 or KShs 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 for from different people. Henry says he does not feel good when he has to ask for money but *“the situation makes me to borrow”*. Such a situation happens when he has a problem and he needs help, with school fees for instance.

Henry’s story also shows the importance of nurturing different types of relationships with friends and family members and of following the norms that regulate the ways in which relationships of support play out. Indeed Henry is now thinking of ways by which he could send his son, who just finished secondary school, to college. He said he will struggle on his own at first, before he will 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. These instances normally involve 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 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 identities as they receive recognition within certain social networks from which may otherwise become distant, as the case of Rachel and her brother-in-law showed. People know how to perform to the norms around support relationships and how to maintain good relationships, but this is not because they have 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 work that they may need in their houses. 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 as 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 napier grass because he assisted me with school fees at some point”.

Henry cannot afford to repay the money he was given but takes good care of maintaining his relationships with his friends and brother in whichever ways he can. By reciprocating in different forms the help he has received, he shows his appreciation for it and his availability within such relationships. This shows that reciprocity is a fluid and dynamic norm that people develop and nurture within their relationships. Rachel said that her husband was going to give back money in the same way he had received it. In that situation, reciprocity was within the family but directed to a different family member; her 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 reciprocity should happen. It is a norm that develops into different practices depending on the people involved. For instance Matthew, who just finished secondary school, is planning to reciprocate the support he received from his mother by helping her build a house; *“she brought me up, educated me and given birth to me”.*

These relationships of support are not just instrumental for people, utilised to cope with life shocks and big expenses in a situation where incomes are small and very irregular. If such system of reciprocity is strong because of the external conditions that cause it to be useful, there is also 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 makes people feel good, as was shown in the section on wellbeing. For instance, Carol has many friends and good relationships with her sisters-in-law; they often help each other out with food and other small needs of the home. *“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 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 in his community. He was for a short time in politics and he is currently running a posho mill (maize mill) while his 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 struggle because of the expenses of school fees, food and funeral ceremonies. Therefore, he joins in community fundraising but also assists people individually when they approach him.

“It’s like when someone walks up to me and asks, Councillor can you give me KShs100? You do not expect it back. They might ask for KShs50 or KShs200, maybe they are stuck. That is not something I expect to get back or go ask for it.”

This reflects the social responsibility to help each other that was shown in the previous section. Such actions are also important for people to feel they belong within a certain community. Even modest help can be significant because it shows people's willingness to give and support other people, recognising the other person.

Indeed, it is by helping others that people are recognised by the person on the other side of the relationship; helping is thus important for their sense of self and belonging. It is by helping family and community members that one gets to be part of them. Rachel, for instance, was accepted by her in-laws and her husband's community, and feels entitled to ask for help from 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 through 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 in such a way that we can ask big financial assistance like Kshs 10,000, or KShs 20,000 and so on from each other. But we are happy and love each other."

However, Laura is part of women's groups through which women 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 because her business is not doing well and she cannot access anyone who is better off in her closest networks of family members. Utawala is in a similar situation; 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. Since his children are not well off and they also have children of their own 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 situations of social exclusion: 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 significant financial support when needed.

Elisa, who is widow, is 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 that affects people's ability to stay active within support networks when people are too poor to be able to ensure any kind of reciprocity.

Belonging to such networks is fluid across a lifetime and 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 has six children, is struggling to access help from neighbours and has

also fallen out from the clan group. She has not been contributing anything to it for some time. However, in the past Melanie used to help out whenever she could. Now with the increase in responsibilities she has for her daughter and grandchildren, she is not able to help people and access any financial help in the community. She cannot do this because she does not have the means to reciprocate resources. She continues to get help solely from her mum who receives a monthly pension for the elderly.

“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 [my grandchild] had to sit back for one month until I got the money. It’s not easy for them [neighbours] 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 a point because people are too poor, and they fall out from 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 on the farm on some occasions without requesting any recompense. This shows that social inclusion and support from neighbours and friends may still take place, although it may take different forms from financial assistance.

When people are excluded from support networks, they may try to make new relationships. For instance, Melanie’s daughter asked her cousin for help with school fees. This was a first for her. These may be tentative relationships and the help given through them may remain a one-off 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 provide 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 to. This was because the chama would have charged him interest on the loan.

“I said let me try with this 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 in different situations. People, however, do not just pursue these relationships for instrumental reasons. Indeed, the value in being part of such networks does not only reside in the financial support one can access but also in the social networks one gets to belong to, which can offer status and respect.

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 her in-laws. This may have also been the case because she comes from a different tribe. Her relationships within her new community have also been very difficult because she could not understand the language spoken within it, and 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 into them by her husband and, therefore, not formally recognised as part of his family and community. She could not access financial support as she had no friends. However, she could still access financial support from her sisters and parents who are better off and with whom she

is still in touch. Only recently, she was able to develop some networks by joining a SACCO⁸ and through her tailoring business. She now also helps other members of the SACCO when they are late with their payments. She says that now through her business and the SACCO she has joined she has made new friends and has started to integrate herself within the neighbourhood. Support networks are thus instrumental for people to cope with difficult events, but they are foremost a sign of people's inclusion and acceptance within social networks.

6.2 Chama

6.2.1 Jonhatan's story

Jonhatan is 61. His dad did not value education and Jonhatan started working after his first year of secondary school. He first moved to Nairobi and after a few years running small businesses in the city, he moved back to the village and got married. That was in 1980. Over the following few years Jonhatan became father 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 to his second wife in 1986 and he became father of his first son in 1987. When Jonhatan had only one family he was living in the village where he did some farming to sustain the family. Once he had two wives and more children to support his farming activities did not provide enough income and food 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 occurred, this is still his main occupation and source of income. He is now on his fourth marriage and supports his latest family and all the children he had with his previous three wives. Some of them now have grandchildren that Jonhatan also supports.

When he was employed in a butchery Jonhatan joined a chama whose members meet every day at the local 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 KShs100 per day. Jonhatan left the chama when in 1999 he was fired from the butchery where he was working. He joined it again in 2003 when he started his own butchery. At that time he decided to start adding names to the chama and today he has 20 names (shares), while there are 69 members in total. This number is likely to change 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, particularly 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. For the same reason, he is now helping out with the education of his grandchildren as well.

"My wish is that when I grow old I will have no problems because I have brought up my 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 them 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

⁸ Savings and Credit Cooperative

the same time is not easy and you need to plan.”

Since Jonhatan has 20 names in the chama, he has to contribute KShs2,000 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 helps 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”*. The chama helps Jonhatan to plan for his expenses. Every time a new cycle starts he marks on the calendar the days that he will receive his contribution. The fact that money needs to go to the chama every day helps him to make good use of it.

“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 and plays the role of father and advisor to both people within and outside his 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 strong relationship of trust with his 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 giving support to 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. This runs 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 one-on-one help. Groups normally have some regulations and the reciprocity that is involved in them is less flexible than that which can be negotiated in personal relationships. However, the level of informality is higher compared to formal services, a fact that is often noted by respondents. They talk about the fact that groups understand if somebody is having problems with a contribution or loan repayment. Jonhatan commented,

"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 that 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 her house and pay for school fees for her last-born child. *"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. Such cases normally arise three to four times a year. Being part of this group makes Hilary feel good and she knows that the group of friends who work together at the market will understand if she has problems.

"It has happened before. I went to the group and explained my situation. They charged a fine of KShs100. And then the members contributed to help me 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 a 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 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 in other ways. For instance, families often operate groups specifically to help each other out for traditional ceremonies and school fees, which help people proceed through different stages in life. Alan, for instance, says that he is only part of a family group while his wife participates in other chamas.

"Every year we have family meetings 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 on his two boys. *"With this celebration we contribute KShs500 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 futures. The support received by these groups is linked to having social value and respect in the community. 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 also constitutes an important part of people's social networks, and has effects on their sense of identity. This contributes to their sense of belonging to both social and cultural systems where values regarding a good life are shared.

Thomas, together with his wife, is also part of a chama with other people doing business in town. He received financial support from the group 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 organise 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 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 it 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 in order that they can 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.

However, in some situations people may be too poor to join a group. 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 has also 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. People may also be unable to join groups for the same reasons they are not able to maintain relationships of support; they are too poor. Again, the exclusion from these financial groups also has implications in terms of social exclusion, as people's 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 manage their money, as they can better plan and save. 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, the 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 the slightly better off still participate in chamas and help other people out.

6.3 Formal financial services

6.3.1 Thomas' story

Thomas is 33. His eldest sister raised him and helped him through primary school. However, since there was not much money in the family he had to drop out of school for some time. During that period he started growing and selling vegetables. He then bought livestock (chicken and goats) with his savings. With this money he was able to finish primary school and attend a polytechnic in Mombasa to qualify as a mechanic. After polytechnic he worked for a time in Mombasa before going back to his 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 his wife set up a kiosk in town 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 be 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 out 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 KShs10,000 or KShs 15,000, as 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 how to use the money if he needs to withdraw it.

"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 one they already owned.

They also bought livestock, as this can become helpful in situations of emergency. Thomas feels that every time he sees the animals he will be reminded of the group (chama) that helped him acquire them. Moreover, he values the fact that the chama does not only provide financial support. Indeed, they accompanied him and his wife when they wanted to pay a visit to their in-laws. He also withdrew some money from his account when he went visiting his in-laws. However, he says that he uses the accounts only when he needs KShs10,000 or more. This money can be needed for business purposes, like when he goes to Nairobi to buy spare parts, or when he and his wife are helping some business friends out.

However, if someone asks him for a smaller amount than that he would withdraw from Mpesa or use the savings he keeps 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. Keeping money in the house means he can pay fees immediately they are sent home. He would deposit money in Mpesa only when he has accumulated cash for at least KShs4,000, subsequently depositing the money from Mpesa in his bank account when such amount is significantly higher. That is provided he knows that he will not need the money for anything that he is planning to do soon.

In 2013 Thomas' eldest sister passed on. She left a will that stated that Thomas would be looking after her two children. Thomas used to help his sister and her daughters whenever they were in need and has now moved to a bigger house to accommodate the new arrivals in his 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. He said that the household's expenses have now increased and he needs to work harder. Thomas sent his sister's children to secondary school that year. He started saving for the school fees the previous year, partly in his Mpesa account and partly at home, since he wanted to make sure that he could pay all the school fees at once. He said that since his two nieces are orphans he does not want them to feel that they are being neglected. He made more effort to avoid the risk of them being sent home for school fees for this reason. Thomas feels responsible for his nieces' education and he is proud he has been able to send them both to secondary school.

In 2013 Thomas also joined a SACCO where he decided to deposit KShs200 every day. This he defines as *"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 will provide help to the family in case of the member's death. He remembers that when his 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 a burial group. Thomas is also part of another burial group where he contributes KShs200 per month and a clan group where he contributes KShs500 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 he can give to his children is education. Thomas also has a very good friend from 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, including 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 investments back in the village. At the same time he keeps up social networks with friends and a good relationship with his in-laws, whom he considers as his parents. He is hoping to have a stress free life when he is old, to be able to provide for his family and send his children to school up to the level that they wish to reach.

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 that it made him more disciplined. The bank account works as a deterrent, to stop him spending money on small things that are not necessary. He feels that the money in the bank, even if it 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) that derives from the way the bank account makes money more illiquid.

Daisy’s eldest son opened a bank account for her and suggested she 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 KShs500.

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 that he used to pay school fees and that 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. When business had been slow, she stopped it for a few months and during that time she said she lived off her savings from the bank. She used the money to pay the school fees for her last born too, so the account is now empty. As these stories show, having a bank account becomes a motivation to be 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 is something that is far from them, and therefore it creates illiquidity. Having a bank account is therefore instrumental for them to achieving 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; as Thomas said, there is a sense of relief in knowing that money is safe.

Similarly to Thomas' story, Utawala says that having a bank account used to motivate him to save and that 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 his 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 KShs9,000 because his mum was sick and remembered he had KShs8,000 in the account. However, when he went to withdraw he only got KShs7,300 because of the charges. So he now prefers to save in Mpesa and Mshwari because they are everywhere and the withdrawal fees are cheaper.

Both Thomas and Utawala's stories show 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. They use this more illiquid service to save and plan for the future. Utawala also says that he felt proud whenever he was able to deposit money. Being able to save becomes an achievement which is 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. Utawala withdrew money to pay for his mum's medical bill, while Thomas withdrew when he went to visit his in-laws and occasionally withdraws from both his 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 savings in an 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, and more obviously connect the economic and social spheres of their lives. Maintaining and nurturing such relationships is not a direct result of having a bank account but a result of people's agency and decisions on how to use such accounts. Utawala and Thomas 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 the development of their families and communities.

However, there may need to exist a certain level of closeness in relationships before people decide to withdraw money from their bank account to give support through them. Indeed, a couple of respondents mentioned that having money in a bank account relieves the pressure of community demands. If Utawala and Thomas have shown that money can be withdrawn from the bank account to help family members and close friends, it may not always happen with other community acquaintances with whom there is no close relationship of support and of reciprocity. When people are faced with such requests for help from such people, keeping money in a bank account provides a third type of safety (beyond physical security and security from misusing the money); they can explain 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 similar feelings:

"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 modest assistance to community members who are stuck whenever someone knocks at his door.

It seems therefore that having a bank account incentivises people to save and plan for their expenses, and that it is a key instrument for putting money aside for big expenses such as school fees. It also relieves them from excessive pressures from the community demands 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 the social relationships, which are intrinsically valuable for their wellbeing.

6.4 Livestock management

6.4.1 Utawala’s story

Utawala 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 farm. 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”.

Utawala said once he sold a goat when his last-born son was admitted to hospital and he also sold a cow when his 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 Utawala 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 Utawala 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, Utawala remembers that once he did not receive his payment as expected and was unable to send money to the village. His wife was however able to sell a goat the day after to buy food for the household.

Utawala’s first-born son started secondary school in 2015. The previous year, Utawala noticed that the son was doing well in primary school and decided it was worth sending him to secondary. He started saving in Mhswari. He saved KShs8,000 and then raised KShs9,000 by selling three goats. Utawala 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 himself. Managing livestock well is very important and he considers having livestock not just as a form of insurance in case of emergencies, but also as a form of savings and income-generation: *“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”.*

Utawala 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. At the points his wife sells the livestock for money, she may spend it, or 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 Utawala explains that he needs to have a strategy to ensure that diseases will not spread among his livestock, especially his chickens. At the same time, he highlights the fact that the investment pays out because goats multiply in number. This is similar to an interest earned on savings.

6.4.2 Savings and investing in livestock

Utawala’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 ways in which Utawala values having livestock: as in insurance against emergencies, as a form of savings and also as income-generating investments. Utawala 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 the attitude towards them cuts across geographical areas of residence and levels of financial inclusion. Even respondents who live in more urbanised areas and manage their money through a variety of formal and informal financial services consider livestock as a good way to invest their money.

Owning livestock gives a sense of security for the future. Thomas, who lives in Kitui town with his family and uses various formal and informal financial services, keeps livestock back in the village and as one other form of security for the future. Thomas feels secure because 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 that he can reach in case of emergencies. However, he recognises that saving part of his money in the form of livestock is another 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 his land, and also to be rented out to other people to get some income. Unfortunately, both bulls died in 2012 because of a livestock disease. In 2014 Daniel was able to buy 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 KShs10,000 for the heifer from three sources of money: from his carpentry business, by selling some chickens and by using 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 KShs10,000, 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. Daniel’s wife recently fell sick and he was thinking of selling a 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 them, thinking that he could later feed his children with eggs. He now raises the chicks and sells the chickens at Christmas time. Unless urgent needs arise, 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 had too many chickens at 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 would be divided in half between the two friends. Similarly to Utawala’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 investments in livestock 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 he realised that the goat was pregnant and so decided instead to give the daughter cash to support her business and to 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 at his decision. These examples show that people see an economic value in saving and investing though livestock and that managing livestock well is key to making 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 after 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 it 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 a 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 also sent their

daughter home for school fees. At that moment, they decided to sell the goat kid to buy food and pay for the 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 her husband who does casual jobs in a city, narrates that in 2010 they were able to buy some goats because her husband got a better job. Since then, they have been selling the kids, keeping the mother so that it can give birth again. They have been able to pay for food or school fees, but selling kids 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 KShs2,700 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 at and so they talk of selling their livestock at “throw away” prices. This is different from selling livestock as a business, which normally involves being able to wait for the right time to sell. In some instances, people may sell their livestock even if that was not their last option, but because it seemed to them the best option.

Jonhatan, for instance, sold a big bull for KShs55,000 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 to repay the loan over a long time, so he decided it was better to sell the bull. Since he has another two bulls he says that selling one did not affect him too much. Jonhatan also has goats at home. 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 buy 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 in livestock and investing in it because they are relatively safe assets that are easily liquidated in situations of emergency. Indeed, this section shows that livestock are easily sold when people are in need of money for school fees or food.

6.4.4 The social meaning of livestock and social exclusion

Livestock are very valuable for economic reasons: they are a form of savings, investment and insurance at the same time. There is more to them though than this. Shipton (2007, 2010) shows that livestock in the Luo community take on social and cultural meanings, as representations of people’s identity and social status within their community. Owning livestock 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 family, even if today it appears more and more difficult for men to carry on with this tradition of dowry.

Noah, for instance, wished that his sons had given him at least one cow so that he could have a good life. He said that he paid 10 cows to his wife’s parents while he was working, while none of his son-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 ran away with their money. Only recently, Noah and his wife were able to buy a cow with the savings that his wife saved in the house, and of which Noah was not aware. He says that he is very much looking forward to starting to take tea with milk. The cow brings him some joy in and of itself.

“I was very happy when we were able to buy ourselves a cow. Through our savings we were able to raise KShs4,000 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 have been used throughout this document to represent the difficult situations of respondents who were excluded from networks of support and that 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. While Elisa has never owned any livestock, Melanie used to own cows, goats and a donkey. However, because of animal diseases and the increased burden of supporting her grandchildren’s education, she has sold all of her animals and is now in a situation of high 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 money in 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 another sign of economic and social exclusion, which impacts negatively on people’s wellbeing both instrumentally and intrinsically.

7 Wellbeing goals and financial inclusion

Wellbeing goals are related to three main areas: family and its economic improvement, 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.

8 Conclusions

This report has shown how different ways of managing money and resource influence people's wellbeing both instrumentally and intrinsically. It argues that managing money and resources does not only help people save, plan for their future expenses, or cope with emergencies, but also has implications for non-material aspects of wellbeing.

Respondents' narratives about their lives were used to show what it means to them to have a good life. Respondents mainly talk about a good life and their achievements in life in economic terms and with reference to their families. However, this report argues that material things and achievements are often symbolic and that social and cultural norms influence ideas of wellbeing. Based on work by Silberschmidt (1999), it was shown that it is through conforming to social and cultural norms that people reinforce their identity, self-esteem and social status, which are key to their quality of life. For instance, it was shown that a good life for men is strongly related to their ability to provide for their family, and for men and women, to the ability send their children to school and improve their houses.

This report argues that wellbeing is created through relationships and social dynamics. Having good family relationships and living in peace within the community are important to living well. Similarly, belonging to a community, feeling understood by such a community and being respected are all important for wellbeing. It was shown that respondents become part of a community by performing to social and moral norms of mutual support and that participating and nurturing relationships of support is indicative of a collective morality, through which respondents identify themselves within a community and its development.

This report has reviewed some key ways of managing money and resources: one-on-one relationships of support, group support through chamas, bank accounts and livestock ownership. The empirical contribution of this report has shown that these ways of managing money and resources are valued to different extents for their intrinsic and instrumental contribution to people's quality of life. It is argued that informal ways of managing money, such as individual relationships of support and group support, intrinsically contribute to the creation and maintenance of social relationships. Social relationships allow respondents to identify themselves with others who share the same life values, thus raising their sense of identity and social status, as well as the level of respect they receive from the community. These are all important aspects of wellbeing. On the other hand, the case study about the use of bank accounts has shown that, while respondents feel proud of being able to save more, using formal financial services does not support their participation in social networks and in a mode of development that is based on family and community.

This report has also shown that while the majority of respondents own livestock, and participate in one-on-one relationships of support and chamas, only a minority of them use bank accounts. While the cost and distance of formal services are still barriers to financial inclusion, this report argues for more exploration of the important role that social norms and moral values have on services' adoption and use. Indeed, this analysis, and other work done in Kenya (Johnson and Boulton, 2014; Johnson and Krijtenburg, 2014), has shown that the mode of development in which respondents identify themselves is collective: a morality of mutual support and "upliftment" which guides people's behaviours and thinking. It is by participating in these networks that people reinforce their identity, social status and self-esteem. From this perspective, it seems "rational" that even people with formal financial services and who are slightly better off, still participate in chamas and help other people out on an individual basis, rather than saving all their money in a bank account.

Ultimately, this report wants to stimulate a broader debate around financial inclusion, by questioning the limiting set of economic and geographical drivers and shifting the perspective from the characteristics of services to the ways in which financial services contribute to wellbeing. In doing this, it invites the financial sector to reflect on the ways in which their current range of financial services can better reach poor and excluded people, not only by providing more affordable services but also services which are more in line with the social norms and moral values that guide their clients' mode of living and of development.

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