



**CAPACITIES TO ASPIRE AND CAPACITIES TO SAVE: A GENDERED  
ANALYSIS OF MOTIVATIONS FOR LIQUIDITY MANAGEMENT**

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## Capacities to aspire and capacities to save: a gendered analysis of motivations liquidity management

by

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Field research is always a privilege. Respondents gave willingly of their time and engaged in very interesting discussion – we enjoyed meeting them. My thanks to the Digital Divide Data team for making this research such a pleasure to carry out. Julie Zollmann and Michelle Hassan were key players in setting it up, and research assistance was ably provided by Anne Gachoka and Joe Adero. Amrik Heyer of FSD Kenya provided intellectual inspiration. Thanks also to Liz Graveling for assistance with data coding and analysis, and Isabelle Guerin for comments. Of course, any errors and omissions are my own.

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



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## Abbreviations

<b>ASCA</b>	Accumulating savings and credit association
<b>FSD</b>	Financial Sector Deepening of Kenya
<b>HIV</b>	Human Immunodeficiency Virus
<b>ILO</b>	International Labour Organisation
<b>KSh</b>	Kenya Shilling
<b>MFI</b>	Micro Finance Institutions
<b>NGO</b>	Non Governmental Organisation
<b>NHIF</b>	National Hospital Insurance Fund
<b>ROSCA</b>	Rotating savings and credit association, merry-go-round
<b>RR</b>	Resources received, referring to all gifts and remittances entering a household from non-members of the household
<b>US\$</b>	US dollar

# Figures and tables

Table 1: Respondents by marital and household situation, location and gender



Ships at a distance have every man's wish on board. For some they come in with the tide. For others they sail forever on the horizon, never out of sight, never landing until the Watcher turns his eyes away in resignation, his dreams mocked to death by Time. That is the life of men.

Now, women forget all those things they don't want to remember, and remember everything they don't want to forget. The dream is the truth. Then they act and do things accordingly.

— Zora Neale Hurston, *Their Eyes Were Watching God*

## EXECUTIVE SUMMARY

Liquidity management is a future-oriented activity; therefore, this research sets out to assess the role that differences in women's and men's aspirations might play in the ongoing, gendered gap in access to financial services. The ways in which this future orientation operates in the lives of low-income people has been little analysed from a cultural and social perspective, though it is increasingly studied in economics using the concepts of behavioural economics. We draw on the concept of the 'capacity to aspire' as a means of approaching the link between action and goals for wellbeing. Appadurai (2004) argues that culture provides visions of the future which have strong moral frameworks and which motivate goals. However, they are not experienced similarly by everyone and poverty affects the development of this vision.

The research involved 42 in-depth interviews with respondents who were part of the Kenya Financial Diaries research project, funded by Financial Sector Deepening (FSD) Kenya and the Bill & Melinda Gates Foundation and implemented by Bankable Frontier Associates and Digital Divide Data. In the interviews, respondents shared an overview of their lives and the achievements and challenges they had faced. The analysis, first, presents an overall perspective on what these narratives tell us about low-income people's visions of the future and, second, discusses how these connect to liquidity management and the use of financial services. The report uses two extended case studies to discuss the dynamics of aspirations and action and to develop the basis of a wider discussion based in the data.

Overall, men – and particularly younger men – were more articulate than older people and young women about their goals and their strategies for achieving them. Their accounts openly revealed aspirations to material wealth and social status than the female respondents, while women indicated their visions of a good marriage, having children, and educating them. However, it was clear that women too wanted to meet their material needs and achieve a comfortable lifestyle, and that marriage and children's education were also important to men. Therefore, while visions of the 'good life' differ in terms of emphasis, the underlying vision of what 'a good life' is or how it is achieved, does not fundamentally differ between men and women.

For both, the key strategy to achieve 'upliftment' is a strategy of investment that is at once social and financial. This social dynamic involves a process that is collective, shared or mutual and which enables aspirations to be developed and sustained. Men frequently searched for others 'above' them who could act as role models – to inspire them and with whom they could 'construct something' through advice, connections and finance. Their search is for those with whom joint actions can be carried out, and this extends from spouses to natal family, wider relatives, friends and business associates. What differs is the way gender relations structure the economic opportunities and social relationships within which these operate. Many, but not all, women are restricted to a narrower range of relationships and have more limited access to

material resources and endowments, by the gender norms of their domestic roles and the cultural norms of authority (e.g. being under the authority of husbands or male relatives).

The link between this discussion of capacities and aspirations and the use of financial services can be made at two levels: the first is the way in which aspirations directly generate a demand for liquidity management – as saving or borrowing – in the bid to achieve them. The second is the way in which managing one's immediate responsibilities in life has moral content which relates to how the 'good life' is lived and hence the social and cultural norms of behaviour that are involved and provoke the need for liquidity management. At its extreme, fulfilment of the moral dimension is motivated by the avoidance of shame. This analysis suggests therefore that liquidity is not solely, or perhaps even primarily, a function of the financial instrument itself and the transactions costs (physical or financial) of operating it, but is also constructed by people on the basis of these deeper aspirations. Those with stronger capacities may manage the self-discipline of voluntary savings instruments with greater ease, while others are motivated to seek out liquidity features that support their decisions and aspirations.

But as Appadurai indicates, the capacity to aspire is not evenly bestowed: it is influenced by poverty and social status. Moreover, it can be undermined by the myriad shocks and exploitative or disadvantageous circumstances (including within social relationships) that make aspiration itself a potentially risky business. At the same time, the capacity to effectively manage liquidity and achieve aspirations is not static but is dynamic and emergent. That is to say, it is enhanced or undermined by everyday actions and interactions, and the responsibilities that seeking to live a good – or at least better – life entail. Most compellingly, the responsibility of providing for one's children can enable a dynamic change.

More broadly, life transitions that lead to responsibility for providing for others are strongly related to the achievement of life goals. In particular, the shift from dependence to adulthood and new forms of inter-dependence with others was evident. This transition generates new demands for liquidity management – the need to pay rent, to manage one's own consumption, to support siblings with school fees, and so on. Having a child or getting married also produces new dynamics. All of these are particular times at which new demands for liquidity management are generated and new meanings experienced.

The gender gap in access to financial services is then not only the result of the lower incomes and more limited material resources which women experience, but the gendered opportunities and responsibilities they face, and the way financial liquidity management tools relate to these. Membership of informal groups is a key way in which women seek out others to support their aspirations. Compared to the investment and wealth accumulation

plans more evident among men, women's focus on managing their children's welfare often involves relatively small amounts of money, the management of which is currently poorly served by formal financial providers – though mobile money may be changing this.

The implications for financial sector development are twofold: first, that it is necessary to consider how formal providers connect to people's aspirations both in terms of their connection to the moral norms of a 'good life' and their response to the social dynamics of investment. They need, therefore, to consider how they develop relationships with users at a deeper level, becoming meaningful and valued development partners who seek to 'uplift' their clients. Such an approach would recognise that outcomes do not simply arise from the

use of a product or service but are co-created by users and financial institutions, with the scope for dynamic results in terms of the capacities of each. Second, this means changing the way that programmes and policymakers (including, for example, financial education approaches) consider their work with poor people. To be effective these programmes should be based on the deeper concepts and conceptions that underpin the capacity to aspire and designed to relate better to the ways responsibilities and life transitions create different demands for liquidity management. But this means doing more than simply identifying 'teachable moments' for which particular products or practices might be appropriate; it requires making connections with wider aspirations and supporting their long-term development.

## Chapter 1

# INTRODUCTION

This research set out to identify the ways in which current financial service offerings are used and deployed by women and men towards achieving their goals for wellbeing. In the context of an ongoing, gendered gap in access to formal financial services<sup>1</sup> the research set out to investigate how and in what ways this relates to the aspirations and actions of men and women – that is, the ways in which differences in access and use of financial services might be explained by the different motivations they have for using them and the skills with which they use them. It was expected to offer gendered insights into how financial inclusion policy and practice can develop in order to respond to these differences.

The research involved 42 in-depth interviews with respondents who were part of the Kenya Financial Diaries research project funded by Financial Sector Deepening (FSD) Kenya and the Bill & Melinda Gates Foundation, and implemented by Bankable Frontier Associates and Digital Divide Data. In the interviews, respondents shared an overview of their lives and the achievements and challenges they had faced. A notable feature was the theme of reformed behaviour and the aspirations they frequently contained. These interviews gave a more holistic sense of the respondents as individuals than is often the case when interviewing people about the details of their financial practices.

<sup>1</sup> The latest *FinAccess survey* (FSD Kenya & Central Bank of Kenya, 2013) indicates that 35.8% of men have a bank account compared to 22.9% of women – a gap that has widened in absolute percentage terms from 8.8 percentage points in 2009 to 12.9 percentage points. In terms of proportions it has widened very slightly from 66% in 2009 to 64% in 2013. This means that the overall growth in bank account use from 21.5% to 29.2% has been roughly the same by gender but this growth is not leading to a closing of the gap. Mobile money account ownership is 65.3% for men and 58% for women in 2013. At 7.3 percentage points this gap has fallen from 9.4 percentage points (men, 32.8%; women, 23.4%) in 2009. The gap in proportionate terms has narrowed from 71% in 2009 to 89% in 2013.

The challenge then was to find a means through which this greater sense of the person and his or her life experiences could be reflected in the analysis.

The focus on aspirations and their role in development has increased in recent years with one analyst arguing that “any development project or initiative, however grand or modest in its scope, should develop a set of tools for identifying the cultural map of aspirations that surround the specific intervention that is contemplated” (Appadurai, 2004: 83). This paper has adopted the framework used by Arjun Appadurai in his discussion of the “capacity to aspire” (2004), which recognises the importance of the ways in which underlying meaning matters to the purpose and motivations that are core to agency. As will be seen, this starts to converge strongly with current discussions on issues of financial capability; however, given that the concept has, to date, been rather under-theorised, it is not made central to the discussion here. Rather, the findings of this report suggest that this attention to aspiration contributes an important broader perspective to more narrowly based discussions of financial capability.

The approach then to presenting the analysis also seeks to retain a sense of the whole person. To this end the report uses two extended case studies to discuss aspirations and the actions that they precipitate and how they relate to the flow of resources, finance in particular. Therefore the first part of the report discusses aspirations and actions at a broader level than just financial services, while the second discusses relationships with financial services more directly through a discussion of the way liquidity management relates to these wider aspirations and goals.

## CHAPTER 2

## BACKGROUND

## 2.1 THE CAPACITY TO ASPIRE

Liquidity management, in the form of both saving and borrowing, is a future-oriented action. Saving defers consumption to a future date. Borrowing enables investment with the expectation of future gains which will enable repayment or consumption now and reduced consumption in the future. The ways in which this future orientation operates in the lives of low-income people has been little analysed from a cultural and social perspective, though it is increasingly studied in economics using the tools and insights of behavioural economics. In that liquidity management is an act oriented towards the future, it suggests that we need to bring an understanding of aspirations and future goals into view. Therefore this section introduces the emerging discussion of aspiration and presents Appadurai's concept of 'the capacity to aspire' as a basis for further examination.

The examination of aspiration<sup>2</sup> and how it affects behaviour has inspired an increasingly wide range of studies in psychology, philosophy, behavioural economics and anthropology. Ray (2006), for example, introduces the idea of aspiration 'windows' and 'gaps', the former reflecting what is attainable, while the latter reflects the distance between those aspirations and the subject's current position. On one hand, the aspiration window is formed by reference to peer groups – by understanding the extent to which their experiences are attainable and the level of mobility in society. On the other hand, the aspiration gap affects individual behaviour: if it is too big or too small the incentive to narrow the gap is reduced. If it is perceived as too big then a failure of aspiration occurs, with no way to achieve it. This is seen as a particular risk in polarised societies where people are less exposed to a wide range of information and possibilities from their peers. Psychologists have paid particular attention to the problem of adaptation and the ways in which 'response shift' occurs as a result of the gap between goals and achievements, leading to reduced goals and acceptance of the status quo. This reduces cognitive dissonance but has the potential to cause poverty traps (Conradie & Robeyns, 2013).

Appadurai goes further, emphasising that the "capacity to aspire" is a cultural and navigational capacity which economists have often lost sight of through focusing on more immediate and visible wants, and that this is related to "higher order normative contexts within which these wants are gestated and brought into view" (2004: 68). Unpacking the motivation, purpose, and meaning involved in action is therefore central to his examination of this capacity. He argues that culture – variously defined as traditions, habits and heritage – is usually seen as a drag on development and a constraint on agency through the role it plays embedding people in the past rather than the future. But he also argues that cultures have powerful visions of the future which are of central importance to people's ideas of progress. He argues that the 'good life' to which people aspire has a system of ideas which connects to a wider map of beliefs or a cosmic order. These concern life and death, the

role of material possessions relative to social relationships, the value of peace and war. However, these are often expressed through an intermediate tier of aspirations related to "marriage, work, leisure, convenience, respectability, friendship, health and virtue" (ibid.). But these give rise, in turn, to more immediate wants – the desire for a particular piece of land or marriage, a particular job or a particular pair of shoes.

While recognising the importance of these visions of progress, he also recognises that the distribution of the capacity to aspire and to hold these visions is uneven, and poor people are usually least able to articulate them because they have lacked the exposure to do this. He argues that people who are better off gain a wider experience of the relationship between ends and means because they have more opportunities to link material goods with wider possibilities. While their immediate desires may be similarly specific, they are more likely to be able to connect them to wider maps of beliefs, that is to "produce justifications, narratives, metaphors and pathways through which bundles of goods and services are actually tied to wider social scenes and contexts and to still more abstract norms and beliefs ...". Hence this is what he calls a "navigational capacity" (2004: 68–69) which allows people to create of visions of how the future could be and which some people are more likely to develop than others.

In particular, he argues that the way the NGO Slum/Shack Dwellers International (SDI) facilitates saving in groups in Bombay, creates the connection between immediate needs for housing and wider norms of aspiration to fulfil that need, which generates ongoing motivation. It uses savings as a discipline of community building and a

"central mode of building the capacity to aspire. ... [It has a] profound ideological, even salvational, status ... they are describing something far deeper than a simple mechanism for meeting daily monetary needs and sharing resources among the poor. They are also speaking about a way of life organized around the importance of daily savings, which is viewed as a moral discipline (in the leader's words, it is like "breathing") which builds a kind of political fortitude and commitment to the collective good and creates persons who can manage their affairs in many other ways as well" (2004: 73–74).

Hence SDI supports the capacity to save through the creation of mobilisation, commitment and discipline which connect with aspiration. It is something that is indeed hard to achieve alone and connects the wider vision of the slum dwellers for voice and empowerment to the daily practice of saving while reducing the potential costs of developing a culture of aspiration by doing it collectively. Conradie and Robeyns (2013) argue that adapting aspirations upwards in this way is indeed dynamic, but may be more of a staircase than an elevator through a virtuous cycle of step-by-step achievements; it is not simply voicing aspirations that creates the ability to act but that this unlocks

2 Oxford English Dictionary definition: "the hope or ambition of achieving something".

agency which is latent or which may not have been sufficiently motivated to be acted on.

Moreover, this approach enables us to see the interconnectedness of material, social and cultural needs rather than seeing the achievement of the material dimension (that is physical and material resources, of which financial resources are a part) as delinked and independent in meeting 'objective' needs for practical welfare. The wellbeing achievement to which people aspire can therefore be understood to have three key dimensions: the material, the subjective – that is, what 'people value and hold to be good' (White, 2010: 9), and the relational dimension through which people interact with one another to pursue their wellbeing (as they do in the savings groups) (White, 2010). In this formulation the traditionally 'objective' aspects of material wellbeing disappear because what is objective differs depending on your point of view i.e. it is socially and culturally constructed. Hence, this view emphasises the interconnectedness of material needs with social and cultural needs, rather than seeing material outcomes as lacking these dimensions.

These contributions suggest a number of points. First, that goals relating to material achievements, such as the immediate need for housing, are deeply intertwined with wider visions of the 'good life' and deeper – or higher order – moral norms, and hence that material goals are rarely ends in themselves. Second, Appadurai's example directly connects a mechanism for liquidity management, in this case saving, to the cultivation of aspirations related to intermediate needs. But this also suggests that such a mechanism may operate in both directions: that is, that aspirations themselves create the demand for liquidity management in order to achieve them. Third, he alerts us to the fact that this capacity is unevenly distributed, with some individuals much better able than others to articulate their achievements and their visions with respect to higher order aspirations, and he links this to the state of poverty itself. But this does not necessarily mean that poor people do not have access to aspirations which are likely to be underpinned by visions of the future that are embedded in culture.

Given these dynamics, how then is gender likely to affect aspiration and the potential for action? Literature on women's empowerment which explores this recognises that gender underpins all the dimensions of agency. First, it affects the access to the material and non-material resources that men and women have to draw on – the distribution of both present endowments and future claims is governed by rules and norms in a range of institutional arenas which are in turn deeply gendered (Kabeer, 1999). A key example is land and the way in which local customs affect the claims of women on ancestral land even though formal legal processes may give them equal rights. If these are the inputs on which action draws, then the way in which women and men define their goals and act on them is also influenced by gender relations through the ways these affect meaning, motivations and purpose. Women and men's socialised roles in the public spheres of politics or the

market, and those in the private sphere of the household, differ significantly. The focus of many women on child-rearing and the domestic realm results in different aspects of meaning, in terms of what fulfilling their role to provide for children's food, health and education means to them and what meanings they might ascribe to their actions. However, how the capacity to aspire is gendered has not been a key focus of research to date. This research seeks to examine how these aspirations differ along gender lines through the empirical material it generates.

## 2.2 ASPIRATIONS, RESOURCES AND FINANCE

The preceding section started to make a link between aspirations as an important aspect of action and their implications for mobilising resources, both material and financial. This operates in a number of ways: first, finance as a resource is a means to achieve an outcome and it is the intermediate norms that relate to this, such as marriage, friendship, respectability and so on, that have meaning<sup>3</sup> as a result of their relationship to culturally determined visions of the future. Second, financial resources are frequently 'between' states – they are part of a conversion process of some types of material resources into other types of material resources, for example, from labour to food, or from assets of one type to assets of another type (e.g. selling a cow to improve the house). The financial management strategies involved are therefore also likely to be imbued with the meanings around the resource transitions that are in play.<sup>4</sup> Third, financial resources have varying degrees of liquidity which relate to the time periods in which the resources themselves are expected to be needed. Achieving aspirations can require a shift in the way liquidity is managed and is therefore also likely to have moral dimensions. Fourth, the example of the shift in aspirations that Appadurai gives clearly identifies the wider context of social action. It presents this path to a change in liquidity management as having intense social dynamics – how people interact with each other and build this ability to define goals and act on them. It emphasises how heavily it is embedded in the cultural context and the moral meanings of discipline and the wider collective good that this generates.

Anthropologists have uncovered some of these interconnections between resource exchange and liquidity management in the Kenyan context, and have shown how they are influenced by the underlying social and moral orders. For example, Shipton's study of the Luo in Western Kenya demonstrates similarly how resource exchanges connect people through social relationships and relate to moral orders. Instead of the narrow concept of debt conceived by financiers, he instead fines the concept of "entrustment"<sup>5</sup> as underpinning the exchange of resources – people as well as things – which facilitates so many dimensions of life and livelihood. These entrustments produce obligations

3 Of course, there may be some for whom holding money is an objective in itself, but this in itself may produce an intermediate norm of a sense of security that has meaning.

4 See for example Parry and Bloch (1989) and Guyer (2004) for discussion of money circuits and how different resources are traded within these and have implications for moral meaning.

5 The act of trusting.

that occur over lifetimes and inter-generationally. They are in effect forms of saving and produce obligations which are more widely conceived as a form of debt. He identifies these entrustments throughout the life-cycle – in the way children are cared for or their education is funded, in the way marriage entrusts women to their marital households and produces a flow of bride wealth, and within rituals and meaning surrounding death and funerals. The entrustment of these resources in developing lives and livelihoods therefore actively connects people through their use (interdependence), creating identity and belonging, and operates within moral orders of what it is to be in right relationship to others, as well as to the cosmic order.<sup>6</sup>

Krijtenburg's (2013) analysis of the language relating to savings and debt among the Kamba of Kitui reveals values underlying the language forms and uses which also expose behavioural and moral dimensions. She shows how the grammatical forms underlying terms that express both saving and borrowing involve a mode of "helpful causation" so that both putting resources together as saving or asking others for resources to borrow have positive associations. Moreover their use and associations are laden with the values of "upliftment" – that is, improving the welfare of yourself and those around you – interdependence, concerted action, and belonging. Hence using resources in ways that uplift the family – not just materially but by mending family relationships – demonstrates that this upliftment connects to a set of higher order norms around the harmonious functioning of those relationships. Moreover Krijtenburg points out that "'savings' are not perceived as something static. It can change hands, form and content in the process of being looked after (*kūsuvia*). In fact, Kamba practices of saving are more appropriately perceived in terms of an (inter-)active process of investing financially and socially" (ibid.: 32).<sup>7</sup> Indeed, she highlights how informal groups also involve ideas of joint action for the purpose of "uplifting" their members, drawing on

strong social and moral norms. Thus while they may set goals for their savings – to buy utensils, chairs or whatever – the group is underpinned by a deeper set of values: interdependence, belonging and concerted action, which means that they are also expected to look after each other and boost the wellbeing of all members.

In the same vein, research for FSD Kenya (Johnson, 2014) has also shown how the exchange of resources consolidates social ties across a wide range of relationships, including within families and among siblings. Bringing resources – and particularly financial resources – into relationships consolidates friendship and signals a move towards a more intimate relatedness. There is a reciprocal dynamic involved but this is most likely to operate in an open-ended way within relationships of what Krijtenburg calls "ask and assist", rather than relationships of "give and return", in which the terms of exchange are more clearly specified. Such relationships may be sought strategically, especially by young men, for whom other options are limited, but this does not belie their social character or the importance of loyalty and trust.

Hence, the literature indicates the importance of the moral order that surrounds the use of material resources and the financial flows that relate to them. At the same time it is clear that this moral order is not an individualistic one – it is highly social. Krijtenburg's example of "the return of the lost brother" (see Annex 2) highlights the importance of harmonious relationships with others and how the uplifting of the family is likely to involve both material resources and good social relationships. This underlines the importance of recognising the social and moral contexts in which liquidity management is taking place. It demonstrates the quite complex range of considerations at work with the implication that it is vital to look at how liquidity and financial management are undertaken in a holistic way. Liquidity management is future oriented in that it involves defining goals and acting upon them; it therefore engages with underlying visions of the future that are culturally embedded and inevitably involves a wide range of social relationships – in what is involved in the motivations and meanings, as well as the dynamics of the process involved.

<sup>6</sup> This is not confined to this context, see for example a study of saving and investment practices among Indians living in Canada which shows how investment relates to religious values of dharma – living in accordance with the duties of caste and life stage – in order to achieve moksha – salvation (Jain and Joy, 1997).

<sup>7</sup> See also Annex 2 for the instructive case of the lost brother.

### Chapter 3

## METHODOLOGY

This research was undertaken with respondents who were involved in the Kenya Financial Diaries research project, providing a unique opportunity to undertake further in-depth interviews within the context of an ongoing research relationship. This meant that respondents already had a strong and trusting relationship with the organisation and they were very positive towards undertaking the interview, enabling depth and credibility in the discussion.

However, this necessarily involved a degree of selection bias. First, in that the kinds of people who were prepared to be involved in the Financial Diaries research over a period of a year are likely to be those who are more cooperative and interested in such exercises. The project has inevitably experienced a level of attrition of its initial sample over the year. Second, even among those who were selected to be interviewed for this piece of research, it was not possible to make contact with and speak to those among the respondents who were more elusive and difficult to reach. For example, there was a relatively young single man who was sampled but who was not met as he was hard to contact and known to be a frequent drinker. In relation to the interest of this research in aspirations, this was likely to create a bias towards those who are more honest and upstanding, as it is particularly difficult to talk to those who lack these qualities.

The respondent households were selected in order to arrive at a purposeful sample across marital status and co-residence. Given that some 31% of women in Kenya have never married, while 11% are widowed and 34% of households are women-headed (DHS, 2008–09), the intention was to ensure these were adequately represented. Therefore it was conducted with 42

individuals chosen from two locations – the rural research site in Vihiga and the urban Nairobi site covering both Kariobangi and Mathare Valley. The final sample distribution is given in Table 1.

As the table indicates, the number of men interviewed in Vihiga was relatively low. This was due to a high incidence of migrant labour, with many husbands working away. In total, both the husband and wife were interviewed in nine households: five in Nairobi and four in Vihiga.

Age distribution is also worth mentioning, given that we focus on life-cycle dynamics below. The women respondents were aged between 19 and 72, with six under-30, 13 between 30 and 50, and five over 50. The men were aged between 18 and 74, with seven under-30; 11 between 30 and 50, and two over-50. The voices of older men were therefore less well represented.

The methodology of the research was inductive – working from the material to identify issues and themes. It is also interpretive, that is, not solely focused on the actual events individuals report but also on the meaning that respondents gave to these events and how they can be understood from the ways in which they tell their own stories. It is important to remember that, as mentioned above, these are narratives about the past which inevitably reflect the interpretations and perspectives of the respondent at the point in time and the circumstances of the interview. Nevertheless it is these meanings and interpretations which – even in the ‘performance’ context of an interview – give us insights into what is important and meaningful in their lives.

**Table 1: Respondents by marital and household situation, location and gender**

	Vihiga		Nairobi		Total
	Male	Female	Male	Female	
Married, co-resident	4	6	6	5	21
Married, living apart	–	3	1	2	6
Single, never married	3	2	3	3	11
Separated, divorced, or widowed	–	2	1	1	4
Totals	7	13	11	11	42

## Chapter 4

# ASPIRATIONS, RESOURCES AND GENDER

This section discusses key findings regarding aspirations and resource mobilisation at a broader level than finance alone. We start by presenting two case studies, a woman and a man, and discussing each in turn. Both individuals are in their 30s and in business; they both have children and have been married, and both have used bank accounts. Their narratives offer key insights into the way aspirations and resources are expected to interact. We then relate their experiences to other women and men respondents in the sample, before discussing similarities across gender.

### 4.1 WOMEN, ASPIRATIONS AND RESOURCES

#### 4.1.1 Anna's story

Anna<sup>8</sup> lives in a small rural town. She is 34 and says she led a “good life” until her husband died, after 12 years of marriage. She was pregnant when she married but the child died at birth and she did not have another with him. She reports that three years after he died, her relationship with her in-laws deteriorated and they started “talking bad” of her and could have killed her. She reported this to the police and local authorities but she had to pay them to take action; she says that “I was just wasting my money instead of using it for my needs” because they did nothing. So she left, but she could not return to her natal home because she felt she would quarrel with her brothers and that they would put restrictions on her. She then decided to rent a house and earn her own living; she got a new boyfriend and had a child who is now three. She does, however, have access to her deceased husband's land because he had a title deed which she inherited. She is in the midst of changing the name on it (at a cost of KSh20,000, which she saved from her business) and now her in-laws are pleading with her to go back.

She sells molasses and kerosene, and says, “What I got from these small businesses of mine is Jesus . . . I cannot depend on whatever I get from this business without God”, suggesting that for her, faith has become an important dimension of managing to survive alone. She says that it is her child that is most important to her and she is educating her in a private school. Sometimes the father of her child sends her money, but before the child went to school the father was not sending funds:

*“There is no respect because if he left the child with me when she was two months old and then starts to love the child when she is three years old. That is not respect, I have just accepted that help so that . . .”*

She reports that she goes to church to pray:

*“I believe it's partly what makes the father of my child to have a heart of sending us some money.”*

She reported various incidents in which she had assisted others, but

relationships had become strained where money was involved. She says that she used to lend money to people but stopped because “refunding becomes a problem”. She also found it difficult when another woman, with whom she had previously bought a truckload of molasses, had not sold her supply by the time Anna wanted to go in jointly for another truckload – even though the woman had taken less of the load. The woman complained and Anna found the situation “tricky”, so Anna went with a different person, without telling her. She says this had a negative effect on their relationship.

She also used to help her relatives: she advised one brother that his wife should take her own sister's ID to Kenya Women Finance Trust to get a loan for a motorbike. Together with her sister and brother, they contributed a total of KSh12,000. She put in KSh5,000, which was later refunded, and acted as guarantor for the KSh80,000 loan. The brother repaid the loans from his relatives and then sold the motorbike and is now just at home:

*“I think he is insane. . . . He sold it and he is just there and when I asked why he sold it, he didn't even want to know so I told him that everybody should be on his/her own. Now he is just there, how can I help them now? . . . I also need help and it is not even available.”*

She says she does not have time to be concerned with her neighbours as she is not at home unless she is sick. She is in a merry-go-round and she appreciates the support she got from it when she was sick recently. It is:

*“. . . not tight but it is okay, since I joined the group, we have helped two people and I know that even me, when I have such kind of a problem, they will also help me. They cannot put aside their members when they are in problems even before their relatives can know about it, they will have helped you.”*

She says that Equity Bank is most useful to her. She opened the account when she started doing business because it was the lowest cost to get to. She had once left KSh3,000 in the house while she travelled and thieves broke in and took it. She wants to get a loan from Equity next year “to boost my business to be big so that I can just buy one lorry of molasses without sharing the cost with another trader.”

#### 4.1.2 Discussion: “The life of women”

Across the sample, the main goals which were evident among women were a good marriage, having children, and enabling those children to get a good education. In some cases, having a good marriage involved having a sense of security and being able to depend on that partner for a comfortable life.

Anna's story is one in which she says she led a “good life”, even without having had a child when her husband was alive. When he died, things started to go wrong. Her husband's family sought to push her out – a common problem

8 All names in the report have been changed to preserve anonymity.

when the widow has had no children, and often fuelled by land claims, as it is children who traditionally have a claim on the land, rather than widows<sup>9</sup> However in this case she has legitimately inherited a title deed. Her appeal to the authorities is nevertheless ineffective in a context where customs do not favour her. It may be that the family now want her to come back for the same reason; that is, having been unsuccessful in chasing her away, and because she has access to a piece of their family's land, they would prefer to have good relations with her.

For women, the importance of a successful marriage comes through strongly, and is underpinned by powerful social norms around being married. Where this was the case, women expressed their appreciation of having a husband who was cooperative:

*"I just thank God for my husband he is a very understanding man as other people are crying because their marriages are hard, but for me, I don't even cry, I am just enjoying my marriage" (Emma).*

Persevering in a marriage and managing it, sometimes against considerable odds, was seen by one older woman as something to be proud of, underlining again the strength of social norms around marriage. She had eloped with her husband but had at first been sleeping on banana leaves, and then her husband would leave home and never send any money back. Despite this she rated her perseverance as an achievement – presumably in the face of some shame from her family and then the neglect by her husband – alongside her careful saving to ensure her children got a primary school education; so that, as she put it, they could at least read the plate on the bus to know where it was going.

However, even without a marriage, having children is hugely important; one of our male respondents reported what he called a saying: "We Kikuyus, we say a man one day will get rich and a woman who has no child, she says one day she'll get a child."

In Anna's case, the dominant role of close male relationships in determining her options is clear: her in-laws chase her away, but she does not feel she can return to her natal home where she will be restricted by her brothers. So, she sets up alone – in business and in living. From this, she also loses, because her money is stolen from her empty house in town. She complains of the lack of respect shown by the father of her child, in not recognising the child when it was born. Indeed, this lack of financial support is described as "not loving the child" and shows how absolutely central financial support is to her perception of intimacy and being valued.

Despite her decision not to live at her natal home, and to be under the

control of her brothers, she is concerned to help them and orchestrates the acquisition of a motorbike by her brother through a microfinance loan. Attempts to contribute to the natal family were reported in the study by single, never-married women in particular. They aspired to contribute to their siblings' education, though often felt disappointed because they were unable to adequately contribute; for example, some women reported seeking to do this from their earnings as housemaids, but found it difficult to accumulate enough to make a contribution that they knew would make a difference.

For Anna, having lost the connection to her in-laws, her natal family is particularly important to her as a potential source of future support. So, when her brother sells the motorbike that she and other relatives have done their best to help him acquire, it seems to signal a further failure of social relationships and the potential for mutual support, and she decides not just that it is better to live away from them, but that they should each manage their affairs alone. She finds difficult the failure of her fellow female molasses trader to sell her stock, and to be ready to purchase more, and this also upsets her. She desires a loan from the bank to be able to purchase a lorry load of molasses herself, "without sharing the cost with another trader". This seems to take her decision to manage alone a step further – beyond her family to other traders and business networks. This is only tempered by the membership of her merry-go-round, which she understands to be necessary, as she too needs support when she is sick or has another type of emergency. This set of social relationships seems tolerable for her to manage – she was in fact actively saving in two merry-go-rounds and had been appreciative of the support they had given when she was recently sick.

Anna is doing reasonably well financially. In three months she was able to save the KSh20,000 she needed to have the title deed put in her name, without it affecting her standard of living. But her move into greater economic and financial self-sufficiency is clearly not something she desired; it appears as somewhat of a descent. Her fractured social networks are a source of frustration, even anger: she has tried to develop her networks and work with others. In her now rather isolated position, she credits God for her wisdom and hard work, and directly uses her faith in God as a legitimisation of her efforts and achievements. Through this she could also signal virtue in the face of difficulties – to herself as well as others. In turn she credits this very moral behaviour as resulting in the contributions her child's father sends her.

This discourse of dependence on God and its signal of moral rectitude was also evident from an old woman of 63 in a much more difficult economic situation. She described herself as partly dependent on charitable donations. She had an absent husband who only sent money occasionally and she was bringing up grandchildren whose parents had died. She calls those who give donations to her Samaritans:

*"They are my friends you know I am a social person so I talk to people*

<sup>9</sup> This was not an isolated incident even in this relatively small sample as we encountered an older childless woman who experienced a similar attempt to chase her away after her husband died.

*and relate well with people so that's how I am able to get help . . . I think they help me because I am saved and born again so I know all this is God's doing and when I get this help I really thank God because of the way God has brought these people to come and help me."*

This example helps demonstrate the virtuous circle that invoking faith in God allows her. Her professions of faith show that she depends on God, and though she may have fallen short of a vision of material wellbeing, she can legitimise this through a narrative of being close to God – which retains her own dignity and is also instrumentally useful because its propagation makes her an acceptable recipient of charity. Anna also reported her faith in God as bringing about an improvement in the way her partner was treating her. The example touches another theme, discussed below, of ways of talking to people; being able to relate well enables others to help you. Hence this is not simply a private moral order that rationalises one's own position in the world. Consistency within this moral domain is understood as something that others also value and respond to. It also helps to mobilise money.

Anna's case shows how much her ability to fulfil her aspirations is affected by her gender, particularly in respect to male relatives. At one level, Anna's case may be seen as somewhat stereotypical of the widow and single mother, battling alone to manage a difficult set of relationships – especially with men. However, she does not fit so well the stereotype of the business woman who collaborates very successfully with other businesswomen and with groups of women to manage these vicissitudes.

Overall, this account demonstrates that managing livelihoods in pursuit of a "good life" is an endeavour that centrally combines material – and therefore financial – resource management strategies with the needs for effective social relationships and moral virtue. First, financial support from a partner or spouse is a central part of "respect" for producing children. Second, women's ambitions for the education of their children are a driver of financial management strategies – both saving and investing. Third, investing is frequently undertaken within social networks – that is, with other business people and with household members and wider family – demonstrating that building livelihoods requires multiple connections into and through which financial resources are deployed; but how these operate, and the power relations within them, are a result of gender relations.

## 4.2 MEN, ASPIRATIONS AND RESOURCES

### 4.2.1 Joel's story

Joel is 30 and has recently separated from his second wife, though he is trying to repair the relationship. He has two children (aged 10 and under 1) with his first wife, whom he supports. He currently runs a barber's shop and he is developing his own church. He was born in Nairobi and finished primary school while also running a fruit kiosk for his mother during the holidays – she

gave him fruit and he kept the profit. His father is alive but was a drinker and did not support them. He reports that his mother could not afford a secondary education for him so she trained him in business – to keep him from bad influences, to learn to save, and to be independent.

After school he started selling sweets and cigarettes, but fell into bad company and also started selling bhang. He was drawn into night robberies organised by a friend; when one of them was killed during a robbery, he did some serious thinking and realised his mother would not recognise him doing this. In order to leave the group he changed his business to selling potatoes, which brought him more profit, kept him busy, and led him to a better circle of acquaintances. Encouraged by his mother, he grew the business, despite this being challenging and frustrating: "It just started from a humble beginning but it grew large since I trusted God," he says. He shared the cost of hiring trailers to transport his goods with friends trading maize. The biggest challenge was losses made when he could not transport his potatoes and they spoiled, a challenge he still remembers. He had been taught by his mother not to give up and he says he used his remaining money to build up the business again. He says he could not borrow at that time because he felt he did not have enough money and was afraid of debt.

Using money from the potato business, he bought a barber's shop for KSh10,000, and he saw that he was able to manage two businesses simultaneously. This enabled him to create a job for his cousin running the potato business. He then opened a bank account with KSh18,000 have been 'introduced' to it by a police officer friend from church (who he asked for advice), and started saving.

He bought land in Nairobi for KSh35,000, from a friend and barber client, and this is now worth some KSh600,000. "As I was going on with saving in the bank I was focused and hardworking so I went ahead and developed that plot of land [with rental properties]," he says, with money saved in the bank account. The land development has given him the confidence to become a pastor and has put him in a position to negotiate with different kinds of people:

*"I always say that I need see the potential in me but I cannot realize that potential if I associate with those people whom we are on the same level. My associates should be people above my level because then I am able to learn a lot from them. These kinds of people will always show how to fish but not just to give you fish. They will tell you the avenue to get where you want to be. So when you are with them, you will be creating another friendship with other different kinds of people so you will be able to advance more from one level to the other."*

He supported his sister through school fees (with his mother) and then helped find her teaching jobs. She now gives money to him if he asks, helps their father, and relieves him from some of the burden of helping his family.

His banking strategy was to maintain a KSh20,000 balance as a reserve for emergencies, as this was the threshold above which no charges were incurred. He would only use these funds if he really had to and then would struggle to pay back into the account. But later, things were not moving well and he had to withdraw the money:

*“By that time I had a target that when I reached 25 years, I wanted to have a good family, a house, a car and a good business. But I don’t know what happened because everything has changed drastically. I had in mind that if I get a certain amount, I could get somewhere good. Those targets that I was making helped me a lot because they kept me working very hard towards achieving them because they kept my pace moving very fast. Per day I worked very hard until I got one thousand shillings and even above that.”*

It is his second attempt to open a church and he is working with someone who is not a believer to do it. In this interview he stressed that he was trying to make this a church which helped people and did not burden them – by which he seemed to mean asking them for money. However, in a later interview, at the end of the diary data collection, he was more excited about the financial payoffs and being able to buy a car.

He says he opened another bank account to seek a loan but could not get one because he did not have collateral.<sup>10</sup> He says he has now closed all his accounts<sup>11</sup> because he uses all his money to pay workers, church, rent, and school fees, although he aims each month to save any remaining money.

#### 4.2.2 Discussion: “The life of men”

Joel states clearly that his overall goal is to have a good family and material wealth, along with the ability to sustain it through a good business. The first hurdle he faced was the lack of a contributing father, which left him dependent on his mother who was unable to fund his secondary schooling. However, by teaching him to do business and the related values of independence and saving, she clearly taught him lessons that he feels have served him well. His ability to set himself targets and work hard seem to have followed from this early experience of learning self-discipline.

Although he reports that she was intent on keeping him from bad influences, he did get into bad company and had to extract himself from it and find good influences in order to pursue his goals. Indeed, this was a wider theme among younger men seeking to make their way in life: finding strategies to avoid drinking and drugs is a necessity for them. In this case he changed his business to achieve this. It is unclear exactly when Joel’s religious identity emerged, but

being an upstanding Christian was a strategy also adopted by another young man to escape the problems of alcohol. This man reported that he had come to understand that he was being “bewitched by a cup” (i.e. alcohol), and so “got saved” in order to extricate himself from this situation. Being “saved” enables the development of an identity which sets one apart and justifies a different set of behaviours from the peer group. Yet another young man explained how important it was to receive ongoing encouragement not to engage in drinking and drugs and he did this by seeking out and associating with teachers in his community.

Joel’s move into trading potatoes brought him into contact with other male traders with whom he could not only learn from but also do business with, in terms of hiring trucks to transport produce. With this shift he built business connections from whom he learned to do the business and could share costs. He explains how his vision of a good family, assets, and a good business led him to set himself targets – to strive to earn on a daily basis and to save in the bank – to achieve it.

But Joel’s transition goes even further and in fact he develops a deeper level of aspiration which is fuelled by the successful purchase and development of his land and learning the ability to negotiate. He says his own case – of coming from nothing – shows others that they too can aspire and achieve, and hence he sees himself as a role model for others. Moreover, for him, becoming a pastor portrays an ambition that goes beyond the immediate enjoyment of material achievements to teach others to be good, in ways that ripple beyond the individual to the community and society as a whole.

This aspiration – to be a role model and an upstanding member of the community – was also expressed by David, who associated with teachers and explained his aspiration as to “be a somebody”. He understood a role model to be someone who could interact well with anybody, even those whom others considered to be mad or bad. He saw that to be someone “who is trustworthy is good and to be honest is better” and that this upright behaviour would also enable him to open up opportunities. This included the potential to mobilise resources, simply by being a worthy recipient of support, as well as to build up creditworthy relationships. He rated as a very important achievement the relationship he had developed with the owner of a local clothes shop who had then allowed him to take clothes on partial credit. Being able to dress well further fuelled his aspirations and the virtuous circle of achievement as “cleanliness is next to God”.

More broadly, the ability to talk to others and “understand” them was a skill that was generally deemed important for business, as well as for getting on in life, and therefore was held in high regard. Joel talks about his ability to “cooperate with the first team” and the ways in which these people are able to teach him to advance from one level to another. As another respondent, Simon, put it:

<sup>10</sup> It was not clear why the land he has was inadequate – unless because it is essentially rural, even though developed, since banks do not like taking rural land.

<sup>11</sup> He had withdrawn all the funds from a fixed deposit account and a transaction account though he had not formally closed them.

*"I saw that there are two classes and there are others who are constructive, those that you can sit down and construct something with them so those are the people who made me to be where I am right now."*

For Joel too, the ability to interact with others becomes a further virtuous circle of learning through his ministry in which he learns more from those who learn from him, and which will further enable him to develop "extraordinarily".

Joel has played a role in supporting his natal family by supporting his sister's education and career development, and his extended family by creating a job for his cousin. His pride in these achievements is reflected through the reported pride of his sister and also the importance of being able to provide support beyond the immediate family. Among natal family, it is a frequent role of older siblings – indeed a norm – particularly when fathers have died or are otherwise absent. It also means that his sister now helps him with supporting the family. This is also because they may themselves have been the recipients of such support. Walter (26) similarly explains how his brother has given him jobs and brought him to Nairobi, wanting him to be self-reliant "so that he can be relieved in helping me or I can help him help the family". Now Walter was taking part responsibility for sending his brother – who was in University – money for food on a fortnightly basis. Moreover, he had withdrawn all his savings from his fixed deposit account to help pay for the treatment of his brother's child who had been badly burned in an accident.

He openly reported the conflict he has had in his second marriage which resulted in his separation from his wife this year. His comment, "I don't know what happened, because everything has changed drastically", seems to reflect the importance of a harmonious relationship to living a "good life" and his initial goal of having a "good family". As an aspiring pastor, this may feel particularly uncomfortable. Of course, having children is extremely important, and he aspires to support them in their education, though they feature rather minimally in his account.

Interestingly, he reports that while he has had a number of bank accounts<sup>12</sup>, he is not using them now because he has too many other uses for his money at present – especially investing in the church. It is interesting that at a point when he is using a lot of money, the bank becomes irrelevant to him. This seems to be because, for him, it is a place to put funds out of reach rather than a daily money management tool.<sup>13</sup> He explains that at first he was afraid of debt because he had nothing to repay with, but he is now looking for a bank that can motivate him to save (taken from his earlier experience this seems to mean with a good rate of interest and no charges); he now sees the potential

to borrow from the bank in the future, because he recognises that he has many ideas that he can implement to be able to pay back, so linking the bank to these aspirations.

This example illustrates well Joel's capacity to aspire while also presenting some of the key dynamics involved in the achievement and further development of these aspirations. He starts with a vision based on the intermediate norm of a good family, material assets, and a good business. His family vision has clearly recently crumbled, but he has done quite well with his business and his aspirations have extended to developing a church. In this part of his vision he becomes a role model who is instrumental in showing others how to aspire in ways that are in line with a moral order. Nevertheless, churches are also income-generating strategies, and in a subsequent interview he said he was looking forward to purchasing a car with the income.

The moral dimension of being a role model involves having good relationships with others – indeed being exemplary in these. For Joel, they are focused on those who come to hear him preach. The obligations of responding to immediate or natal family are, at one level, more commonly understood, less avoidable, and perhaps less talked about by men, than those aspects that involve their engagement with the public realm. But nevertheless, success in responding to these obligations is a source of pride, helping confirm the achievement of responsibility and virtue. Beyond these relationships, men expressed a strong need to seek out those with are "above" them and with whom they could "construct something". The financial implications of these connections do not come out clearly in this account, but they frequently do involve joint investments and short term loans, as these become the norm among those with whom "constructing" occurs. It is with these people that one can aspire and it is they who can inspire, recognise, support – including financially – and approve the quest.

### 4.3 DISCUSSION: ASPIRATIONS, GENDER AND FINANCE

There was a clear contrast in terms of the aspirations expressed by men and those of women: for men, material wealth was more likely to be mentioned as an immediate purpose and motivation, but this ran alongside good family relationships – including, for some, the importance of a good marriage. For men in particular, the role of wider social relationships in constructing that future was underlined. For women, the focus was very much more on marriage, and children and their education, and what had to be done to ensure these in the present. However, despite these differences, there are strong similarities in terms of a consistent concern for self-achievement, respect, and recognition, and in the way that material resources – and hence financial ones – are deployed in order to achieve these.

While there is an appeal to material wealth in men's narratives, positive social relationships – especially beyond the family – are seen as integral to achieving this. In particular, men frequently referred to having circles of friends "above"

12 The way he reported being 'introduced' to the bank in his narrative was in itself interesting. He was probably well aware that banks existed but having a friend support him to walk in and start a relationship (being introduced) is another example of how friends support people to develop their connections.

13 See also Johnson et al. (2012).

them. Young men in particular face the hazards of getting involved in peer-group drinking, drugs, and possibly crime. Finding routes out of these activities is challenging. Those men with greater aspirations expressed a desire for social status and in particular being a role model to others. This resonates with a moral order in which wealth goes hand in hand with the development of good social relationships and being able to relate well to others, and ultimately, being able to help them develop too. It signals a desire not simply to reach a high level of self-actualisation but also to achieve a moral status through enabling others to do this. Such aspirations are also very public. Of course, these are not to be achieved at the expense of more immediate family – but need to be achieved alongside it. Hence there is a balancing of the material and social relationships (both immediate family and relatives) and a bringing of these into alignment with this moral order. Non-alignment brings a sense of discomfort which was evident in the narratives of both Joel and Anna.

Women similarly seek to achieve this balance of material, social, and moral worlds. However, their navigation of social relations is much more heavily and clearly subject to relationships with men – especially relations with husbands, fathers, brothers, and other men who they are potentially vulnerable to. Their gendered roles as reproducers of children and managers of the domestic realm concentrate their endeavours on these more immediate social relationships. The search for moral order is therefore common to both, but gender relations affect the ways in which this is structured.

The success of the natal family is a joint endeavour that requires investment by those who are able, but also responds to the obligations created by investments received – especially in education, being helped to get a job or start a business, and so on. Men – in their roles as fathers and brothers – have the main responsibility for mobilising resources and enabling these to be invested in their siblings. However, women also play a role in this where they can and when they have access to resources that they themselves control. The search for jobs and opportunities is conducted through both female and male networks. While some of our respondents sought out relatives who could assist them to find jobs or opportunities, it was also the case that some were taken to employment by a relative or connection (e.g. Joel creates a job for his cousin). Therefore the scope for agency is not necessarily highly individualised, it is also about building it collectively within the family. However, this dynamic is more complex for women: relationships with in-laws can be highly problematic, and when they have to fall back on their natal family this can create additional tensions.

This same process then extends to “constructing with others” and involves the development of social connections among wider circles of relatives, friends, and contacts, who can help in the acquisition and deployment of resources, especially in regard to business opportunities. The need for these is pervasive; even those who are formally employed seek to develop businesses in order to accumulate wealth and also as insurance for when the job ceases, as

employment is rarely secure in the long term.<sup>14</sup> It is clear from the accounts above that associating with a “higher class” offers access to inspiration as to how to go about doing business effectively. Such connections also provide information regarding opportunities that can be followed up – what is elsewhere called the “strength of weak ties”.<sup>15</sup> So finding people with whom to cooperate in order to meet goals – seeking out the “first team” – is a search for those who can contribute to “uplifting” you, a tendency that was more pronounced in men, with their more strongly expressed ambitions for material wealth, than in women, whose concerns for children were frequently more immediate.

For young men, the importance of building relationships with other young men – especially those in business – in order to access opportunities was clear. As one of our respondents put it with respect to his friend:

*“Our relationship became deep when I came for November holidays when he got another contract and he called me in that contract. So with that the relationship became deep . . . If they scratch my back I also scratch theirs we both help each other.”<sup>16</sup>*

As found in previous research (Johnson, 2014), assistance that involves bringing resources into the relationship, including finance, leads to a deeper relationship which now involves assisting each other.

In Anna’s case, her cooperation with her family and with another molasses trader does not work out well. So she turns from investing in them to putting funds into the bank, hoping she can obtain support in the form of a loan from it instead of acquiring one through her networks. She thinks that with a loan, she can buy a whole truckload of molasses and free herself from the difficulties of having to organise with others. Again this indicates how the ability to scale up business is frequently dependent on an ability to work with others and maintain social relationships through which funds can be jointly mobilised (as with Joel and his fellow potato traders). Second, it presents the bank as the ‘standalone’ option at this stage of her business development. She is turning to it for loans at a point where her strategies with relatives and friends have failed or let her down (somewhat in contrast to the stereotypical expectation that women are good at managing these).

Underlying the ability to develop these social connections is the ability to speak appropriately to others in ways that they can “understand” you and your

14 While, the official retirement age for the securest government jobs was increased from 55 to 60 in 2009, pensions are in any case likely to be small and developing one’s own enterprises is the normal approach to ensuring an income in old age.

15 Granovetter (1973) discusses the “strength of weak ties” in terms of finding jobs in the US – those with whom one has weaker ties bring information from networks beyond those with which one is most familiar, and therefore have considerable value.

16 The metaphor of back scratching was used and seems somewhat instrumental but it is heavily belied by his use of the word “deep” on two occasions, suggesting a process through which a deepening of the relationship is proceeding.

circumstances, and this was a skill which respondents regarded highly, and to which they attributed some achievements as well as the ability to survive setbacks. Examples ranged from getting a job to negotiating with the rent collector to avoid eviction when rent went unpaid. Being able to speak in ways that appropriately demonstrate integrity, faithfulness, and trustworthiness also has moral content and this too allows resources to be mobilised.<sup>17</sup>

The argument then is that social connections and the related skill of being able to get other people to “understand” you and your aspirations are key components of the way in which people mobilise and develop resources, not simply as means to an end but as ends in themselves. As Krijtenburg argues, “practices of saving are more appropriately perceived in terms of an (inter-) active process of investing financially and socially” (2013: 32). Using resources in these ways – to invest with them in order to develop livelihoods and uplift them – is a proper use of those resources as they connect people through processes of “entrustment and obligation” (Shipton, 2007), so connecting material resources and social relationships with the moral order.

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<sup>17</sup> This also fits with a more overt dynamic of “negotiability” in access to resources that has been discussed elsewhere (Johnson, Brown, and Fouillet, 2012).

The research shows how both constructing and achieving aspirations is dependent on social connections. For some people, partners, natal family, in-laws, and extended family may successfully provide these opportunities; for others they may not. And others still may fall into bad company and have to seek out those with whom they can “construct something” more deliberately. This is obviously a risky business – people can fail you – but, the need and the desire to construct these connections affects financial management strategies. To be able to invest in and through these connections is central to building networks which offer reciprocal financial support. This means that financial and liquidity management strategies are embedded within this wider context. Saving alone, to accumulate for the longer term in financial institutions such as banks, offers a relatively weak alternative to investing in, building, and diversifying income-generating activities through such networks. This suggests that providers of financial services may need to recognise better how these dynamics work, in order to relate more successfully to these aspirations and work with them.

## Chapter 5

# ASPIRATIONS AND THE CHALLENGE OF LIQUIDITY MANAGEMENT

With this more holistic perspective on the relationship between wider goals and their interactions with social and moral dynamics, we consider what our data reveal about the role of financial services as instruments for liquidity management.

The discussion of moral norms might suggest a simple mapping of self-discipline in resource management onto a preference for saving and avoidance of debt. Such a mapping risks the error of assuming that the same moral norms around debt and saving operate in this context as in more Westernised societies. A range of anthropological evidence, especially that of Shipton (2007), suggests that this is not the case, and that the flipside of giving resources or entrustment is the creation of obligations which can operate to reinforce social ties.

So we explore the connection through three routes: first, the way in which the quest to live a “good life” creates everyday responsibilities which require liquidity management and self-discipline, hence creating a demand for financial services that offer this. Second, the way that complying with moral norms operating within cultures creates the need to save in order to avoid shame. Third, the way in which liquidity management is intertwined with social connections to create networks through which upliftment is possible, and which in turn support the development of self-discipline. The final section considers how transitions throughout the life-cycle affect the need for liquidity management.

### 5.1 RESPONSIBILITY AND THE DEMAND FOR LIQUIDITY MANAGEMENT

As Appadurai argues, the capacity to aspire is not evenly endowed and poverty is a factor that affects both its existence and how it is developed. For some, liquidity management in the pursuit of aspirations was a much more challenging exercise than it was for Joel. Indeed it seemed that it was the responsibilities for achieving more immediate needs, such as food, shelter, and children’s education, and how they connect to the development of intermediate needs such as virtue and respect in providing for a family, that brought about the capacity to manage liquidity.

According to Linda (55), who was living with her daughter and three grandchildren, it was the lessons she had learned through her experience of life and in particular the responsibilities that taught her the need to manage her resources carefully. She saved from her daily porridge business and kept a few hundred shillings in the house to use when needed, especially for a need or emergency involving the children. She described this as the self-discipline that came from knowing the responsibilities that were required of her.

Similarly for Olivia (21), who lived with her mother, the responsibility of taking care of her young child had resulted in her adopting specific liquidity management strategies. She gave up her job as there was no one else to look

after her child and she received a monthly allowance from the child’s father so she had to learn how to manage this to provide for the baby’s needs. She recounted her responsibility for providing milk on a daily basis and had adopted her sister’s suggestion that she use the income to pay the shopkeeper in advance, drawing down on this each day. At her mother’s suggestion, she also put KSh500 per month into a bank account, to save for emergencies and other needs, and she pretends that she does not have the money in order not to withdraw it.

Marcus’s story is a case of reforming his financial management abilities. His brother gave him a shop to manage but he did not do this well and over a few years he ran it down until it collapsed. He complained that it was not possible to feed a family from it. During this time his wife was continually worried that he would not pay the rent on their home and they were frequently turned out by landlords, even from very cheap houses. Marcus’s wife reports that he is now able to pay rent up to two months in advance, even for a more expensive house, explaining that after she gave birth to her third child “my husband was blessed . . . I can’t explain [the change], I think it’s God’s blessing”. Marcus started selling newspapers on the Thika Road and now goes to some lengths to ensure that he manages the daily income well. Once he knows his takings for the day, and while still at the highway, he calls his friend who has an M-Pesa shop to tell him how much money to send to the newspaper distributors, so that he will not be “tempted”<sup>18</sup> to spend it on the way back. He explains that this is because he has seen the problems that others have, how their newspaper businesses can go down because they have been tempted to use the money, for example to pay school fees<sup>19</sup> because their child has been sent home from school, and so cannot buy more papers. He explains that he has also learned from his experience of running the shop. He now particularly appreciates the KSh1 per paper that the Standard Newspaper deducts from his payment and puts in an account that acts both as a guarantee which allows him to take the papers on credit, and also as a forced savings account, which has helped to fund the building of his house at his rural home (see also below). But Marcus’s reformation goes further: he now also “banks in the pocket”, saving from the daily amount (after sending what he has to send to the newspapers) and then taking it to his Equity school fees account<sup>20</sup>

This example indicates the way in which he uses the moral obligation of a debt to a friend, the M-Pesa agent, to create the incentive for him not to spend the money on the way back from the highway. This suggests he has found a way to overcome a radical lack of self-discipline, which itself may indicate that in the past he was prone to drinking his earnings, since newspaper selling is finished early in the day. He now ensures that his business continues uninterrupted –

<sup>18</sup> The interview was in English so there was no translation involved here.

<sup>19</sup> Currently two of his children are in schools where they are sponsored so he is feeling relatively little pressure from them at present.

<sup>20</sup> Though he was not actually using the account for school fees. The account had no charges for withdrawals three times a year so he was using this to save for his building project.

even in the face of, for example, potential demands for school fees — as he sees that he needs it to provide for his family on a continuous basis.

Although she does not make the causal link, his wife indicated that he changed his behaviour once she gave birth to a son, suggesting this finally had an impact on his sense of responsibility and provoked the change.<sup>21</sup> He himself talks about being “tempted” and this term invokes an idea of an internal moral debate about how he should behave. This suggests that the change precipitated a stronger sense of responsibility and that moral norms required him to finally change his behaviour.

The transformation in his financial behaviour was clearly hard won and he is somewhat proud of it.<sup>22</sup> It seems to further connect the ability to manage his finances with a sense of responsibility, which involves moral dimensions, to provide for his family. He has recently addressed a point of shame by building a house at his rural home (see next section). His wife reported that this has also proved a point to his parents, since his older brothers had not yet built homes for themselves. It suggests that this may also have given him status and a sense of pride, and this seemed evident in his discussion of plans to save to finish the house and decorate it. He also credits the deductions made by one of the newspaper companies and paid into the guarantee account as having shown him that even small amounts can accumulate usefully. Together these even appear to have developed his ability to “bank in the pocket”, which seems a quite radical change given his past.<sup>23</sup>

This suggests that the ability to manage liquidity is in part a result of the relationship between the ways responsibilities are understood and wider aspirations including the quest to live a “good life”.<sup>24</sup> The point was underlined by examples where respondents explained how they had saved over long periods of time, in a tin or box that was kept in the house or buried in the ground, in order to buy land or fund education expenses. The demand for liquidity management is then a function of learning to manage responsibilities that relate to deeply culturally embedded norms and which change throughout the life-cycle.

21 As well as raising issues about the different perceptions involved in having sons rather than daughters.

22 Though given his involvement in the financial diaries project he had clearly become aware that the research team was particularly interested in these aspects.

23 It is also possible that his interaction with the diaries research project has also made him more understanding of his use of money.

24 In this story, behavioural economists would likely put more emphasis on the importance of the forced deduction from the paper in helping him manage his liquidity. However, he was able to withdraw it, but it appears to be his understanding of his responsibilities and his wife’s pressure on him to build the house, with the meaning associated with this, that have given him a purpose for these funds and hence inspired a stronger response. So nudges are useful but will be most effective when they align with motivations for saving which, this suggests, may be inspired by wider circumstances such as the realisation of responsibility and its underlying moral force. Indeed, a discussion based in complexity theory would suggest that it is the way the factors come together that is important!

## 5.2 SHAME AS MOTIVATION FOR SAVING

The way in which culture involves a moral order can also be identified through concerns to avoid shame. Shame is a sanction which people experience – often entirely internally – when moral norms are broken or disturbed. The research revealed some strong examples of how shame was a motivation for resource mobilisation and saving

The first example is that of the birth of a child. Emma and her husband were expecting a child but he had lost his job because of an accident. She took a job paying KSh5,000 per month at an M-Pesa shop in town. This was insufficient because their rent was KSh2,000 per month. It was vital that she had enough funds to pay the clinic for her delivery and to bring the child back home. She therefore organised a monthly merry-go-round with four other neighbours, each contributing KSh1,000 per month, and put herself third in line so that she would get her payout around the time of the delivery. Given her financial situation at that time, this was a huge effort:

*“I was just sacrificing . . . you struggle, you have no fare, you walk on foot back home but you know that at the end of the day you will have achieved. The only thing that I was really avoiding was just shame, not people to hear that I am stuck [in the maternity clinic], so that was the thing which I was fearing, shame” . . . “like for my husband as a man you know he needs to be responsible. He also said that it was good if we could be sacrificing but we know at the end of the day or month will be able to give birth and we would not even struggle for so long”.*

Therefore Emma is not just ensuring her ability to leave the clinic, but is also protecting her husband from shame; it is his responsibility to be able to take the child from the clinic, but as he had no income, she organises a means to save money so that it is available at the right time.

For Simon, the desire to demonstrate his responsibility for his wife and child meant not having to turn to his parents for money when he got married and his baby was born. He started doing construction work because it was not very competitive. To start with, his classmates looked down on him because he had been a bright student and a scout leader at school. He reports how his schoolmates later accepted him because he was able to help them find work when they left school. He says he advises others to find a way to get cash and not to be choosy about what they do.<sup>25</sup> However, he also feels neglected by his parents and that he does not have their respect. He says that his parents favoured his brothers, who disappointed them by drinking, so they were strict with him, and when he left home they were not bothered with him.

25 Once students have graduated from secondary school, they usually aspire to get jobs which have high status such as in government, offices and so on. Labouring on a building site would not fulfil this status. With the huge increase in secondary school education and low levels of formal job creation, this aspiration is a constraint to taking up whatever opportunities are in fact available to make a living. Hence Simon’s advice.

*"I felt bad the way I was neglected and I have been fighting back though not verbally but with my strength until where I am right now . . . they are looking for our father's property but I am looking for my own property."*

Last year he installed electricity at his parents' home to show them they had been wrong about him:

*"My mum asked why it's in my name and I told her it's because I am the one who paid for it." . . . "I give God the glory and I thank him so much because he is the reason as to why I am where I am today."*

He explains that he lives a simple life even though he has money – he is not proud and washes his matatu (public transport bus) himself. He wants to bring up his children to work hard and to send them to good schools.

Simon's bid to gain the respect of his parents, and to avoid the shame of asking them for funds at a time when he needed to be responsible, necessitated experiencing shame in front of his peers. He tolerates this and is then able to achieve their respect by later assisting them. He seeks to do similarly with his parents though for him this endeavour is still not complete.

A further instance of shame motivating the saving and the investment of resources is that of Felista and Marcus. As indicated above, Marcus has been building a house at his rural home using funds from his newspaper guarantee account, and funds saved in his Equity school fees account that had accumulated through "banking in the pocket", alongside a contribution from his wife Felista. Their lack of a house had become a problem and Felista's sisters had been putting pressure on her. In Luhya culture, when a first-born girl is married, her husband is expected to have a house at his parents' place. If he does not, then when the girls that follow her get married, their husbands cannot eat or even sleep at their in-laws' (i.e. the girl's parents) place. For Felista, building this house – for which she also saved and contributed – has been a way to prove a point to her own family, who did not think well of her husband, as well as a way for him to prove a point to his own family, as he was the last born yet none of his older brothers had built a house. The need to build has made Marcus save, in part by reducing his consumption: he stopped his link to a neighbour's TV connection, which enabled him to watch football, and reduced his eating out. The house building has therefore ensured the satisfaction of the cultural norms surrounding the social relationships of their families

It is clear from these examples that shame is experienced by both men and women; however, it is certainly likely that it is experienced differently, depending on the norms involved, among whom they operate and in relation to whom shame may be experienced. Nevertheless, it is a sanction that motivates saving.

### 5.3 DEVELOPING AND SUSTAINING THE CAPACITY TO ASPIRE

The discussion above showed clearly how men spoke of getting into good company and avoiding bad company, both to maintain self-discipline and to develop aspirations.

As Simon put it:

*"Self-discipline is the one that motivates and you can't have self-discipline when your friends are not disciplined. You must have friends who are directing you like if you want to do this and that you must do such and such a thing."*

As was pointed out, this highlights how agency is achieved and sustained through interaction with others and is not something that individuals necessarily expect to be able to achieve alone. Indeed finding those with whom one can act is a key component. Moreover, the discussion has illustrated the different social relationships through which that agency might be conducted.

The discussion above implies that these sources of inspiration and mutual support are wide and that collective endeavours are achieved through a variety of social connections and networks. Indeed, this may start with relationships with spouses within the household in which they assist each other in the development of their livelihood activities and support each other's strategies for financial management and investment.<sup>26</sup> For example Martin and Lotty had installed electricity at their house in a rural part of Vihiga. Lotty explained how she carefully managed the proceeds of their brewing business to ensure its continuance. Neither of them drink themselves and Martin reported that he saves with the aim of doing something with the money; when they have money they save it rather than using it to eat meat. He had a plan to install electricity at their home and she encouraged him "because I had visions about the future". He was thinking of starting a welding business – a skill he had learned informally from a friend – and also of building a veranda for a barber's shop. Lotty wants to start a hair salon because she knows how to plait hair. However, Martin is aware that this puts them somewhat above their neighbours and he manages this, in part, through his membership of a community welfare group. He sees this as necessary because anyone might need this assistance but he also notes that this helps with those who may be jealous, since they are helping each other through the group.

Krijtenburg reports that within families it is expected that better off relatives will uplift poorer ones. Anna's attempt to build supportive investment with her brother illustrates this case. Of course, there is the potential for moral hazard here: some relatives may not respond appropriately and might fail to participate in the overall project of family uplifting, as with Anna's brother, so the positive reinforcement of uplifting the natal family together is not necessarily achieved.

<sup>26</sup> See Johnson (2013) for a discussion of intra-household co-operation and dynamics.

Beyond the family, the informal ROSCAs and ASCAs that proliferate in Kenya are an obvious source of this kind of support. For the Kamba, one of the words used to refer to a ROSCA is mukilye, meaning 'lifting up' Krijtenburg (2013). Indeed, she points out how the names of the groups invariably refer to some kind of upliftment or shared hope or vision for the future, showing that the concept is highly ideologically charged. These aspects of informal groups are well documented in the literature; the discipline and commitment they foster is very valuable and is also evident in this research:

*"It feels good when I am with the other members because when we continue planning the way we are I believe we will have a lot of development together in the group."*

*"I learnt to be hard working since I got encouragement from the group. Before I joined the group, I was weak and lazy but now I am more focused."*

Such groups offer the means through which capacities are developed, not just by offering financial services but also by providing information, advice, and support to members and supporting their efforts to develop themselves.

However, the point to be made here is that this is a unique aspect of collective activity which is not achieved through, for example, individualised commitment savings accounts. As discussed in Appadurai's example of slum dwellers in India, above, saving in the group also builds a dynamic of strength as a result of it being a collective endeavour.<sup>27</sup> This also appears to be an important feature of Kenyan savings groups. Indeed, these groups may offer more than just sustaining motivation and developing aspirations: according to Krijtenburg they also embody the value of belonging.<sup>28</sup>

Of course, finding groups which operate in this way is not necessarily easy and equally there are many concerns about reliability, trust, and the ways resources are managed. As has been indicated elsewhere such groups exhibit great strengths when they work well, but are also prone to significant pathologies. Delayed payments and the misappropriation of funds are frequently the

27 In Banerjee and Duflo's book entitled *Poor Economics* they recount a visit to a Spandana microcredit group in Andhra Pradesh, which clearly demonstrates that the organisation's values involve the view that drinking tea is regarded as wasting money and therefore supports behaviour to save by reducing the consumption of "temptation" goods such as tea, snacks, cigarettes and alcohol. The results of the impact assessment that they carried out show that indeed expenditure on these items reduces. What seems surprising is that this effect is attributed to the taking of the microcredit loan where it might instead simply be due to involvement in an organisation which promotes these values (2011: 203). The causal pathway therefore needs much more specification: while this might be the result of needing to reduce consumption in order to pay a loan, what kind of consumption is reduced might still be a result of supporting the values and ideals involved in avoiding temptation goods. Indeed, it may be that belonging to a savings group with values to support progress and development along the lines of Appadurai's example of SDI in Bombay would produce a similar result.

28 A few years ago Equity Bank ran a campaign which encouraged people to "become a member". Such a campaign has resonance in this regard because it would seem to seek to create a shared identity and a sense of belonging in an institution that involves financial resources, thereby bringing a stronger element of social connectedness into play, alongside the financial dimension.

result of power dynamics in the groups which enable some members to take advantage of resources at the expense of others.<sup>29</sup> The search for groups that work well and involve people with whom relationships of trust can be developed is often an ongoing endeavour and failure can lead to disaffection and the decision to abandon this route.

There is also much evidence that these informal groups are rather less used by men than by women.<sup>30</sup> Processes of socialisation do not tend to support more organised networks among men, as a Kikuyu saying indicates: "helpful age-mates become rival householders" (Lonsdale cited in Johnson, 2004). Evidence from this study (Walter's story, above) and earlier studies (Johnson, 2013; Krijtenburg, 2013) shows the way that young men frequently exchange resources without expecting them to be returned and that this creates social bonding; "constructing with others" replicates this search, suggesting that men may tend to operate in networks that are looser and more fluid.

## 5.4 LIFE-CYCLE DYNAMICS

Finally, with their focus on people's life stories, the interviews above reveal a strong sense of life-cycle dynamics. The life stories also offer an insight into the way in which aspirations and cultural norms underpin stages of the life-cycle and their associated transitions. In particular, these transitions appeared to be a way in which achievements were marked but also through which agency could be expanded or constrained. We discuss these further in this section as they also mark points at which shifts in financial responsibilities occur, provoking the need for new or revised financial management strategies.

### 5.4.1 Entering adulthood

The transition to adulthood and greater economic self-reliance was seen as an achievement by both men and women, particularly having a job and moving out of the homestead or a relative's home. In an urban environment, where housing space is limited, a young man living with a married brother brings its own challenges: "I saw that in there I had no freedom." As a result, Walter, for example, simply decided to move in with his friend.

For Janet, whose parents had provided everything for her, having her own place was also important:

*"It was hard because it had rules . . . They could have asked me . . . where are you going? . . . but now the house is mine, I am grateful to God. Now I am free, if I want I can lock the door and leave. Even if I get little amount like KSh1,000 monthly, I know it is mine and without conditions."*

However this transition brings new obligations. As discussed above, young

29 See Bouman (1995) and Johnson and Sharma (2007)

30 See for example, Johnson (2004) and Johnson and Arnold (2012).

men in particular were obliged to help support their families, especially a mother or siblings if the father was dead or otherwise absent.

Charles (21) had lost his father when he was young and was looked after by uncles; he only completed Form 2. He, too, had been drinking but had decided to “get saved” in order to avoid temptations, because he came to understand that someone was trying to bewitch him “through a cup”. He came to Nairobi and found work as a security guard. He had bought cows at home, and land, because he wanted to avoid the family disputes over land which he had seen create intra-family conflict in his area, and to ensure that his mother kept the land of his father. He had then taken on responsibility for his younger siblings’ education, who his mother wanted to move to a private school because they were not doing well. In these ways he was also taking care of his mother, and he was respected and seen as a role model by those in the village. He felt a lack of achievement because he was not satisfied with his job in the face of these “burdens”.

Unmarried women also aspired to support their natal families in these ways. However, the cases where this was reported were instances of disappointment in which they had been unable to provide significant support from the small earnings they had received once they had moved away from home.

For both men and women there were cases which indicated more difficult family contexts, in which the respondent had experienced familial conflict or had been living with extended family who they reported treating them badly. In these instances, the transition to independence was even more important. Interestingly, in cases where this was an issue, the ability to escape involved stepping directly into a marriage rather than a stage of independence in between.

For men in particular, the transition is not only one from dependence to a greater degree of self-reliance but one which frequently brings new responsibilities for dependents – the education of siblings and the care of parents – especially where fathers are not present.

For young women who have children but are without a partner there is a different stage of dependence, often on support from a mother. Olivia, who lives with her mother, is at an interesting stage of dependence where the father of the child is not yet in a position to support her. While he contributes to the child, she is also dependent on her mother. Olivia also explained that she was grateful to her brother for funding her education and that he had promised to take her to college. She was therefore dependent on both of these men – a situation she appeared to be carefully navigating. In this situation she was keen to save in a bank account some of the money given her by the child’s father as she did not want to be always asking for things that she needed. This signals the way in which having a baby marks a new stage of maturity, but one that was not marked by a shift in her living arrangements.

#### 5.4.2 Marriage

The transition to marriage and having a good relationship was particularly important to women. Some men also appreciated their wives, including for example mentioning the fact that the woman had not left! The situation where a wife leaves and returns to her natal family may require him to go to them and plead for her to come back, though in some cases he might simply leave her to cool down and return home.<sup>31</sup> Where the man has to visit the woman’s family, this can involve shame and being instructed by them on how to treat her, while negotiating what is to be done. It is also likely to involve expense as he needs to take an offering to her family, for example a goat to eat, in order to reconfirm the relationship. As Shipton (2007) explains, marriage in Luo culture involves entering into a relationship with another kin group, which is marked by the exchange of gifts – in the form of money, animals, etc. – over many years.

The effect of marriage on women’s scope for action is of course highly varied. Women’s role in bearing and bringing up children can clearly operate to constrain action, and how she is allowed to develop her economic role and financial contribution to the household varies. Some have extremely cooperative and supportive husbands who seek to develop their wives’ agency (see Johnson, 2013b) while others have husbands who take the opposite approach. Interestingly, there were no especially dynamic business women in this sample of married women.<sup>32</sup>

There was however an example of a married relationship that had put extremely strong constraints on agency. This woman had been maintaining a number of grade cows for milk production and she was expected to give the income from this to her husband on a weekly basis; he gave her back funds from this for household expenses. He also constrained her socially by not wishing her to join the church or women’s groups. This meant her social connections were very weak. When he died (she had no children with him but he had had a child with another woman in the town where he worked) she was left in an extremely vulnerable position and his family sought to chase her away. Without her own outside experience of business, and few social connections, she was limited in terms of who she could turn to for support, especially for assistance in finding out how to gain access to her widow’s benefits from his employer.

#### 5.4.3 Old age

Most of the older respondents in this sample were still working, however, the expectation that children will take care of their parents in old age was evident in Gerald’s account: Gerald complained that children today do not remember their parents, and that if he had a child with a good job they would have

31 This is a complex area which we cannot do justice to here in terms of the range of circumstances (whether or not she has left children behind) and the marriage and bridewealth customs involved.

32 There are many studies in Kenya which analyse these e.g. Robertson (1997).

opened an account for him and would be depositing in it. Indeed, research into resource flows in social networks found that young people saw support for their parents as a response to the support they themselves had received in the past, including as school fees, and hence there was an element of reciprocity involved (Johnson, 2014). So Gerald's complaint takes on rather a different hue in the light of his wife's report that he had been away during his children's

upbringing and had never sent money home; she had to scrimp and save just to get them through primary school! Nevertheless his comment demonstrates the aspiration and the ideal of – indeed the need for – support from children in old age; having invested in their education, parents hope that their children will “get on” and be able to fulfil their parents aspirations as well as to provide them with support.

## Chapter 6

# CONCLUSIONS

This analysis has demonstrated how the aspiration to live a “good life” and the meaning of this strongly underpins motivations and purposes for action. We have shown through respondent’s narratives how these aspirations are evident and how they motivate and give meaning to their actions. We have also considered how these aspirations relate to gendered roles and relationships, and shown how they relate to the demand for liquidity management.

Overall, men – and in particular younger men – were more articulate than older people and young women about their goals and their strategies for achieving them. In their accounts, they aspired to material wealth and social status more openly than the female respondents, although it was also clear that women also wanted to satisfy their material needs and achieve a comfortable lifestyle. While visions of the “good life” differed in terms of emphasis, with women indicating a good marriage, having children and educating them, it is less clear that the underlying vision of what a “good life” is or how it is achieved differs fundamentally between men and women. Meeting material needs was also important to women, and marriage and children’s education was also important to men. The dynamic of investing financially and socially as an ideal strategy for upliftment was common to both and involves a process that is collective, shared or mutual – most obviously with close family, but also with wider groups or relatives, friends, and business connections. What differs is the way gender relations structure the economic opportunities and social relationships within which these operate. Many, but not all, women are constrained by their child bearing and domestic roles and by cultural norms of authority (e.g. being under the authority of husbands or male relatives) and are restricted to a potentially narrower range of relationships with more limited access to material resources and endowments with and through which they can pursue these goals.

The gender gap in access to financial services is a result then, not only of the lower incomes and more limited material resources which women handle, but the gendered opportunities and responsibilities that they face. Compared to the investment and wealth accumulation plans more evident among men, women’s focus on managing their children’s welfare often involves relatively small amounts, management of which is currently poorly served by formal financial providers (Johnson et al., 2012) – although mobile money may be changing this. Membership in informal groups is a key way that women seek out others to support their aspirations while enabling them to manage small amounts.

The centrality of social connections to the process of upliftment is very clear in these narratives: the need for investment in one’s education by natal family (and often wider relatives such as uncles, see Johnson, 2013a; Shipton, 2007), the importance of connections with relatives and friends that deliver work and business opportunities, and the resources obtained through the cognitive and

perceptual development involved in those social networks inevitably give rise to a dynamic of reciprocity. This reciprocity is not purely instrumental but a dynamic with moral content. To deploy Shipton’s conceptualisation it is a dynamic of obligation that is morally structured in the context of processes of entrustment. These processes of entrustment themselves develop the agency of the person by supplying motivation and enabling the development of self-confidence and self-esteem, skills, and knowledge, either directly, through education for example, or indirectly through the responsibilities which they bestow.

It is these social connections that enable aspirations to be developed and sustained. The search therefore is for those with whom joint action to uplift can be carried out. This extends from spouses to natal family, wider relatives, friends, and business associates. These connections allow resource exchanges and collaborations of many different types, from inspiration and learning to information about opportunities and finance. The search for connections which enable effective social and financial investment is an ongoing endeavour; where successful, the reciprocal dynamics that they build further fuel their potential. But as we have seen, the ability to find these connections and operate well in them is uneven. Informal savings groups are attractive because they tend to embody this intention of collective upliftment. But finding good groups is also a challenge as they suffer a range of pathologies, as has been shown elsewhere (Johnson & Sharma, 2007; Malkamaki, 2013).

The link between aspirations and the use of financial services has been made at two levels. The first is the way in which aspirations generate the demand for liquidity management, as Joel’s story clearly exemplifies. The second is the way in which taking on responsibilities has a moral content that relates to intermediate norms of a “good life” and provokes the need for liquidity management. At its extreme, fulfilment of the moral dimension of this is motivated by the avoidance of shame. This approach suggests that liquidity is not solely, or perhaps even primarily, a function of the financial instrument itself and its transactions costs (physical or financial) but is constructed by people themselves. Those who have the capacity to aspire can manage the self-discipline of saving more effectively. For some this might involve deliberately seeking out financial instruments which provide liquidity features that support their decisions, while for others the link to the intermediate need for respect, a good marriage, etc., brings sufficient meaning and motivation such that even a more liquid instrument can be managed.

But as Appadurai indicates, the capacity to aspire is not evenly bestowed and is lacked by many poor people who fail to experience or build the potentially virtuous circle of aspiration and self-discipline – not least as a result of the myriad shocks, exploitative or disadvantageous circumstances that can wrest whatever gains have been made, making aspiration itself a potentially risky business. Nevertheless, these narratives show that liquidity management is also more prosaically developed through the everyday processes of effectively carrying out the responsibilities that seeking to live a “good” – or at least a

better – life entails. Most compellingly the responsibility to provide for one's children can have this effect.

More broadly, the life transitions that often lead to such responsibilities are strongly related to the achievement of life goals. The shift from dependence to adulthood and new forms of interdependence with others was particularly evident in this research as a mark of achievement. Such a transition also generates new demands for liquidity management: the need to pay rent, to manage one's own consumption, and so on. Having a child or getting married similarly produces new dynamics. All of these are times at which new demands for liquidity management are motivated and new meanings are experienced.

For the financial sector this analysis presents a hurdle. Few formal financial services providers either recognise the wider moral dimensions of aspiration or involve an inherently social dynamic of action that brings together the idea of investing both socially and financially. Anna's story suggests that she turns to the bank when her options through social connections have failed. Moreover,

and as has been pointed out elsewhere, the potential of banks and other formal providers to contribute to "upliftment" through a reciprocal dynamic of lending as a counterpart to saving is currently poorly developed. This is also understood by bankers, as one reported elsewhere:

*"People want to bank where they can get a facility ... (it) has to be a win-win situation – you have their deposit ... if I have some eventualities can you help me out? ... Can you trust me with your 100,000? How can you be able to lift me from where I am and I move a step higher?" (Johnson et al., 2012).*

As formalised savings clubs SACCOs have perhaps been most effective in this regard but many are losing ground as they transition to a more bank-like style of operations and a loosening of the common bond of identity and belonging (concerns expressed over the transparency of charges and competition from the banks over lending products are frequently heard). Therefore this is a key challenge for the formal sector.

## Chapter 7

# IMPLICATIONS FOR LOW-INCOME FINANCIAL SERVICE DEVELOPMENT

In the light of this challenge, this research has a number of implications for financial services development.

First, the current emphasis on improving the flexibility of financial services by significantly lowering transactions costs runs counter, in part, to the long held perception that bank accounts are places to put money beyond reach. The discussion above suggests that the degree of liquidity an instrument offers is partly a function of the moral dynamics that surround the management and use of the funds. To manage money well is a virtue and while for one person money in M-Pesa is too close, for another it is possible to accumulate it there and then move it somewhere else when there is enough to do so. Hence the liquidity of an instrument is to a significant degree in the mind of the beholder – the design of commitment accounts can help, but as has been shown in the behavioural economics literature, take up is often still low. This research raises the question of how to work with and construct different perceptions of liquidity for different people but it does not provide immediate answers. One strategy would be for the sector to seek to emulate the strength of the moral and social dynamics shown here. This might mean seeking to more directly connect the purpose of liquidity management tools with wider conceptions of morality and visions for the future.

If the approach is emulation, this suggests that the formal financial sector needs to be more attuned to the way in which financial services fit into and support people's capacity to aspire to a "good life". While marketing frequently presents images related to core aspirations, for example, going to college or building a home, these do not indicate how the institution becomes part of an ongoing upliftment that has a strong social dynamic. However, this is not simply about marketing. Promotion which lacks a genuine underpinning will simply rebound negatively on the institution. It is about financial institutions finding ways to interact with customers that actually engage with their own core values<sup>33</sup> and through which they can develop relationships which are seen as valuable partnerships.

Moreover, the evidence above shows that resource exchange operates within social relationships which also involve guidance, advice, and other forms of

support that contribute to moral upliftment. The challenge for banks and similar institutions is how to support with inspiration and information that assists and guides people within the resource exchange relationships that are developed. Hence, financial institutions must begin to recognise themselves as social actors who must be intent on engaging with these dynamics. They might therefore conceive of this as developing the ability to 'co-create' opportunities with their users rather than simply supplying products and services to customers. This might then have the potential to develop a win-win situation in a virtuous circle of 'upliftment'.

From a gender perspective, the implication is that it is necessary to seek to connect the purpose of services to the different emphases in aspirations. An emphasis on wealth and investment by men is clear, although not exclusive to them, while for women the ways in which products and services relate to their children's futures is likely to be particularly valued. However, since women tend to have lower incomes than men, and so manage smaller flows of money, there is a hurdle to be overcome not only in transactions costs but also the perception that banks are for managing larger amounts of money. Therefore addressing perceptions of how bank services relate to women's aspirations needs particular attention.

Second, this research addresses some existing contributions and arguments regarding approaches to programmes seeking to build financial capability, especially through literacy and education. First, the evidence underlines not only the argument made elsewhere that financial education needs to relate to categories and meanings that are relevant and important to low-income people (see Guérin, 2012; Johnson and Krijtenburg, 2014) but that this needs to connect to their aspirations to lead a "good life". Additionally, it offers some new thinking in the current debate on the role of financial education and whether it should be broad-based or provided in the context of particular products being delivered at "teachable moments". It suggests that there may be "teachable moments" associated with life transitions and new responsibilities, for example, for young people in their transition to independence, or at the birth of a child. This may offer different avenues for financial education and for financial institutions themselves, for example, financial education undertaken in relation to ante-natal services. But again this needs to go beyond an instrumental attempt to sell products and services to find ways to connect to and support these life transitions through a relationship that is both social and financial.

<sup>33</sup> The way that Equity identifies itself with a dynamic of "upliftment" is notable. Its support for secondary school scholarships through its foundation, and the way in which it publicises the wide range of investments projects and activities it undertakes through videos in its branches, continuously communicates this message.

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# ANNEXES

## ANNEX 1: RESEARCH METHODOLOGY: FURTHER DETAILS

Interviews were mainly carried out by myself and a female research assistant when interviewing women and by a male researcher when interviewing men. After the first few interviews we arrived at an interview format that asked respondents to tell us the broader story of their life before we probed into their achievements and to some extent their low points (where this was possible); we discussed recent large expenditures as a means to engage in a discussion of more immediate financial management concerns. At the same time, an attempt to engage with the detail of how individuals engaged with particular services was difficult and talking about this did not come easily. We therefore asked them about lessons they had learnt from their experiences using financial services, and the ways they had used them, as a means for understanding what their own perceptions of these experiences were and for engaging with how knowledge and perceptions are built.

A striking feature of many of the interviews was the way in which respondents discussed their aspirations and wider strategies when asked to recount their life stories. These involved aspirations both achieved and not yet achieved and at the same time their resource and financial mobilisation strategies appeared to have an overall consistency with these accounts. This led to the need to find a frame within which to approach this data – how could this seeming consistency be understood? The material on aspiration and moral norms in Section 2 has therefore been introduced as a broad frame through which to interpret the respondents' accounts.

The context of this research is likely to have contributed to a degree of response bias arising from two sources. First, it was interesting that at least one respondent was keen to present a good impression of himself, portraying himself as a strong and upstanding Christian, whereas the regular research team had found that the reason his income and expenditure did not balance

was because he had been stealing and selling items from his place of work (he was a security guard) which he thought were no longer of value. This suggests that the presence of a European researcher is likely to have contributed to a level of performance in some of these interviews which, being quite open-ended, gave respondents rather a free rein to tell us about their lives. In such a context how people portray themselves and the identities they take on can shift. The narrative can in part be about rationalising their behaviour to themselves as well as to the interviewer. Moreover, their claimed achievements have not been verified or cross-checked with others to understand more objectively their extent or degree or how they are seen or understood by others involved.

Second, it is also the case that after a number of months of interaction with the diary project, some of the respondents had learned what the project was interested in understanding and had themselves learned from the process. Indeed it is possible that some of the recent financial behaviour they report is in fact a result of this intervention. However, the diary data collection exercise did not include any normative judgement of what acceptable financial behaviour might be and did not involve any "treatments" which might have suggested that the researchers had a preferred set of behaviours. Therefore, reporting their behaviour to the research assistants is mainly a lens through which they are regularly reviewing their own behaviour against their own needs and expectations. Hence, given our interest in aspirations and what is meaningful in terms of intentions this is likely to have heightened the emphasis on these aspects and brought these more moral dimensions more clearly into view.

The interviews were recorded and transcribed, then entered into NVIVO qualitative software. The interviews were coded for themes emerging as well as for financial services used. The analysis is presented here using two extended case studies to frame the discussion and bring it to life. Other cases are used to explore further the dynamics of the issues.

## ANNEX 2: 'UPLIFTMENT' AND THE CASE OF THE LOST BROTHER

Krijtenburg's (2013) analysis of language relating to savings and debt used by the Kamba in Kitui reveals values underlying the language forms and uses which also expose behavioural and moral dimensions. She shows how the grammatical forms underlying terms that express both saving and borrowing involve a mode of "helpful causation" so that putting resources together as saving or asking others for resources to borrow both have positive associations. Moreover their use and associations are laden with values of "upliftment" – that is, improving the welfare of yourself and those around you – and values of interdependence, concerted action, and belonging. Hence using resources in ways that uplift the family – not just materially but by mending family relationships – demonstrates that this upliftment connects to a set of higher order norms around the harmonious functioning of those relationships. Moreover she points out that "savings" are not perceived as something static. It can change hands, form and content in the process of being looked after (kūsuvia). In fact, Kamba practices of saving are more appropriately perceived in terms of an (inter-) active process of investing financially and socially" (2013: 32).

The case she gives of the "return of the lost brother" is an instructive one:

The respondent was a jobless middle-aged married man who explained that when he was young, his father had tricked his older brother into approving the sale of a piece of land in order to pay for the respondent's school fees. However, he did not finish secondary school because the father used the money for his own needs. Upset about the father and fearing feelings of hatred from his brothers, the older brother had left 25 years ago and not yet returned. In 2011, the respondent contacted him reporting the reason as being that he wanted him to come back home. This seemed an unusual explanation for what he then described. He said he wanted to set up a business, but had no capital, so he

turned to this brother, whom he knew to have a regular income. He asked him for KSh15,000 to start making bricks to construct a home for his brother. For this money he could make 5,000 bricks to be sold at KSh5 each. With 3,000 bricks he repaid (küiva) his brother's loan in kind so also seeking to lure him back to actually build his house, for which a place was appointed by his father. Another 1,000 he gave to a local person in exchange for a piece of land. He was left with 1,000 bricks, which he was 'keeping safe' (kūsuvia) in case of an emergency or another opportunity for business investment.

As she explains, the informant benefits from a closer bond with his brother. However, this is not a one-sided benefit and not only financially framed. The informant thinks that the brother also benefits, because he regains his place in the home area. In addition to providing him with bricks, the informant appeared to have set aside a piece of land for this brother next to his own compound, where he and his wife were cultivating maize. This, he argued, was a symbolic gesture to his brother, implying that his brother "belonged" with the family. Moreover, such a family rift was regarded as a failure for the family locally, so this exercise built bridges to mend it and not only allowed him to improve his own position but to reach "another class" involving both better material conditions for himself (the land) and greater respect from those in the locality. The example brings out the highly complex range of motivations and meanings that was involved in what, at one level, might be interpreted as a simple request from one brother to another for funds to commence an income-generating activity of making bricks. Moreover, we can also suggest that there are underlying gendered roles in this case. The respondent is living on his father's land and the experience of family disharmony is therefore more immediate and important for him in the Kamba cultural context, than it would be for a sister who is more likely to have married and moved away and is not in the same way responsible for the upholding of the family's honour locally.



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