The role of neo barter and labour exchange in poverty alleviation. The case of subsistence farmers in Bahati Location, Nakuru District.

By: Kibara M.M.
Reg: C/50/P/8325/01
Date: 20\textsuperscript{th} January 2006.

Address: 28 Quartermaine Avenue
Westfield, Woking, Surrey.
GU22 9NN. UK

Work: 01483 757931
Home: 01483 763239
Mobile: 07875248559

e-mail: moniquemukami@hotmail.com

A project paper submitted in partial fulfilment of the requirements for the degree of Masters of Arts in Sociology (Rural Sociology and Community Development) at the University of Nairobi.
DECLARATION

This is my original work and has not been presented for any degree award in any other university.

Monicah Kibara

DATE
01.06.06

DECLARATION BY THE SUPERVISORS

This project paper has been submitted with our approval as university supervisors

DR. OCHARO

DATE
12/10/06

Department of Sociology
University of Nairobi

PROF. CHITERE

DATE
12/10/06

Department of Sociology
University of Nairobi
Dedication

This work is dedicated to my loving husband Mike and my son Alexander who were very supportive and understanding during the entire course of this project. Mike encouraged me when I wanted to give up. He also provided me with a lot of technical support at home in sorting out computer hardware and software, without which I wouldn't have come this far! My little Alexander embraced and understood that 'mummy is working' as he used to say when I wasn't able to play with him.
I would like to sincerely thank my supervisors, Dr. Ocharo and Prof. Chitere for their professional guidance through suggestions and constructive criticism at various stages in this study, which in return have enriched my work. They were always there for me particularly when I informed them that I was leaving the country and was working under a very tight timeline.
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Abstract

Using the articulation of modes of production theory and other Marxist paradigms, the study sets to establish how traditional and contemporary barter exchanges of goods and services are important today in a capitalist monetary system. The study argues that no single capitalist system today can alleviate the poverty that ravages the Third World Countries. Instead other conventional and unconventional strategies should be revisited in the fight against poverty.

The inherent contradictions, conflicts and tensions introduced by the colonial capitalist regimes have resulted in the dependency and poverty affecting the Third World Countries today. Capitalism has proved incapable of transcending fundamental weaknesses such as under-utilization of productive capacity, the persistence of a permanent sector of unemployed and periodic economic crises related to the concept of ‘market’—which is concerned with people’s ability to pay rather than their need for commodities.

Notwithstanding, economists still are taught that barter is “primitive” rather than seeing its new role in thousands of high-tech, money-free trading systems in today’s capitalist economies. This is not to say that barter trade alone can bring about development but should be a component in a larger framework in the fight against poverty.

The overall objective of this study was to establish the role of barter in alleviating poverty in today’s capitalist monetary system. The focus of the research was on small and medium scale farmers, squatters and small traders in Bahati Location, Nakuru District. Bahati Location has a total of 12,383 households. A population sample of 101 respondents was obtained through stratified sampling for the quantitative data and a further 16 respondents for the qualitative data. The population of the location was divided into strata made up of sub-locations and then a sub-sample from each of the strata was selected using judgment sampling. The quantitative data collected was analysed on SPSS for both inferential and descriptive statistics. The qualitative data was analysed using coding frames developed from the transcripts. The data has been interpreted using percentages, frequency distributions, tables and graphs.

From the research findings it is clear that barter is well entrenched in the social and economic activities of the rural community under study. The farmers, squatters and traders alike cited that they engage in barter on a daily basis.

To a larger extent barter trade and labour exchange alleviate poverty. Poverty in this document refers to absolute poverty. It means lack of cash and basic human needs such as food, shelter and clothing. From the research findings lack of money is a major handicap for the rural poor. About 65% of the respondents had a monthly household income of less than Kes.10,000/= With such meager incomes, most rural communities cannot afford to meet their basic needs. Not surprising, 75% of the respondents cited to have engaged in barter exchange as an alternative to cash.
It allows the rural people to exchange foodstuffs and labour in order to meet their basic needs.

This is not to say that barter alone can bring about tangible development, instead barter should be incorporated in modern economies to act as an alternative to cash and to specifically address the basic human needs like food and clothing, which the capitalist system has inadequately addressed.

There is no doubt that there is a higher value attached to money than barter. This is mainly because money is more widely acceptable than exchange. Paradoxically if barter was practiced more widely with well established channels of trade like there are in the contemporary money markets, barter trade could be more acceptable.

It is not surprising therefore that one of the recommendations suggested by the respondents and the research is to establish channels of barter trade. This would enhance exchange activities by diversifying the product range and quality of the trade.

With the establishment of exchange channels there would be need to standardise measures of trade in order to create a fair trade. This would authenticate the trade.

The coining of the term neo-barter in this research as opposed to the term traditional barter was substantiated by the respondents who indicated that the current exchange is modern and progressive because it exists alongside cash economy. It provides the option of exchange or cash. On the other hand, traditional barter is seen as old fashioned, rigid and not conducive in a modern economy.

The research findings support the proposal assumption that barter trade and labour exchange still play a significant role in alleviating poverty amongst rural communities.
CHAPTER 1

1.0 Introduction

The most sweeping views on how to change the world go back to the root of all our problems: money. Money seems such a natural thing that it is easy to forget that it is purely of human creation, and that the particular form of monetary system we have, shapes all our actions. Bernard Lietaer is one in a line of visionaries who believe that if we would only change the nature of money, we could change the world. He defines money as an agreement, within a community, to use something as a means of payments. Different kinds of money shape different behaviours (New Scientist, 2002).

Barter is the exchange of goods without the use of money. No society uses money in all its economic exchanges. The most urban, literate and industrial peoples, offer some gifts in kind, as in rites of passage (birthdays, retirements or gestures of diplomacy i.e. statues). They also use specialized currencies, like food stamps, coupons, or poker chips. Shipton cites that some rural people (those some call peasants) who have limited contact with states, markets, and international religions and cultural traditions seem to hold particularly ambivalent feelings about money, and seek ways to channel it out of special social relations (Shipton, 1989).

People from one area exchanged their produce with those from another area. In Kenya for example, the Akamba produced arrow poison, which they sold to the Agikuyu. The Agikuyu gave them potatoes, beans and millet in exchange. Similarly the Akamba got cattle from the Maasai in exchange for arrow poison. The Abagusii sold iron hoes to their Luo neighbours and got cattle in exchange (Were et. Al, 1987).

The phrase “neo-barter trade” has been coined in this study to depict the contemporary mode of barter trade that exists in the backdrop of today’s capitalist world. Little emphasis is given to pre-capitalist mode of production that exists in some societies today. Economists still are taught that barter is “primitive” rather than seeing its new role in thousands of high-tech, money-free trading systems in today’s capitalist economies.
This is not to say that barter trade alone can bring about development but should be a component in a larger framework in the fight against poverty (Shipton, 1989).

At the dawning of the new century, Africa more than any other region of the world faces some of the most difficult development challenges. Close to half the regions’ population still lies in absolute poverty and the continent remains the least developed region as evidenced by such indicators of well being such as nutrition, health, shelter and life expectancy. Half of Kenya’s population of 30 million lives below poverty line of whom, nearly 80% lives in the rural areas. The obverse of neoclassical optimism about the progressive potential of capitalism in the third world is the argument first advanced by A.G Frank, and popularised by Africanists such as Rodney, Wallerstein and Amin, that the underdevelopment of African economies is the direct consequences of their incorporation into the world of capitalist system (Berry, No.49).

The key characteristics of rural poverty in Kenya are easily identifiable by malnutrition, lack of clean water, sanitation, shelter, clothing, illiteracy, unemployment and disease. Absolute poverty represents the problem of poverty in its rawest form. It means lack of food, cash and any assets where the people cannot meet the basic human necessities (Bibangambah, 1985). The new addition to this list in recent years has been the AIDS/HIV scourge, which is particularly ravaging the rural poor.

Barter, the direct exchange of goods without money now accounts for a sizeable part of International trade. It also occurs and is perpetually reborn in war- torn countries for countries with high inflation rates. These non-monetary forms of exchange can come and go, expand and contract as social economic and political circumstances change (Shipton, 1989).

Myers argues that before human ideals (both classical and religious ideals) can be brought into any effective relationship with, and controlled by, the great mass of the
population, that population must be released from the undue pressure of economic forces (Myers, 1940).

It is against this background that the concept of conducting a study in barter and labour exchange was conceived. Nakuru district was identified as a suitable location for this study because its historical past in the establishment of the white highlands in the Rift Valley brought migrant labour from all parts of the country. Subsequently most people settled as squatters and formed small communities. Like most rural communities in Kenya, these people are mainly subsistence farmers.

**Statement of the Problem**

Capitalism has proved incapable of transcending fundamental weaknesses such as under-utilization of productive capacity, the persistence of a permanent sector of unemployed and periodic economic crises related to the concept of ‘market’ –which is concerned with people’s ability to pay rather than their need for commodities (Nyong’o, 1992).

Underdevelopment is not just the failure to develop; it is an active process of impoverishment (Isibister, 2001).

“If one produces and the other .......[consumes]we have what is widely known as exploitation. If two people or more produce what they .......[consume], we talk of autonomy. Since we are dealing with a social collectivity, it is when people generate that growth from which they benefit that we can talk of proper generation of growth” (Kabwengyere and Adholla, O.C./38/1978).

Most social science theories are developed in the core countries of the west and therefore explain the world primarily from a western perspective (Seligson and Passe, 1993). This means that a lot of theories and interventions intended to alleviate poverty in the third world countries have not been successful because decisions are made in the west and the targeted population have limited say in the strategies developed. The third world capitalists are themselves a dependent class, responding primarily to foreign signals and are incapable of undertaking risks and responsibilities needed to transform their countries in any fundamental way (Isibister, 2001).
It is not the case that the poor countries are in some sort of primitive, unchanged state. The poverty of the Third world is not traditional and it is not accidental. It is the necessary companion to the richness of the developed countries (Isibister 2001). In most developing countries, rising average incomes and GNP have not led to a visible improvement in the living standards of the masses of the people. Eradication of hunger and poverty, the ultimate goal, is further away than ever before (Bibangambah, 1985).

Dependency theorists argue that the best course of action is for the third world to fight fire with fire, to transform capitalism from the enemy of the third world into its saviour. Whatever damage international capitalism may have caused in the past, the third world should use today’s forms of capitalism to break out of its dependent state. For example, Japan emerged from the devastation of the Second World War with an aggressive capitalist economy that incorporated some of the communitarian forms of its previous feudal structure (Isibister, 2001). Capitalism on its own is not a strategy that can work for the great majority of the world’s poor.

In general terms, this study investigated the following forms of Barter exchanges:

- Service for service exchange: -For example the exchange of labour for labour as a form of service.

- Service for goods exchange: - when one exchanges a form of service like labour for goods like commodities.

- Goods for goods exchange: - when one exchanges commodities for commodities.
The specific questions to which the study is addressed are as follows;

1. How entrenched is neo-barter as a form of trade?

2. To what extent does barter trade and labour exchange alleviate poverty?

3. To what extent is neo-barter a fair mode of exchange?

4. How much value is attached to barter trade and labour exchange in a capitalist monetary system?

5. What are the various forms and modes of barter exchanges that exist today amongst rural communities?

1.2 The Objectives of the Study

The overall objective of this study was to establish the role of barter in alleviating poverty in today's capitalist monetary system. The specific objectives of the study were;

1. To establish how entrenched neo-barter is as a form of trade.

2. To establish the extent to which barter trade and labour exchange alleviate poverty.

3. To establish the role of barter trade in a modern capitalist system and how it fits into this role.

4. To assess the various forms and modes of barter exchanges currently taking place in contemporary rural communities.

5. To establish the value attached to money vis a vis barter trade.
1.3 Justification of the Study

It may appear rather surprising that scholars are still seeking to redefine a concept that can be traced as far back as 18th Century philosophy and political economy. The dissatisfaction arrives from the unresolved painful question of how to liberate the less developed countries from chronic poverty, a condition that Dennis Goulet described as a "cruel kind of hell" (Bibangambah, 1985).

The thrust of this study was to establish whether barter trade in the contemporary sense has a place in fighting poverty in the backdrop of the efforts done and continue to be done by the government to alleviate poverty. The task of poverty reduction is not only the responsibility of the government but all stakeholders; private sector, non-governmental organizations (NGOs), researchers and of course the poor (Saitoti, 2002).

The National Poverty Eradication and the Poverty Reduction Strategy Papers both outline long and short term strategies to reduce poverty. One of the strategies outlined in the papers is the need to consult the poor through regular forums to get their inputs in poverty eradication (Saitoti, 2002).

Poverty is multidimensional and therefore the strategy paper addresses the problem from many perspectives (Saitoti, 2002). It is against this background that barter trade could be evaluated as part of the mix to combat poverty. There is no one single strategy adequate to fight poverty. It is also true to say that past developmental policies have been biased towards urban areas, hence the current government plan to focus on the rural areas through such policies like District Focus for Rural Development (GOK, 1983).

Kenya is rated tenth as most unequal country in the world and fifth in Africa. For every shilling a poor Kenyan earns, the rich gets Kshs. 56, and the gap between Kenya’s rich and poor is growing bigger everyday. This marks the differences between the haves and have-nots (Daily Nation, 27/10/04). Kenya is ranked 154 out of 177 countries with low human development according to a recent report released by UNDP. Kenya has recorded
a significant drop from a similar study conducted in 2002 and is currently trailing behind Uganda. The human development index is based on life expectancy, literacy levels, manpower development and national wealth distribution. (UNDP, 2005)

In poverty alleviation strategy the first concern is to define the whole purpose of development. This should not be to develop things but to develop man. Human beings have basic needs: food, shelter, clothing, health, and education. Any process of growth that does not lead to their fulfilment or even worse disrupts them is a travesty of the idea of development (Bibangambah, 1985).

The challenge before the poor and those interested in their welfare is to determine the types of interventions in the social, economic and political order which are capable of combating structural inequalities effectively and involving the poor in society. How to bring about structural change, in a non-revolutionary manner is the problem that still remains without an answer (Bibangambah, 1985). Many observers have been puzzled by the fact that China never became capitalist. It entered the feudal phase of development virtually 100 years before Christ. It had developed many aspects of technology through craftsmen and artisans, yet the mode of production was never transformed to one where machines were the main means of producing wealth and where the owners of capital would be the dominant class (Nyong’o, 1992).

In a monetary system, a maize farmer who needs a new garment simply has to find a tailor, whom he pays money for a new garment. In a pure barter system the maize farmer would have to find not just any tailor but one who happened to want maize at the time. This guarantees basic survival in provision of food, clothing, health and shelter to the barterers, in the absence of money. As Adam Smith noted; Freedom of exchange and transaction is itself part and parcel of the basic liberties that people have reason to value (Amartya, 1999). Lopez whilst illustrating the importance of social currency in Medellin, Columbia, cites a Mr, Perez example. A shoe factory salesman who is paid in shoes, sneakers and shoe polish when his factory is too short of cash to meet its payroll. He in return exchanges his wares indirectly for fruits,
1.4 Scope and Limitation of the Study

It was imperative that this study established how entrenched neo-barter is in the society under study. There is limited knowledge that points to the level of existence and the dynamics of neo barter. This study aimed at establishing the extent to which neo-barter exists in its entirety amongst a community via a vis other popular types of trade such as cash/money trading.

However, the study was confined to barter exchange within one community that forms our case study. Therefore cross border, inter tribal and international exchanges were outside the scope of this study. As the study was conducted at the height of the draft constitutional review debate around August-September 2005, the findings may somewhat be biased by the political climate at the time especially because land was one of the contentious issues in the debate. This is also partly the reason why it became difficult to interview squatters.

The study was also to establish the extent to which barter trade and labour exchange alleviate poverty. There was need to evaluate the rightful place of barter exchange in providing basic human needs that have been inadequately met due to lack of conventional money.

There was need to establish the role of barter trade in a modern capitalist system and how it fits into this role. The study evaluated how barter trade compliments modern capitalist system as an alternative in production and distribution especially in areas where market forces are inadequate. This necessitated the need for assessing the various forms and modes of barter exchanges currently taking place in the community.

Finally, there was need to establish the value attached to money as opposed to barter exchange. The study attempted to understand the importance attached to money as compared to other material possessions in order to determine the perception and acceptance of barter trade.
CHAPTER 2

2.0 Literature Review

The main objective of this chapter is to review the available literature on barter exchange in pre-capitalist and capitalist modes of production. The literature reviewed in this study has been presented thematically as presented below, with the aim of borrowing from what others have done and where necessary identify gaps for further research needs.

2.1 The Meaning of Money vis a vis Barter

The starting point is for us to understand the meaning of Barter. Barter is the world’s oldest form of trading but its purest form is a straightforward exchange of goods without the use of common denominator i.e. money (Jaeger, 1979: P.11).

In order to understand barter trade we need first to understand the meaning of Money. Money is a wrapper in which good things come to you. Money is the garment draped round the body of economic life; money is a veil behind which the action of real economic forces is concealed (Pigou, 1960) and “the money market is the places in which you can borrow money” (Withers, 1914).

Money’s form has become progressively more abstract, from coins to notes, notes to cheques, cheques to plastic, and plastic to the electronic. Money itself has no longer any vestige of inherent value. Coins can be melted for the metal, paper can be burned for heat, but digitally stored accounts have no possible purpose beyond their accounting.

Money is merely a promise, a ticket that provides its carrier with the expectation of something real. But yet it still is thought of as real - by economists and bankers, by adults and children. We think it real, because of our experience that it’s scarce, that only so much of it exists. It has at least that attribute of reality. As Soddy said – “money is the
nothing you get for something so that you can get something else”, and he won a Nobel prize in economics. (Linton et al. 1996)

Anthropologists today are without a commonly accepted paradigm for understanding the meaning of money in rural African life. Instead, the scene is something more like the stage floor at the end of a Shakespearean tragedy, strewn about with bleeding cadavers of actors who have slain each other one by one, lingering and overlapping in their throes (Shipton, 1989: P.4).

The prejudice against money has led to many attempts to avoid altogether the use of money in the hope of thus avoiding the evils that seem to be associated with it. St. Paul in the New Testament said ‘the love of money is the root of all evil’ (Holy Bible, 2000).

Myers takes a Marxist approach when she explains the attempts to avoid the use of money amongst Christians and late communists whereby in some colonies there was effort made to find a substitute for money, in the form of work tickets or certificates. This effort was based upon the theory that the real value of commodities arose from the labour time expended upon their production, and that the only just basis of exchange was the amount of time embodied in the objects to be exchanged (Myers, 1940).

Money is an option weighed: an asset for instance more subject to inflation than livestock. Now at least this way of thinking is about as African as it is European, as Kenyatta suggested in telling why he considered sheep and goats to have been “the standard currency of the Gikuyu people of Central Kenya. Kenyatta pointed out that, "They would argue.................that money is not a good investment for one shilling does not bear another shilling, whereas a sheep or a goat does. This of course is due to the ignorance of money speculation and so, they say it is better to buy a sheep or goat instead of shillings which, if buried in the ground (the only form of saving money the majority of the people knew) would rot and lose their value". (Shipton, 1989)

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1 A quote from Kenyatta, J. Facing Mount Kenya,(1965)
Exchanges involving more standardized goods such as agricultural commodities and raw materials are most likely to be barter based because direct price discrimination with regard to these goods is rather difficult to conceal in other trade.

International barter does exist between countries or trading partners. It is defined as contractual exchange of goods and/or services avoiding the use of international currencies (Jaeger, 1979).

Ogutu defines market as a nodal point where buyers and sellers meet to exchange goods and services. But such places have through time and circumstances developed into trading centers with varying degrees of importance. The growth and development of these markets has depended largely on the agricultural output (Ogutu, 1975).

2.2 International Barter Trade

Other than the barter trade that exists within communities as highlighted above, international barter trade does take place amongst countries. This aspect is important in this study because it highlights the importance of barter trade at a larger and international scale. International barter, be it in its purest form as a direct exchange of goods of approximately equal value has without the use of money or be it incorporated in broader bilateral trade and payments agreements, has been practiced by many countries at various levels of development.

Increases in many barter-like trade seem to be closely related to international economic cycles. At the individual country level, particular stages of development especially regarding foreign economic relations appear to be associated with an increasing use of barter and barter-like agreements (Jaeger, 1979).

In international barter `pure barter` represents the most rigid form of bilateralism. In its traditional form and strictest sense, it is defined as a straightforward contractual exchange of goods and/or services of approximately equal value without the use of money. This
means that the main feature of international barter is that there is no payment made in international currencies. However, a complete avoidance of money appears to be rather difficult and therefore it usually enters into the picture at some stage of relations. For example, the values to be exchanged are often defined in monetary terms using world market prices and international currencies, although often applying certain premiums or discounts (Jaeger, 1979).

The absence of money in barter exchanges implies a coincidence of wants. Barter trade arrangement exists today amongst developing countries either in ad-hoc barter deals (short term basis) or longer-term barter agreements. Kenya has bilateral trade and payment agreements with many countries for essential imports of food products, raw materials and to some extent, capital and technical know-how. For example, Kenya has barter like trade concessions in tariffs with COMESA and the East Africa Community. Other countries mainly barter on an ad-hoc basis, favourable only in situations of short-term world market disruptions. For example Pakistan, Ghana, Iraq, and Egypt, with the main objective to dispose of surplus agricultural commodities in exchange for imports of investment goods, raw materials and essential food products (Jaeger, 1979).

2.3 The Nature of Rural Poverty in Capitalist Economy

We cannot fully understand the relevance of barter exchange without revealing the nature of rural poverty. Current theory makes a distinction between "relative poverty" and "absolute poverty". Relative poverty means that some people are poorer than others. It becomes recognised as a real problem when the difference between the richest and the poorest is intolerable in the sense that the poor, while not actually destitute or starving, are nevertheless deprived of many of the goods and services which others take for granted.

Absolute poverty represents the problem of poverty in its rawest form. It means lack of food, cash and any assets. It is a condition of life so degraded by disease, illiteracy,
malnutrition and squalor as to deny its victims basic human necessities. It thus means a condition in which it is not possible to obtain the basic needs of life or where deprivation is so severe that the basic needs of life can scarcely be met at the minimum level required for survival (Bibangambah, 1985). In Kenya, for example the government identified four interrelated enemies of development namely, illiteracy, poverty, disease and ignorance (Mwabu and Mwau 1999). 50% of the Kenyan population lives below the absolute poverty line, which the United Nations puts at less than a dollar a day. Furthermore, 80% of this population resides in rural areas.

A major cause of poverty in rural areas is the absence of lucrative employment opportunities. Unemployment is defined by the International Labour Organization (ILO) as the "proportion of the population lacking the opportunity of earning a reasonable minimum income" (Bibangambah, 1985).

From the analysis of the nature, extent, incidence, and causes or generation of poverty, two fundamental implications for policy and development strategy emerge. The first is that since poverty is a complex and integrated phenomenon, caused by a multiplicity of factors, no single instrument will suffice. To operate on an interrelated set of variables, an interrelated or integrated set of policies is required. The second implication is that since poverty has its main roots in the structures, processes and mechanisms which determine or govern the ownership, distribution and utilization of productive assets or factors of production as well as the distribution of roles, sanctions and power in society, an effective approach to poverty can only be found in structural change, i.e. Change in the institutions and processes of society which "seeks to alter the way in which the major social institutions distribute fundamental rights and duties and determine the division of advantages from social co-operation. This precisely means that if poverty is to be effectively attacked and inequality reduced, the existing systems for the distribution of resources must be made more "universalistic of access and egalitarian in consequence" (Bibangambah, 1985).
2.4 Pre-Capitalist Economy

Modern economic development in Africa has often been seen as an encounter between two extremes: self-sufficient homesteads, the inward-looking units of a subsistence economy, having been confronted by a vigorous worldwide, alien industrial economy (Gray and Birmingham, 1970).

The starting point of underdevelopment theory is the period in which any given region in today’s third world began to be progressively incorporated into a permanent relationship with the expanding capitalist economy (Leys, 1975). Many of the countries that would be classified as undeveloped in fact already had modern industries, educational systems or other ‘precursors’ that were thought necessary for modernity (Roberts and Hite, 1996).

Hunting and gathering represented the ultimate means through which East Africans dealt with an unfriendly and hazardous environment in the pre-capitalist and pre-colonial epoch. In all times of physical adversity after droughts, diseases, famine or pestilence; people would become hunters and gatherers as the last measure to avoid death. In these terms, everyone was a potential hunter or gatherer (Zwanenberg, 1975b).

In practice the population of Central and Eastern Africa lived in varying degrees of dependence on subsistence production and market exchange and subsistence oriented trade often continued to co-exist with an incipient, developing commerce (Gray and Birmingham 1970).

Bowles argues that productivity in the pre-colonial period was relatively high in relation to settler productivity (Bowles, 1975). Most Africans continued to depend on their livelihood primarily on subsistence agriculture and the production of vital foodstuffs was only very marginally affected by market demands (Gray and Birmingham, 1970).

Ensminger in her study of the Galole Orma pastural people of North Eastern Kenya, offers much evidence of the corrosive effects of the market on social institutions. Indeed
one could make a case that their society is disintegrating in the wake of increasing market relations. Pasture that used to be held in common is gradually being privatized. Family herding cooperatives are giving way to pure wage contract herding. One could also make the case that the “moral economy of the Orma is collapsing” (Ensminger, 1992).

Ecology and livelihood were important dimensions of ethnic identity. Honey was a core cultural symbol for the forest dwelling Okiek, as cattle were for the Maasai. Modern hunter-gatherers are not necessarily the physical descendants of those of the remote past, though they may be in some instances. One response to famine was migration, but another was to revert to hunting and gathering, at least for a time (Isichei, 1997).

Wright cites the ‘lively’ relations between Kikuyu with Maasai, Kamba and other neighbours. There was exchange of products and wives between the Kikuyu and Maasai. She argues that there were convergence or conversions from one culture to another and economic life of all groups comprised some agriculture and some stock keeping with different emphasis in ideology and reality (Wright, 1975).

On the same note, Marcia argues that Luo, Gusii and Luhyia people shared much. Economic systems were adapted to the same environment and their common words for domestic crops and tools bespeak an intimate contact. Between 1870 and 1900, there were fixed markets where all groups exchanged their products from different environments (Wright, 1975).

The Gusii for instance undertook communal labour where they came together to undertake a venture of common good to all the participants. For example, a type of group farm called *endernero* was initially jointly reclaimed from the bush by a group of cultivators who did the clearing and preparation of land together. They would then share out the fields and work on their strips individually. According to Uchendu (1975), this system helped a young man whose parents were short of land earn income by investing his labour; many young men thus acquired livestock for payment of bride-wealth. Hence, there was no direct payment for labour contributed in many domestic activities. Labour
was mainly compensated for in kind, for it was held that to pay for it meant that one had not been ‘helped’. However, a few specialized types of labour were actually paid for: the blacksmiths, for example, could be requested to make an anklet for a newly married woman and paid for as a normal exchange. Finally, thatching of houses almost amounted to paid labour. This was a specialized job for which the thatcher was not only entertained with a lot of food but also paid a goat or two at the completion of the task (Mwonyo, Vol.2/01/02).

The Maasai have cultural attachment to pastoralism, so strong that ideally they live exclusively on its products mainly fresh or curdled milk, occasionally supplemented by ‘steers’ blood or meat (Isichei 1997).

Nothing emerges from the Cwezi legends more clearly than a pastoral peoples’ passion for their cattle; the king who follows his herd to the land of the dead, the prince who contemplates suicide when his favourite cow dies (Isichei, 1997).

Trading appears to be an important contingency occupation in the face of uncertainties (like drought, epidemic) and provided an essential method to reconstruct periodically decimated means of subsistence (Wright, 1975).

The product of labour was distributed similarly through either reciprocal or redistributive arrangements. These were supplemented, however by a quite extensive and well-developed intra- and inter tribal trade on a barter basis (Stitcher, 1979). Luo for example sought to recruit strangers as clients to be assimilated unto their households and productive units. As in so many parts of Kenya then, labour was scarcer than land. Cultivation had to be maintained and encouraged while membership in regular warrior groups competed for the time and energy of young men.

A person needing work to be done notified members of the group who would arrange to provide their concerted labour. After completing their task, they would be rewarded with a beer party, although the amount of beer given was not related to the size of the task.
performed nor the hours spent working. A wealthy household might call work groups more frequently than others since it would afford to provide the necessary rewards but the right existed equally for the poorer homesteads. At times, only the women were called to work, but their husbands would come to enjoy the beer. There was also a co-operative herding arrangement in which livestock was pooled for herding. It was common mainly in the cattle villages where young men took turns in herding and guarding animals in the boma (Mwonyo, Vol.2/01/02).

The penetration of colonial capitalism threw the pre-colonial economy into disequilibrium. With the monetization of the rural area, most communities found themselves subject to an economy over which they had little control. In order to pay taxes and be able to buy the European manufactured goods there were only three alternatives; first, produce surplus commodities for sale; second, sell their animals and third, offer their labour for wages.

The alien impetus to development in 20th Century in Africa virtually disregarded and overrode these earlier economic initiatives (Gray and Birmingham, 1970). Fuller appreciation of the situation demands to see the vigor of production and trade within the context of African societies seeking to restore their economies after an ecological crisis.

2.5 Capitalist Economy

From 1888 to 1903 was the initial stage of exploration, conquest and establishment of overrule in Kenya; it is in these years that we observe the confrontation between an arriving capitalism and the pre-capitalist segmentary/lineage economies (Stitcher, 1979).

Capitalism as a social system of production requires to extract a surplus from labour. During the early stages of any form of capitalism the method of the extraction of a surplus tend to be less subtle and more violent than later on when the system is more widely accepted and the capitalists more secure (Zwanenberg, 1975a).
Samir Amin, termed capitalism as the primitive accumulation where revenue which for the first time became capital, did not come from the profits of investments made earlier with capital, but the exploitation of non-capitalist sectors. He argued that primitive accumulation works for the benefit of dominant foreign capital and as a result limits the possibilities of developing local capital which must remain peripheral (Berry, no. 49).

Aggression by the capitalist mode of production from the outside constitutes the essence of the problem for a pre-capitalist economy. An imposed political authority is employed to 'monetarise' the economy and to cause it to become 'extroverted' that is directed to production for export. The methods used where there has been a tributary mode of protection may ensure that what occurs is merely a transition from a civilisation based on a certain annual contribution of labour to one based on a larger such contribution. While increase of production may occur, and the growing of export crops may be more profitable to the producer than the growing of foodstuffs for local consumption, it is superficial to regard this as an improvement in productivity (Bowles, 1975). European development came at the expense of its colonies, which were left with fewer resources and greater underdevelopment (Bradshaw and Wallace 1996).

In a system in which production and consumption decisions are primarily mediated through the market, the failure of the poor to get their basic needs reflects not only the unequal initial distribution of real purchasing power, but also market imperfections and failures. For in this case we are indeed dealing with the capitalist bias in Africa's recent economic history; absorption into international structures of trade and capital flows, belief in the efficacy of market forces, faith in the profit nature and private enterprises, distrust of state initiative in the economy, and the optimism about the development value of foreign investments (Mazrui, 1980).

In Kenya, key areas of traditional economy rapidly developed into a flexible peasant economy, which tended to limit the supply of migrant labour. The European-owned estate sector, which hired migrant labour and the African peasant sector, which provided it, conflicted first in the labour markets and then in the produce markets, these
contradictions underlay the political struggles of the 1930s and 1940s, eventually culminating in the mau mau rebellion (Stitcher, 1982, P.xii). In rural areas, the dominant asset is of course the land. Land is the principal source of income and consumption of status, wealth and security.

The development and success of the European settler plantation agriculture as the basis of Kenya's economy depended heavily on the availability of land, Labour and Capital. In a series of excisions, the government alienated about 7 million acres of land including some of the most fertile in Kenya. This land comprised what came to be known as the white highlands or the settled areas, which were then set aside for exclusive European agriculture. For example, the Kikuyu migration to the settled areas (Rift valley) was initially looked upon by the colonial arm as a good opportunity for harnessing labour (Kanogo, 1987).

In the period before 1918, an average squatter family cultivated between six and seven acres of land, which meant that a surplus was almost invariably available for sale. Since the African market provided a more profitable outlet for squatter produce than the settler buyers, most transactions were conducted at the various trading centers. Among those in Nakuru district were Subukia, Bahati, Ndundori, Njorú, Elburgon, Turi and Molo, where regular weekend markets were held, and large amounts of produce bought and sold (Kanogo, 1987).

Before long there was a decline in the reward of labour and regression in productivity, which may be exacerbated by political rejection by peasants of agricultural change. The state then resulted to more direct compulsion. The series of phenomena, engendered by the onslaught of capitalism, caused an agrarian crisis, regression in agricultural techniques and increasing rural poverty. Rural incomes were spent either on taxation or on buying imported goods as replacement for goods formerly made by craftsmen (Bowles, 1975).
Bowles asserts that colonization brought about deficiency in diet. He compared the diet of plantation workers in colored Africa of the 1950s with those of the slaves of Southern United States a hundred years earlier: basically maize, beans and fat in both cases even where reforming colonialist were concerned with African consumption standards, the solution was seen as the 'politics of the full stomach' which meant a larger quantity of the same energy giving foods (Bowles, 1975).

Food cultivation was suppressed in the area of the plantations themselves; moreover the plantations demanded labour from those same areas at times of peak agricultural activity (Bowles, 1975). Export crop production caused food crop production to deteriorate especially in the variety of food grown.

Attempts to coerce Africans into seeking wage employment included imposing taxes, creating reserves, disrupting local economies and denying Africans the right to grow major commercial crops (Kanogo, 1987). The peasant, who previously produced a large variety of crops with suitable cereals among them, was faced with a demand for surplus in the form of cash taxation. Moneterisation served to enable market pressures to be brought more forcibly to bear (Bowles, 1975).

During the period before 1930 the primary change was the transference of labour to settler farms, which it is contended reduced the productivity of that labour. Both productivity of land in addition to the productivity of labour fell during this period (Bowles, 1975).

The pre-capitalist mode of production was thus to be preserved, though not in its original form, but in a perverted form, as a reservoir of labour for the capitalist mode of production. (Manmood Mamdani as quoted in Korir 1976, P.9).

The basic unit of production in colonial Kenya was the estate based on migratory labour. These enterprises varied quite considerably in organization, from large, well capitalized plantation such as those in tea and sisal to some quite marginal and undeveloped
enterprises in mixed farming and coffee. Most estates in fact relied on two kinds of part-time labour—predominantly, the ‘migrant’ who came in periodically from longer or shorter distances; but also in earlier years the ‘squatters’, who received use rights to a portion of land on the estates in return for a given number of days of labour (Stitcher, 1982).

Bowles argues that the period (to 1930) there was a transfer from an efficient branch of agriculture to an inefficient one (1930- to independence). Evidence in the existing literature suggests both that peasant agriculture was inefficient. Brett’s work shows that settlers, arranged to come to Kenya by the colonial administration in order to subsidize the railway, ended by being subsidized by the railway. Productivity in the pre-colonial period was relatively high in relation to settler productivity (Bowles, 1975).

The Kenyan settlers were inadequately supplied with finance capital and wage labour. The colonial government, which was dominated by the imperial policy of self-sufficiency, was unable to provide more than rudimentary infrastructure. Colonial capital accumulation was therefore based on the appropriation of surplus created by the cheap and lowly paid African labour (van Zwanenberg, 1975a).

There is no doubt that labour migration served to impoverish the rural community. African peasants were not totally dispossessed of land, and migrant workers’ families continued to feed themselves and often the migrant relatives were paid little wages, thus reducing the socially necessary wage in the capitalist accumulation.

In spite of opposition from Africans and their sympathizers the practice became more widespread in the 1920s and early 1930s, especially whenever the spectra of labour shortage reared its dreaded head (Zeleza, 1987). It was in 1933 that the ordinance on the employment of women, young persons and children was passed, specifically designed to curb the worst effects of forced female and child labour.
Household relations of production were also modified in varying ways - either in the direction of capitalist exchange or the intensified exploitation to "traditional" obligations in the service of the labour market. Young men's family obligations such as hut-building and cultivation were weakened; and hired labour was sometimes substituted while obligations to parents and extended kin were loosened, those to elders, chiefs and the estate were fairly intensified. Wives' obligations to the husbands were likewise intensified, as they were pressed to take over more work on family landholding (Stitcher, 1982, P.28).

One result of the commercialization of African agriculture was the emergence of pauperized peasants; these had to work for the 'rich' peasants as seasonal or permanent labour in order to meet their minimal vital requirements. In such a situation, to quote Ivanov "...traditional communal relations disintegrate and produce rudimentary forms of hired labour in which corresponding communal work is paid with money" (Ivanov, 1979, p. 39). This became a common feature where poor peasants could work for other households but were no longer able to invite members of the community to work for them. The poor peasant had to rely on his family if he was unable to provide cash to purchase sufficient labour, while a reasonably rich man could get a medium sized farm quickly cultivated, planted and often extended.

Expanded commodity production after World War II, coupled with the reorganization of African agriculture, opportunities presented through education and salaried civil service - all gave rise to a group of rich peasants who were able to employ poor peasants as farm workers. This greatly checked migrant labour and gave rise to a rural proletariat class.
2.6 Contemporary Barter Trade

Barter trade is currently being practised in various forms all over the world. In South America for example there are many networks and clubs that have been formed by local communities with the main objective to barter in order to alleviate poverty. Unlike South America and other parts of the world, barter trade in Kenya is not formally organised into clubs or networks but exists in some local communities where families and neighbours exchange goods and services on a day-to-day basis.

We can narrate and draw examples from South America where they have more formal barter exchanges. Nearly all countries in this region are third world countries undergoing the same economic issues as Kenya. The rise of the Global Barter Network (GBN) in Argentina was a response by grassroots civil society to the high rate of unemployment, and to the new economic world. Members of the P.A.R. (Programa de Autosuficiencia Regional - Regional Self-Sufficiency Program), an active ecological movement since the eighties in the state of Buenos Aires, found it pressing enough to make this shift from its traditional ecological activities to directly tackling the critical issue for employment and growing urban poverty. The first Barter Club was created by a group of twenty neighbours on 1st May 1995, and within three years there were more than 150 Clubs across the country, involving 80,000 - 100,000 people conducting global barter transactions of food, clothes, artisanship and craft, healthcare, therapies, tourism and formal and informal education and training in many different fields. (IGGRI/KEPA). "It's producing not only a parallel economy but a subculture," said Graciela Romer, a sociologist and political consultant (New York Times).

John Jairo who initiated a similar idea in 1994 in North of Medellin explains, "The exchange is made to value with the heart and not with the pocket, the goods and services that we exchange, without the breach normally seen between producer and consumer. We are all producers and consumers."
The success of the Global Barter Network led this philosophy and practices being adopted by other countries in Latin America (Uruguay, Brazil, Bolivia and Chile) as well as Spain.

The overriding principle of GBN is that barter is able to reinvent the market and not only (re) include people that have been excluded by globalization, but can also include people previously un-included. There is need not to oppose this new market to the formal market. Need not oppose government but rather develop the ability to act with the government in order to build a democratic life with equity and solidarity instead of competition and exclusion. Barter is able to re-shuffle the cards needed to build a new social game.

**The key principles of global network in South America are:**

- *Their fulfilment as human beings need not be conditioned by money.*

- *They aim not to promote products or services, but their mutual help in accomplishing a better way of life, through work, solidarity and fair trade.*

- *They believe in the possibility of replacing competition, profit and speculation by reciprocity among people.*

- *They propagate that their actions, products and services may respond to ethical and ecological standards more than to the will of the market, the consumerism and short-term profit.*

From the South America experience, the social laboratory shows that barter (Stephen DeMeulenaere):

- *Contributes to immediate satisfaction of needs in different social sectors.*

- *Allows the reconstruction of social tissue inside the clubs.*

- *Recovers and develops vulnerable people's self esteem.*

- *Reinvents a new market, complementary to the old one and not alternative to it.*
In the Global Exchange Network, everything is exchanged except money. Money in its current form does not exist. The method of exchange used is the credit, a unit of exchange, which can only be used in the network, a bond for facilitating exchange of goods or services or another equivalent.

Another example of barter trade network is the Local Exchange Trading System (LETS), an international non-profit making/non-governmental organization. It brings together people within local community for the purpose of exchange of goods, services and skills without the use of cash.

LETS is another alternative to economic exchange that is used to fight against poverty because the system creates resources that can be used to satisfy wants of its members. Some communities in Europe and in Nigeria now use this concept developed in Europe. LETS believes that everyone has one thing or the other to share with others, whether one is rich or poor. LETS gives all its members an opportunity to trade with others without using cash and enhances even distribution of wealth or resources. The primary focus of LETS is to contribute to the fight against poverty and to enhance satisfaction of wants of its members through exchange without cash and to collectively contribute to the development of a strong local economy.

In other countries in Europe and North America, new methods of exchange, separate from the traditional market, are developing rapidly and are referred to as "social money", denominated as "community currency". Finally, the Internet has become the platform for all kinds of barter transactions ranging from consumer goods to professional services.

2.6.1 The Problem of Conventional Money

Linton and Soutar make an analysis of conventional money and the new community money, in the context of a sustainable economy. A sustainable economy they argue cannot be achieved while we continue to depend on conventional money. Conventional
money tends to seek out the cheapest sources of supply. It therefore drains away from communities that fail to meet the appropriate cost levels (Linton et. Al, 1996).

When a community relies only on conventional money, it is driven to patterns of production and consumption of natural resources, which are internally and externally destructive. This is not only observable, but also predictable, since we need money to participate in the economy, and we get it however we can. This leads to patterns of cash cropping, short term gain without recognition of long term costs, the denial of externalities, money as commodity.

An economy based on conventional money establishes competition as the norm. Co-operation, as an element of the economy, is overlooked or specifically ignored. In fact, co-operation is the actual context within which competitive behaviour is merely a minor anomaly. Conventional money tilts the playing field, and the pursuit of self-interest becomes inconsistent with and takes precedence over community interest. This behaviour is evident in the actions of the state, the organisation and the individual.

2.7 Theoretical Framework

This study is founded on Marxist theory on Capitalism to begin with and gradually progresses and heavily draws on the Articulation theory in understanding the synergy between pre-capitalist and capitalist economies to explain their relevance and perspective in the contemporary world. Finally, Rational Choice theory is used as a secondary theory to illustrate the relationship determining behaviour outside the market.

2.7.1 Marxist Theory on Capitalism

Marxism revolves about the assumption that the human is a material maker. One of the Marxist's radical breaks with prior-economists was to locate production solely within the society, within the human, within socially defined labour as the sole source of value.
Marx saw capitalism as a setting that distorts humanity, whereas communism would be a setting in which humanness would be allowed to express itself. Of utmost importance is the need to interact with other people and with nature in order to produce the objects that people need to survive. It is significant that this natural process is subverted as a result of the unanticipated consequences of capitalism (Ritzer, 1996).

Gudeman, whilst quoting Marx stated that the essential difference between the various economic forms of society, between for instance society based on slave labour and one based on wage labour, lies only in the mode in which this surplus labour is in each case extracted from the actual producers, the labourer (Gudeman, 1986, P.33). Marx defines the difference between the value of the product when it is sold and the value of the elements consumed in the formation of that product. Although means of production (raw materials and tools, the value of which comes from the labour involved in extracting or producing them) are consumed in the production process, it is labour that is the real source of surplus value. “The rate of surplus-value is therefore an exact expression for the degree of exploitation of labour-power by capital, or of the labourer by the capitalist” This points to one of Marx’s more colourful metaphors “Capital is dead labour, that vampire-like, only lives by sucking living labour and lives the more, the more labour it sucks” (Ritzer, 1996).

Polanyi was much influenced by structuralists such as Max Weber, Karl Marx and Emile Durkheim (Centeno et. al, 2001) His fundamental position was that because life depends on an interchange between humans and their environment, land and labour comprise the bedrock of all economies. Land and labour are used according to one or another exchange pattern.

Polanyi argued that economies are either embedded or disembedded when material activities are organized through distinct institutions as they are in the case of market dominated societies, the economy is disembedded. But when the processes of livelihood are arranged through kinship, religious or political institutions the economy is embedded because it has no existence apart from these other relationships (Meillassoux, 1971, P 44)
Aristotle’s argued that Man is naturally self-sufficient and his wants are finite. Trade can only be natural in so far as it is oriented towards the restoration of such self-sufficiency. Just as in nature there maybe too much here and not enough there, so it is with households which will then be forced to exchange on the basis of mutual needs. Interchange of this kind is not contrary to nature and is not a form of money-making; it keeps to its original purpose; to re-establish nature’s own equilibrium of self-sufficiency (Parry and Bloch, 1989).

Marxists argue that the prices of all commodities tend to coincide with their values and wages are no exception. But the commodity that wages purchase is not the worker’s labour but his labour power. Labour does not measure its own value but that of labour power (Emmanuel, 1972).

Polanyi opposes the exchanges at a set rate of the systems based on redistribution and reciprocating to exchanges at bargained rates in the market system. He says that societies based on non redistribution and reciprocating could not tolerate antagonisms and tensions in their midst. The essential thing for the economy of these societies is the satisfying of basic needs—the sphere of subsistence (Meillassoux, 1971). Polanyi recognised that market places existed in ancient times, and were present in primitive economies, but he argues their existence away by saying they were not important, and existed within a context of reciprocity. Money too was often present, but it was unimportant, and also operated within the context of reciprocity. These money using daily markets were merely convenient localised exchange places operating within the broad system of reciprocity. There were also market places for long distance trade, such as ports, but these were only for items which could not be obtained within the area, and therefore could not be provided within the local system of reciprocity. These ports of trade were specifically isolated from the prevailing reciprocity area and served to separate it from external influences. So local craft and provision markets were not linked to long distance markets and the ports of trade were controlled by the authorities to ensure the isolation was maintained (Polanyi, 1945, P.64-69; Polanyi 1963, P. 30-45).
Reciprocity according to Polanyi, implies that people produced such goods and services for which they were best suited, and shared them with those around them. This was reciprocated by the others. There was an unspoken agreement that all would produce that which they could do best and mutually share and share alike. The motivation to produce and share was not personal profit, but fear of social contempt, ostracism, and loss of social prestige and standing. Presumably examples of this kind of behaviour would be village communities where men made hunting parties, and women grew vegetables. A contemporary observer would comment that examples of this kind of behaviour still exist, as in the traditional home where mother does household chores, father does manual/skilled tasks, the children run errands or looks after animals, and the dog barks at strangers. No money changes hands but all contribute according to their abilities to the common welfare, and all share according to their needs. Another example is the Kenyan pub behaviour, where each buys a round of drinks in turn for the peer group, and failure to buy leads to social contempt and loss of social prestige and standing.

Polanyi points out that a purposeful use of the past may help us to meet our present over concern with economic matters and to achieve a level of human integration that comprises the economy, without being absorbed in it (Polanyi et al. 1957: P xviii). Polanyi argues that in modern market economies the needs of the market determine social behaviour, whereas in pre-industrial and primitive economies the needs of society determine economic behaviour.

The neo colonial period particularly in Africa appears when capitalism having created a labour market (during preceding colonial period) and developed an infrastructure adequate to its needs can finally draw the full profit from the (mainly military and administrative) expenditure it made during the colonial period to establish itself; its domination of the previous modes of production and their (very gradual) elimination are ensured through the medium of exchange (Dupre and Phillippe, 1978).
The relevance of Marxist theory of Capitalism and Karl Polanyi's observations spell out the purpose of man and his nature. The overriding issues that make this theory relevant to this study are: Polanyi's views that man's needs should dictate the market needs and not the other way round and Marxist theory that locates production within the society, the human and within socially defined labour, which is the sole source of value. Barter trade of goods and services is all about meeting man's needs without the exploitation of capitalist core values of labour, land and trade.

2.7.2 Articulation Theory

This paper heavily uses the theory of Articulation of modes of production as its major tool of analysis. Among its proponents are scholars such as Berman (1984), Meillasoux (1981), Zeleza (1985), van Zwanenberg (1975a), and many others. These authors have variedly tried to show what happened with the African modes of production upon the penetration of the capitalist mode. A mode of production is conceived here as system of production or social form of economic organization. It mainly involves itself with the means of production and the attendant social relations of production. The main argument in this theory is that when the capitalist mode of production is introduced it does not automatically and immediately replace the pre-capitalist modes of production; but rather, reinforces them. With time, the capitalist mode of production gradually starts to establish and asserts itself over the pre-capitalist mode of production. The two modes of production were then locked in a complex and sometimes contradictory struggle, hence articulation. Gradually, the capitalist mode of production then began to modify, marginalize, destroy or eventually subordinate the pre-capitalist mode of production by utilizing it rather than casting it aside. The pre-capitalist mode of production did not get completely eliminated but kept on reproducing itself diversely in relation to the capitalist mode of production.

Goodman argues that pre-capitalist modes of production may have continued to exist although subordinated to the capitalist system through a process of
"preservation and destruction" or "dissolution and conservation", by which they were articulated in their diverse relations with capitalist system, more particularly through unequal exchange relations (Goodman, 1987, P.60).

The 1960s dependency theorists and others sternly criticized earlier functionalists for ignoring in the search for uncontaminated cultures, money and other links between indigenous peoples and the outside world.

Dependency theorists also lambasted 1950s and 1960s pro-market 'modernization' theorists for the ethnocentric view that spread of cash around the world was a sign of social progress. They preferred to think of cash exchanges as part of a 'rape like' penetration by the centres of the world economy or the 'metropolis', into the periphery. By the early 1970s it became awkwardly apparent that the pre-capitalist modes of production (and life generally) were not universally disappearing as modernisation theorists rather hoped and dependency theorists feared (Shipton, 1989, P4).

Marxist structuralist theorists of the 1970s reconstrued money as part of the articulation or link with mutual influence, between modes of production they called pre-capitalist and capitalist, or part of an enscapsulation of one by the other.

This theory shows how labour and trade in pre-colonial capitalist Kenyan communities was organised to satisfy various social and economic needs. Given the abundant and vast land resource as the major means of production, many communities engaged in a number of economic activities including agriculture, animal husbandry, trade and exchange, iron smelting, hunting and gathering among others. Against these economic and other social activities, the labour had to be socially harnessed and directed at production of commodities with use value for the community. The coming of the capitalist mode of production through colonialism led to modification, destruction and marginalisation of the indigenous economy with profound effects and changes in its indigenous patterns of labour.
and trade organisation. Ultimately the colonial labour was now harnessed in the colonial capitalist economy to generate surplus value for the colonialists.

Articulation is therefore a double-edged concept where certain sectors of the pre-capitalist economy were integrated into the capitalist economy and other sectors were not integrated for some time with a view to achieve certain economic goals (Omwoyo, 2002). Modes, forces and relations of production either became procrustean beds, into which all societies and economies had to be fitted or multiplied until as one critic pointedly observed “each Andean Valley has its own mode of production, and individuals may change them two or three times a week like underwear” (Shipton, 1989, P4).

A useful legacy of 1970’s articulation theory however is the acceptance that cash has entered Africa economies partially and unevenly, and that multiple modes of livelihood can co-exist, for better or worse. Non-market economic behaviours—reciprocating and redistribution—are not disappearing. In Africa the chronological progression implied in terms like capitalist and pre-capitalist economies is too simplistic. Rather market and non-market principles seem to interweave. For example, African farmers continue to pay bridewealth in livestock or blankets, redistribute grains and meat at funerals and share farm work reciprocally at the same time as they compete for coffee profits, speculate in land markets or hire wage labour. No African society, before or after European times was ever wholly socialist or capitalist and none is likely to be soon (Shipton, 1989).

This theory finds apt application in examining the impact of colonialism and its capitalist mode of production on one hand and the impact this had on pre-capitalist traditional economies on the other hand.

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The introduction of the capitalist mode of production and its subsequent articulation with the indigenous economy led to the transformation of the latter and its incorporation into a peripheral/colonial capitalist economy.

### 2.7.3 Rational Choice Theory

Of relevance to this study in this theory is the element of social interaction as a process of social exchange. Economic action involves an exchange of goods and services; social interaction involves the exchange of approval and certain other valued behaviours. In order to emphasise the parallels with economic action, rewards and punishments in social exchange are termed as rewards and costs, with action being motivated by the pursuit of a 'profitable' balance of rewards over costs. The various things that a person might do not only vary in their costs, but also vary in their rewards. In many cases, there will be a combination of monetary and non-monetary rewards and costs (Browning, 2000).

Rational choice concerns means-end relationship determining behaviour outside the market. Economists claim that self-interest dominates in markets where competition pushes those who ignore narrow goals. It is enough that we posit that people intermittently deliberate over their desires, acts and achievements, and have the ability sometimes to recollect experience and devise plans (Barth, 1981: Pg 90).

People transfer control over their actions to others in an attempt to maximize their utility. Coleman argues that norms are initiated and maintained by some people who see benefits resulting from the observation of norms and harm stemming from the violation of those norms. People are willing to give up some control over their own behaviour, but in the process they gain some control (through norms) over the behaviour of others (Ritzer, 1996).

In rational choice theories, individuals are seen as motivated by the wants or goals that express their 'preferences'. They act within specific, given constraints and on the basis of the information that they have about the conditions under which they are acting. At its simplest, the relationship between preferences and constraints can be seen in the purely
terms of the relationship of a means to an end. As it is not possible for individuals to achieve all of the various things that they want, they must also make choices in relation to both their goals and the means for attaining these goals. Rational choice theories hold that individuals must anticipate the outcomes of alternative courses of action and calculate that which will be best for them. Rational individuals choose the alternative that is likely to give them the greatest satisfaction (Heath 1976: 3; Grling 1992: 27; Coleman 1973).

The relevance of this theory to this study is to illustrate that people are willing to come together to realize goals for the good of the community as long as they see benefits in it. Members of a community will embrace ideas that they value and that they identify a commercial gain in order to make them more competitive in the market place.

2.7.4 The Exchange Theory of George Homans

Homans’ exchange theory is derived from both behavioural psychology and elementary economics (rational choice theory). According to Homans, exchange theory envisages social behaviour as an exchange of activity, tangible or intangible, and more or less rewarding or costly, between at least two persons. Homans’ exchange theory begins with behaviourist paradigm, of B.F. Skinner study of pigeons (Ritzer, 1996).

Homans developed several propositions that are the basis of his exchange theory on social behaviour. These propositions on value, deprivation-satiation, aggressiveness-approval and rationality are important in this study because they explain social behaviour in the context of reward and punishment. For example in value proposition the most valuable to a person is the result of his action, the more likely he is to perform the action. In economic terms, actors who act in accord with the rationality proposition are maximizing their utilities (Ritzer, 1996).
2.8 Assumptions

The proposition of this study is that barter trade and labour exchange still play a significant role in alleviating poverty amongst rural communities. This study assumes that the existence of barter in some rural communities provides an alternative means of livelihood in a cash economy. *(Refer to page 7 for research questions)*

In this case:

- **Barter** refers to any kind of commercial and non-commercial exchanges that take place in a community to meet basic needs without the use of money.

- Barter of **goods** and **services** refers to any form of commercial and non-commercial exchanges in tangible items (goods) and intangible services (i.e. labour) without the use of money. These exchanges can be; goods for goods; goods for service and service for service.

- Small to medium scale farmers are farmers who farm mainly for subsistence and sell any surplus left thereafter. They mainly use family labour but may hire cheap casual labour from time to time, depending on the amount of farm work to be done.

- Squatters are families still living in the ex-colonial settler farms. They do not own the land and live on small allocated patches of land rent-free. They are no longer required to provide free labour to the landlord in exchange, as was the case in the colonial era. These squatters grow little or no crops on their small patches and are mainly casual labourers in the environs.

- Small local businesses are small informal businesses operating in the rural trading centres. They range from a bicycle repairer to a shopkeeper.

- Poverty refers to absolute poverty. It means lack of money and basic human needs like food, shelter and clothing.
CHAPTER 3

3.0 Methodology

The purpose of this section is to outline the approaches and areas where the research was conducted and how the data was obtained, analysed and presented. According to Singleton et al (1988) research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. This section covers site selection, unit of analysis, source of data, sampling procedure and the most appropriate techniques of data collection and analysis.

3.1 Justification of Site Selection

Geographically the study was carried out in Bahati Location in Nakuru District because it provided the required target population mix. Bahati comprises of large ex-colonial farms, squatter settlements, and small to medium farms. The latter were derived from large tracts of ex-settlers' land that was bought by land buying cooperative schemes and later subdivided into individual plots. As a result there emerged small local trading centres comprising of small businesses that form the local business hub of these settlements.

The motivation and selection of this topic was highly driven by the barter and labour exchange that I observed in my rural home of Bahati location, in Nakuru District. Squatters and subsistence farmers seek for casual labour in larger farms. In the circumstances where the potential employer may have work to be done in the farm but insufficient money to pay for wages, an informal agreement is reached whereby; the job seeker agrees to be paid in kind (commodities like food produce) in exchange of his/her labour. This barter form of transaction is sometimes used in 'Mabuti'.

Mabuti (pronounced Mafuti) is a kikuyu corruption for the word 'feet' as expressed in Imperial measurement terms. It is used to measure a surface area in foot squared. The standard measures used range between [15x15], [15x20], [20 X 20] (foot squared). It is commonly measured in foot steps.
Bahati Location provides the ideal research site to understand the barter transactions that exist today. It was anticipated that the research would provide insights into various forms of barter exchange of goods and services and the extent to which this is taking place. The research findings from this site could be extrapolated to indicate what could be taking place in other areas of similar characteristics.

3.2 Unit of Analysis

The unit of analysis is barter trade and the extent to which it is practiced and affects the rural community. Singleton et. Al (1988) calls these, the entities of the study that represent the level of social life on which the research question is focused.

3.3 Units of Observation

The units of observation comprised of the following:
- Small and medium scale farmers
- Squatters
- Small traders

The research methodology that was used in this study comprised of both qualitative and quantitative research. Qualitative research was conducted amongst small business traders and quantitative research was used to investigate the farmers and squatters.

3.4 Sampling Procedures

A representative sample of 101 respondents was selected from Bahati, location. This comprised of full complete interviews with small-medium scale farmers.

The first stage of sampling was stratified sampling. The population of Bahati location was stratified by sub-locations. Distribution of interviews was conducted according to the proportion of population within the five sub-locations that constitute Bahati location.
The table below illustrates stratified sampling frame

<table>
<thead>
<tr>
<th>Sub-location</th>
<th>Total no. of Household</th>
<th>Sub-location Population</th>
<th>% of interviews Proportionate to pop. size</th>
<th>Actual no. of interviews to be conducted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wendo</td>
<td>1,843</td>
<td>8,235</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Bahati</td>
<td>3,292</td>
<td>13,625</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Kabatini</td>
<td>2,777</td>
<td>13,376</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Chania</td>
<td>958</td>
<td>4,356</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Kiamaina</td>
<td>3,513</td>
<td>14,627</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Total Bahati Location</td>
<td>12,383</td>
<td>54,219</td>
<td>100%</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: 1999 Population & Housing Census  
Vol. 1 Central Bureau of Statistics-Kenya

The second stage of sampling was executed through judgment sampling to select the units because no adequate sampling frames, complete with population elements were available. Hence it is a daunting task to establish the number of squatters and small to medium scale farms in the area.

Judgment sampling is often used in case studies. According to Peil "one or a few communities are selected because they are considered to be either typical or outstanding examples of the variables with which the research is concerned” (Peil, 1982:27). This study is a case study and the area of study suited this particular case that is under investigation.

3.5.1 Case Selection through Judgment Sampling

1. Sampling points were randomly selected from the divisions within Bahati Location.

2. 10 interviews were conducted from each sampling point.
3. Interviewers walked along regulated random routes following the "left hand rule", turning left at every junction of the road, track or pathway and selecting households at an interval of 1 home in every 4. This eliminates the possibility of interviewers conducting interviews back to back.

4. One interview only was conducted in any household.

3.5.2 Qualitative Research

Squatters
The initial project plan was to distribute the squatters' and farmers' interviews equally within a quantitative sample population of 100 respondents. Unfortunately, the squatter sample was not achieved and the methodology has been revised for reasons explained below;

It emerged when the survey began that most ex-colonial farms in Bahati Location had gradually managed to evict most of the squatters, leaving only a handful in a few farms. The few farms that still have squatters denied the researcher access. The farm managers were suspicious that the research would incite the squatters. For example in one of the farms we visited, the squatters had already been issued with eviction notices and the tensions were high. The political climate on the draft constitutional referendum at the time made it even more difficult; land being one of the contentious issues. These farms are currently owned by some powerful well-connected individuals and some Europeans (dating back to the colonial days).

Under the circumstances, only 6 successful interviews were conducted. As the sample size was relatively small to what was envisaged, the data was analysed qualitatively as no meaningful quantitative analysis could be deduced from a very small sample base.
Unstructured interviews- small business traders

The purpose of conducting qualitative research is to explore and understand the variables with which the research is concerned. It was imperative to understand the barter transactions between the local traders and the local community.

Unstructured interviews were conducted on one-on-one basis. This is because interviews are more cost effective if conducted in the respondents' homes as compared to hiring a venue for focus groups.

As the main objective of qualitative research is to understand rather than to quantify only 10 in-depth interviews were conducted. This comprised of a selection of small business traders.

A discussion guide containing open-ended questions was used to guide the discussion.

3.6 Questionnaire Design

The questionnaire design [farmers and squatters] comprised of semi-structured questions that were administered face to face with the respondents. The questionnaire had some closed-ended questions that were pre-coded responses and some open-ended questions to solicit verbatim from the informants. Furthermore, probe questions were used to investigate issues that required further clarification or deeper understanding.

The questionnaire was pre-tested to ensure that it was practical and understood by the respondents. This ensured that the field interviewers were familiar with the questioning flow. Some minor amendments on the questionnaire were effected before the main study started.
3.6.1 Length of Interviews

Quantitative – The farmers’ and squatters’ interviews were approximately 30 minutes with 15 closed ended and 12 open-ended questions.

Qualitative – The traders’ interviews were approximately 45 minutes with 18 open-ended questions.

3.7 Quality Control

3.7.1 Pre-testing

Questionnaire pre-testing was carried out before the main survey started. The researcher’s task was to ensure that the face-to-face questionnaire was fully pre-tested, the procedures were practical and that the field staff fully understood what was required of them. A debriefing session was held with the interviewers after pre-test.

3.7.2 Validation Process

3.7.2.1 Debriefings and Supervision

Interviewers briefed the researcher on a regular basis. If necessary a debriefing session was conducted to discuss problems experienced. This helped to identify problems, immediate reaction to rectify these problems and to discuss alternatives in order to collect quality data.

3.7.2.2 Check Backs or Validation Process

The researcher coordinated the project and therefore was tasked with the responsibility of conducting check-backs by physical call-backs to ensure that the research assistants had been to households and interviews had taken place. The researcher physically conducted 2% check backs.
3.8 Data Processing – (Qualitative and Quantitative)

Open-ended questions were coded in two ways. Questions that allow for the specification of ‘Other’ categories not included in the pre-coded list of categories were extracted on each questionnaire and recorded on a coding pattern form. Open-ended questions that are probed or recorded verbatim were extracted and recorded on a coding pattern sheet. These data was then analysed according to a coding frame that was developed once the questionnaires came back from the field.

Quantitative data collected was processed in SPSS.

3.8.1 Data Analysis and Reporting

In data analysis both descriptive and inferential statistics were used.

Descriptive statistics were used to summarise information for accurate descriptions and comparisons. Descriptive statistics refer to simple statistical methods, which do not support or falsify a relationship between variables, but simply help in the description of data (Baker, 1998).

Inferential statistics were applied to establish whether or not relationships exist within the variables of interest. This way, patterns of relationships are identified and the variations captured.

The final report contains:

- Tabulations where results are analyzed in total and by various breakdowns where necessary are provided.
Cross-tabulated data tables, analysis and report. The analysed data contain some graphical presentation by use of bar/line graphs, pie charts and tables.

The report is presented in three sections; one has the analysis for qualitative findings and the other for quantitative and finally an overall summary with conclusions drawn from both sections.

3.9 Time-Line

The schedule below illustrates the task load that was undertaken to complete this project.

<table>
<thead>
<tr>
<th>Activity</th>
<th>2 Weeks</th>
<th>2 Weeks</th>
<th>8 Weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Briefing/Training</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Questionnaire pre-testing</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fieldwork</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Questionnaire coding/editing</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data processing</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analysis/report writing</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
CHAPTER 4

4.0 Data Presentation

This chapter presents the main findings of the study. The data is presented in three subheadings as follows;

4.1-Quantitative data, farmers sub-sample
4.2-Qualitative data, squatters sub-sample
4.3- Qualitative data, traders sub-sample

4.1 Farmers

The quantitative data has been presented and interpreted using tables, frequency distributions, percentages, graphs and commentaries as appropriate.

4.1.0 Socio-economic characteristics of inhabitants of Bahati Location

4.1.1 Sex distribution of respondents

The table below shows how the sample splits by gender.

Table 1

<table>
<thead>
<tr>
<th>Sex</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>60</td>
</tr>
<tr>
<td>Female</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

The sample splits randomly 60:40 as shown above.
4.1.2 Age Distribution of Respondents

The respondents were asked to indicate their age from a set of age groups provided below.

![Figure 1: AGE OF RESPONDENTS](image)

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-30 yrs</td>
<td>61</td>
<td>60%</td>
</tr>
<tr>
<td>30-40 yrs</td>
<td>34</td>
<td>34%</td>
</tr>
<tr>
<td>41-50 yrs</td>
<td>6</td>
<td>6%</td>
</tr>
<tr>
<td>51-60 yrs</td>
<td>6</td>
<td>6%</td>
</tr>
<tr>
<td>60+</td>
<td>61</td>
<td>60%</td>
</tr>
</tbody>
</table>

The sample was fairly spread across all age groups with most respondents being over 30 years. This is because older people have more disposable income, hence land owners.

4.1.3 Household Size

It was imperative to establish households' size as family labour is paramount in rural farming communities.

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>61</td>
<td>60%</td>
</tr>
<tr>
<td>5-10</td>
<td>34</td>
<td>34%</td>
</tr>
<tr>
<td>10+</td>
<td>6</td>
<td>6%</td>
</tr>
<tr>
<td>Total</td>
<td>101</td>
<td>100%</td>
</tr>
</tbody>
</table>
A total of 73% of respondents were head of household.

Although 60% of all households had between 1-5 family members, it is worthwhile noting that 40% of the households had more than 5 family members. 3 Household size is important in supplying family labour as most households cannot afford to entirely rely on paid labour.

**4.1.4. Farm size**

Respondents were asked to categorise their farms according to big, medium or small.

<table>
<thead>
<tr>
<th>Farm size</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big (&gt;10 acres)</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Medium (5–10 acres)</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Small (&lt;5 acres)</td>
<td>77</td>
<td>77</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>101</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

About 88% of the sample comprised of small-medium farmers with less than an acre to 10 acres and the remaining 12% comprised of big farms with more than 10 acres of land.

Over half of all the respondents interviewed (53%) live in permanent structures whilst nearly half of the rest (47%) live in semi permanent structures. 4

As would be expected, a majority (82%) of all respondents were landowners.

---

3 Note: An extended family sharing land but having separate kitchen was regarded as a separate household.

4 Permanent structures are defined in this study as those houses made of stone or brick whilst semi-permanent structures are those made of timber, iron sheets (mabati) or mud.
4.1.5 Income Levels

Half of the total respondents earned less than Kshs. 5000 per month whilst three quarters had a monthly personal income of less than Kshs. 10,000 per month. 5

There are fewer households on under Kshs. 5000 and a greater percentage on higher income brackets because of the fact that many of these households have a higher combined income from housing two or more of those earning less than Kshs. 5000. This trend is not surprising considering that most agricultural labour in rural areas is low-paid non-skilled labour as compared to higher-paid skilled labour in urban areas.

---

5 Caution: Income levels are always difficult to measure due to financial confidentiality. Lower socio-economic classes tend to over claim their incomes and vice versa for the upper classes. Thus income data should be used with caution.
### 4.1.6 Respondents' Occupations

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crop farming</td>
<td>101</td>
<td>100</td>
</tr>
<tr>
<td>Livestock Farming</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>Business/Traders</td>
<td>16</td>
<td>15</td>
</tr>
<tr>
<td>Professional Jobs</td>
<td>12</td>
<td>12</td>
</tr>
</tbody>
</table>

As would be expected all respondents were farmers, involved in crop husbandry with slightly less (80%) in livestock husbandry. Only 15% and 12% were traders and professionals respectively.

### 4.1.7. Arable and Livestock farming activities

All respondents were asked to specify the type of farming activity they were involved in.

<table>
<thead>
<tr>
<th>Type of crops</th>
<th>Percentages</th>
<th>Type of Livestock</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize</td>
<td>100</td>
<td>Chickens</td>
<td>86</td>
</tr>
<tr>
<td>Beans</td>
<td>92</td>
<td>Cows</td>
<td>77</td>
</tr>
<tr>
<td>Potatoes</td>
<td>83</td>
<td>Sheep</td>
<td>67</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>59</td>
<td>Goats</td>
<td>19</td>
</tr>
<tr>
<td>Wheat</td>
<td>41</td>
<td>Others</td>
<td>12</td>
</tr>
<tr>
<td>Others</td>
<td>53</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As illustrated by the table above, most farmers are involved in mixed farming with a majority growing maize, beans, potatoes, tomatoes, wheat and keeping livestock such as chickens, cows and sheep. Nearly all farmers grow maize and beans.

Mixed farming is very common in this community because of its geographical location which means favourable climate throughout the year and substantial land which permits livestock keeping.
4.1.8 **Type of labour used**

The respondents were asked what type of labour they used most often. This was a single response question soliciting a single response. Thereafter they were asked to mention other types of labour they also used besides the one they used most often.

**Table 6**

<table>
<thead>
<tr>
<th>Type of labour</th>
<th>% Labour type most often used (Single response)</th>
<th>% Labour types used (multiple responses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Labour</td>
<td>51</td>
<td>98</td>
</tr>
<tr>
<td>Casual Labour</td>
<td>49</td>
<td>56</td>
</tr>
<tr>
<td>Machinery</td>
<td>-</td>
<td>64</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Most of the respondents use family (51%) and casual labour (49%) most often in their farms. Machinery (64%) was mentioned as other supplementary labour. Casual labour is as important as family labour for a majority of the farmers.

4.1.9 **How farmers pay for labour**

The respondents were asked to state the mode of payment they used to pay for hired labour.

**Table 7**

<table>
<thead>
<tr>
<th>Mode of payment</th>
<th>Frequency</th>
<th>Percentage (spontaneous responses)</th>
<th>Percentage (spontaneous+ prompted responses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and exchange</td>
<td>75</td>
<td>74</td>
<td>85</td>
</tr>
<tr>
<td>Cash Only</td>
<td>26</td>
<td>26</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>101</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

*Note: Single response is one where respondents have to give one answer only. i.e. *What type of labour do you use on your farm most often?*

*Multiple answer question is one which can have more than one answer. i.e. *What other types of labour do you use on your farm?*

*Note: Spontaneous response is an unconstrained top of mind response derived without forethought whilst prompted response is derived with assistance of a reminder and in this case we provided a list of choices.*
Around 85% of all respondents claimed that they have contracted labour by barter exchange and only 15% claimed to have never been involved in exchange. This means that barter exchange is widely used by farmers to pay for labour.

4.1.10 Items traded for labour

The research wanted to establish the types of items traded by the farmers in exchange for hired labour.

![Items traded for labour](image)

Close to a half (45%) of all the respondents used maize in exchange giving it a quarter share of the pie as the main exchange item, followed by potatoes (18%) and beans (14%).

Nearly all labour exchanges involved foodstuffs. This clearly shows that the main type of exchange between farmers and casual labourers is with the foodstuffs that the farmers grow.
Maize is the main exchange item because it is a staple food and is also widely grown in the area. This makes maize a very important commodity in this exchange.

4.1.11 How labour exchange compares to paying in cash

The respondents were asked to give their opinions on how exchange compares to a cash transaction.

Table 8

<table>
<thead>
<tr>
<th>REASONS</th>
<th>Frequency</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>POSITIVE COMMENTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sociable and humane</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Better value and saves money</td>
<td>31</td>
<td>37</td>
</tr>
<tr>
<td>Gets work done/without cash</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td>Ready market/Sell surplus</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Efficient /Saves time</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Others</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td>Total positive comments</td>
<td>83</td>
<td></td>
</tr>
<tr>
<td>NEGATIVE COMMENTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time consuming negotiations</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Not good value</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>No accurate measure or standards</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Employee or employer dissatisfied with trade – (feels exploited)</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Diminishes food reserves</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Total negative comments</td>
<td>17</td>
<td></td>
</tr>
</tbody>
</table>

N=83
N/A=3

Of all responses given (which were coincidentally 100) the overwhelming majority (83%) were positive. Not only were negative comments infrequent but also few respondents raised them.

It can be noted that 56% (shaded) of respondents refer directly to exchange as an alternative to cash.
ost negative comments (13 in number) arise from the difficulty of establishing a fair trade. This is not to say that a cash transaction is without similar problems.

1.12 How respondents establish exchange value

The research wanted to understand how the value of exchange is established in any transaction.

<table>
<thead>
<tr>
<th>REASONS GIVEN</th>
<th>Frequency</th>
<th>% Of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Value of labour compared to current market commodity price.</td>
<td>46</td>
<td>55</td>
</tr>
<tr>
<td>2) Determination of workload vs. exchange commodity.</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>3) Mutual agreement (work value not compared to prevailing market rates)</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td>4) Known “exchange rates”</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>5) Others</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>91</strong></td>
<td><strong>109</strong></td>
</tr>
</tbody>
</table>

Whilst most labour is assessed against the current value of a commodity (1 & 4) and therefore is directly comparable to a cash economy it can be noted that a significant number of transactions (2 & 3) have an element of communal support and reciprocity that cannot be directly measured in cash.

4.1.13 Existing values of exchange

Nearly three quarters (74%) of the respondents intimated that they were aware of some existing market values of labour exchange. At the same time, 59% of these respondents indicated that these measures are known measures and practised by the community.
### Table 10

**Values of exchange**

<table>
<thead>
<tr>
<th>Area to be worked or amount of work to be done</th>
<th>Exchange Value</th>
<th>Frequency</th>
<th>% Of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>[20x20] or [15x15] or [15x20] ft</td>
<td>100 Ksh</td>
<td>41</td>
<td>64</td>
</tr>
<tr>
<td>[20x20] or [15x15] or [15x20] ft</td>
<td>1 Debe of potatoes</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>[20x20] or [15x15] or [15x20] ft</td>
<td>8 kg Maize</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>*Mafuti (Foot squared)</td>
<td>Not specified</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Harvest 1 sack potatoes</td>
<td>1 Debe of potatoes</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Others</td>
<td>Not specified</td>
<td>16</td>
<td>25</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>82</strong></td>
<td></td>
</tr>
</tbody>
</table>

N=respondents aware of exchange values 64

**Note:**
- A debe is big tin container measuring approximately 8 kg. It is a recognised measurement scale used in the informal food market.
- Mafuti is a Kikuyu generic term for a patch of land measured in foot squared (ft²). In some cases respondents indicated this as a method to establish exchange value but did not specify the value.

The table above shows some known exchange values as mentioned by the respondents. 86% of all respondents were aware of specific values of exchange in contracting labour. These values are equated to a specific surface area (A) of land to be cultivated in foot squared (ft²) i.e. [20x20] or [15x15] or [15x20] ft² which is valued at 100/= or its equivalent in foodstuffs. Some types and quantities of foodstuffs were a known measure. For example 8 kg of maize is equated to specific dimensions as illustrated by the measurements above.

These findings clearly indicate that there are existing values of exchange that are commonly used and accepted by the community.
4.1.14 Frequency of paying for labour in exchange

The farmers were asked to indicate how often they paid for labour in exchange.

Table 11

<table>
<thead>
<tr>
<th>Frequency of Exchange</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not often</td>
<td>41</td>
</tr>
<tr>
<td>Often</td>
<td>42</td>
</tr>
<tr>
<td>Very often</td>
<td>17</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
</tr>
</tbody>
</table>

N=85 Respondents who have conducted exchange

N/A= 1

Barter exchange is deployed often or very often by almost 60% of the respondents. This means that barter exchange is used on a regular basis.

4.1.15 Times when barter exchange is rampant

The research wanted to establish the exchange pattern and cycle in order to understand the motivation for exchange.

Figure 4

N=67 Multiple response question

It is significant to note that 89% of respondents stated that they use exchange when money is scarce, primarily during harvest (79%) and to a lesser extent during planting season (45%).

Scarcity of money is a key motivator to exchange, which explains why labour exchange plays an important role in the rural economy cycle.
4.1.16 Importance rating of exchange

Respondents were asked to rate the importance of exchange on a 5-point scale where 1 was not at all important and 5 was very important.

Table 12

<table>
<thead>
<tr>
<th>Importance- 5 point scale</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very important (5)</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>Important (4)</td>
<td>47</td>
<td>54</td>
</tr>
<tr>
<td>Neither nor (3)</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>Not important (2)</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Not at all important (1)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

Nearly three quarters (74%) of the respondents rated exchange as very important or important. Only 13% of the same sample rated exchange as not important.

4.1.17 Other forms of exchanges

Farmers were asked to state whether they engaged in other forms of exchange(s) besides farm labour. This question was aimed at establishing other forms of barter exchanges that respondents are involved in their day-to-day living.

Table 13

<table>
<thead>
<tr>
<th>Others forms of exchange</th>
<th>Spontaneous response</th>
<th>Prompted Responses</th>
<th>Total Responses%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>59</td>
<td>15</td>
<td>74%</td>
</tr>
<tr>
<td>No</td>
<td>41</td>
<td>26</td>
<td>26%</td>
</tr>
<tr>
<td>Total Base</td>
<td>100</td>
<td>41</td>
<td>100</td>
</tr>
</tbody>
</table>

Nearly three quarters (74%) of the total respondents cited that they are engaged in other forms of exchange(s). This means that farmers not only use exchange to contract farm labour but also participate in other forms of exchange.
4.1.18 Description of types of exchange

The respondents were asked to specify other types of exchanges that they used besides farm labour.

Table 14

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency</th>
<th>% of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize for Maize flour</td>
<td>21</td>
<td>28</td>
</tr>
<tr>
<td>Maize for Maize flour and grinding service</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total maize</strong></td>
<td><strong>28</strong></td>
<td><strong>37</strong></td>
</tr>
<tr>
<td>Wheat for wheat flour</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Foodstuffs for groceries</td>
<td>21</td>
<td>28</td>
</tr>
<tr>
<td>Foodstuffs for foodstuff</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total foodstuffs</strong></td>
<td><strong>69</strong></td>
<td><strong>92</strong></td>
</tr>
<tr>
<td>Foodstuffs for Mali Rahisi/other household goods</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>Foodstuffs for Agrovet</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>Community projects labour/commodities</td>
<td>23</td>
<td>31</td>
</tr>
<tr>
<td>Others</td>
<td>14</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>130</strong></td>
<td></td>
</tr>
</tbody>
</table>

N=75

A whopping 92% of respondents have used foodstuffs in exchange of which 37% of them cited that they exchanged maize for maize flour (with 7 respondents stating that they included a little extra maize to cover grinding costs).

Other than the farm labour exchange, farmers exchange their foodstuffs for other foodstuffs that they may not possess within the community.
4.1.19 What respondents like about exchange

The respondents were asked to state what they liked about exchange.

Table 15

<table>
<thead>
<tr>
<th>Likes</th>
<th>Frequency</th>
<th>% of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security of family need</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>Better value and saves money</td>
<td>18</td>
<td>24</td>
</tr>
<tr>
<td>Efficient/Saves time</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>Exchange on need to need basis</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>Gets work done/without cash</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Enhances community spirit</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Ready market/sells surplus</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Reduces poverty/begging</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Ensures food supply</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>85</strong></td>
<td></td>
</tr>
</tbody>
</table>

When respondents were asked what they liked about the exchange, 24% cited better value and saves money. Respondents felt that exchange was better value because it eliminates transport and market costs. A further 20% of the respondents also liked the exchange because one is able to exchange on a need to need basis.

Ultimately barter exchange is liked because it is better value than money and provides the opportunity for need to need exchange.
4.1.20 What respondents do NOT like about the exchange

Respondents were also asked to state what they did not like about the exchange.

Table 16

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time consuming</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>Exploitative</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>No accurate measure</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Not good Value/Deal</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Diminishes food reserves</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Difficult to establish same needs</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Others</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td></td>
</tr>
</tbody>
</table>

N=75

Overall there were less negative responses cited against barter exchange. However, respondents were concerned that exchange can be exploitative (20%) and time consuming (15%) and this is likely to be caused by lack of standardised measures of exchange (13%). Generally, this is likely to make the exchange an unfair deal (9%) due to lack of well-established exchange networks. It is not always easy to identify someone with similar needs of exchange (8%).

No matter how little negative comments are, it is important to bear in mind the key issues raised.
4.1.21 Whether the exchange is good value

It was important to establish whether exchange is perceived as good value or not.

Table 17

<table>
<thead>
<tr>
<th>Good value</th>
<th>Frequency</th>
<th>% Respondents</th>
<th>Good value</th>
<th>Frequency</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>78%</td>
<td></td>
<td>NO</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Reasons</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustains family needs</td>
<td>11</td>
<td>15</td>
<td>Not fair deal</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Gets work done/when no money</td>
<td>6</td>
<td>8</td>
<td>No accurate measure</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Saves money/cheaper/affordable</td>
<td>10</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Get what you want</td>
<td>12</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creates harmony /community support</td>
<td>9</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficient/saves time</td>
<td>8</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>3</td>
<td>Others</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>58</td>
<td>78</td>
<td>Total</td>
<td>16</td>
<td>22</td>
</tr>
</tbody>
</table>

N=74
N/A=1

Overall, 78% of the respondents indicated that barter exchange was good value to them. The reasons given were that it sustains family needs, saves money, one gets what she needs and it creates harmony in the community. On other hand, the few reasons given against barter exchanged were that it wasn’t a fair deal and it lacked standardised measures.

Value delivery is key to the success of any product or service especially in communities with little or no disposable income.
1.22 Prompted responses on community exchange activities

Respondents were prompted on other exchanges involving the community.

Overall, respondents exchange in many community activities. As stipulated by the graph above, 72% of exchanges were made in church where respondents made church offerings or paid their tithes in kind, 70% involved harambee contributions (i.e. by donating a sheep to be auctioned) and 60% in other ad-hoc donations. Likewise, other activities scored fairly high.
4.1.23 How exchange affects day-to-day living

It was imperative to find out how exchange fits into the responders' day to day lives in order to understand the intrinsic value attached to it.

Table 18

<table>
<thead>
<tr>
<th>Frequency</th>
<th>% Respondents</th>
<th>Frequency</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Positive comments</strong></td>
<td></td>
<td><strong>Negative comments</strong></td>
<td></td>
</tr>
<tr>
<td>Sustains family needs</td>
<td>16</td>
<td>20</td>
<td>Time consuming</td>
</tr>
<tr>
<td>Survival/when no money</td>
<td>9</td>
<td>11</td>
<td>Not good value/Deal</td>
</tr>
<tr>
<td>Strengths community relations</td>
<td>5</td>
<td>6</td>
<td>Diminishes food reserves</td>
</tr>
<tr>
<td>Saves money/Cheaper/Affordable</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficient/Saves time</td>
<td>7</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Gets work done when have no money</td>
<td>3</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Gets work done/when no money</td>
<td>3</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>No need for money when can exchange</td>
<td>2</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>17</td>
<td>21</td>
<td>Others</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>66</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>

N=80  
N/A=11

There were both positive and negative reactions on how barter change impacts on the respondents' day-to-day living.
The positive comments (66 responses) by far outweigh the negative comments (20 responses).

The key comments on positive ratings are that barter exchange sustains family needs (20%), it's important for survival (11%) and is efficient (9%). On the other hand, negative comments cited that it's time consuming (12%) unfair deal (6%).

Overall, barter exchange is seen as vital in sustaining livelihoods.

4.1.24 Concept testing

The research tested the concept of having well-established and recognised channels of barter exchange. The purpose was to find out how acceptable these channels would be as a way of expanding the trade.

Table 19

<table>
<thead>
<tr>
<th>Positive appeal</th>
<th>Frequency</th>
<th>% Respondents</th>
<th>Negative appeal</th>
<th>Frequency</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase income resources</td>
<td>27</td>
<td>34</td>
<td>Exploitative/cheating</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Strengths community relations</td>
<td>10</td>
<td>13</td>
<td>No accurate measure</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Alleviates poverty/improves standard of living</td>
<td>15</td>
<td>19</td>
<td>Can encourage theft of commodities</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Sustains family needs</td>
<td>7</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gets what you want</td>
<td>5</td>
<td>6</td>
<td>Outdated</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Eliminates middleman exploitation</td>
<td>4</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>4</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>90</td>
<td></td>
<td>12</td>
<td>15</td>
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</table>

N=80
N/A=11
See previous table

Overall, the idea was positively received (90%) with a majority (34%) citing that the channels would increase their income resources, as there would be an increase in business transactions. A further (19%) cited that the channels would improve their standards of living as well, as alleviate poverty. On the other hand, the concept did not appeal to 15% of the respondents because the trade lacked standardised measures, which could ultimately lead to exploitation.

4.1.25 Suggestions on improvements to Barter exchange

Respondents were asked for suggestions that could help improve barter exchange.

Table 20

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>% of respondents</th>
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</thead>
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<tr>
<td>Create awareness</td>
<td>25</td>
<td>31</td>
</tr>
<tr>
<td>Women/youth/church groups</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Community approval</td>
<td>18</td>
<td>23</td>
</tr>
<tr>
<td>Establish standard measures</td>
<td>15</td>
<td>19</td>
</tr>
<tr>
<td>Set up trading venues</td>
<td>9</td>
<td>11</td>
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<tr>
<td>Government involvement</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>78</td>
<td>98</td>
</tr>
</tbody>
</table>

N=80
N/A=11

31% of the respondents said that the government, CBOs (Community Based Organisations) and other stakeholders should create awareness of barter exchange. Most respondents felt that although they practice barter exchange on a day to day basis, the government and other agencies have done little to recognise or promote the trade. Furthermore the community felt that they should endorse the trade (23%) indicating that they should be considered as a major stakeholder in the trade.
4.2 Small Business Traders

4.2.0 Introduction

There were 10 in-depth interviews conducted with small business traders. A discussion guide was administered to conduct the interviews. This section of qualitative report includes respondents' verbatim to support analysis made. The verbatim is in italics.

4.2.1 Sample profile

The sample selected comprised of the following:

1. Posho miller
2. Butcher
3. Blacksmith
4. Cobra
5. Hair salon Owner
6. Vegetable kiosk owner
7. Shopkeeper
8. Tailor
9. Mtumba Dealer (second hand clothes Dealer)
10. Food Kiosk Owner (Canteen)

The length of period the traders have been in business ranged from 6 months to 26 years.

4.2.2 Mode of Payment

The main mode of payment for commodities and services was cash with credit sometimes extended to regular customers. There was also mention of barter exchange as an alternative mode of payment.

They pay cash. For those who work as casuals, weekly they pay at the end of week. Every Friday, if you like (Vegetable kiosk owner).
They pay me in cash but for my frequent customers, I sometimes extend credit (Hair salon Owner).

As you can see from the writing on the wall, I only encourage cash but sometimes depending on credit worthiness of a person, I give credit but I don't encourage that at all (Butcher).

Most of them pay cash but I have been paid severally with farm produce. Mostly maize, beans depending with crop for harvest at that particular time (Shopkeeper).

4.2.3 What the traders do when customers do not have cash

Respondents were asked how they handle a situation whereby a customer may require services/commodities but has no money.

Respondents indicated that although they prefer cash, they sometimes provide credit in the hope that customers pay at a later date. However, as would be expected, regular customers are more likely to be advanced credit. The traders also cited moral responsibility as another reason for advancing credit; whilst this may be the case, they are cautious not to deplete their businesses.

I always give them services for the sake of maintaining them. I value my customers more than money. I look ahead (Blacksmith).

I always give them food for my conscious does not allow me to deny them. Nonetheless, I will have to be cautious of ‘hang about’ (opportunists) who take advantage of such situations (Food Kiosk Owner).

The traders may sometimes ask for payment in kind (exchange) instead of advancing credit when customers do not have money as a strategy to minimise risk of bad debts.
Always insist to be paid cash but should a situation like that arise, I demand charcoal in exchange for an item (Blacksmith).

4.2.4 Whether the traders have been involved in Barter Exchange

Some respondents cited that they have been involved in barter exchange whilst others have not. Whilst some traders practise barter exchange quite frequently, others rarely do.

Yes but not often (Food Kiosk Owner).

Yes especially food stuffs. Yes I always do that (Shopkeeper).

No. I have never done it at all. (Tailor).

No. Because we live in an era where money matters (Cobra).

4.2.5 Specific types of exchanges traders have been involved in

The specific exchanges that traders have been involved in ranged from foodstuffs for groceries, foodstuffs for foodstuffs to foodstuffs for service/goods. The type of business the traders are in and the quest for an item determines the type exchange. These exchanges were both at commercial and personal level.

Firewood being my main source of energy is very essential. I normally take advantage of the many firewood sellers who come here and eat lunch and later go back to the forest... I also extend this exchange to water sellers and I give food in exchange too (Food Kiosk Owner).

I still remember when once I had only knives and the health officer had earlier stated that I must use a hacksaw instead. One morning he happened to be nearby and I was very afraid he might have found out. What I did, I went to next shop and requested to be given a hacksaw. The person selling insisted on cash, but I told him I didn’t have at the moment. He literally said I deliver 2 kgs of meat for the hacksaw. That’s what I did and I still have it. Here it is (Showing it) (Butcher).
Most people come here wanting unga (maize flour) and in return make payment with maize. The deal is, one is supposed to bring maize but add cash meant for grinding. What now happens is that they bring abit more maize to compensate the cash meant for grinding (Posho Miller).

I have many times exchanged milk for items like sugar and tealeaves (Shopkeeper).

I exchanged dry maize for a kanga (leso). I also exchanged beans with a cock. I had hens and needed a cock for breeding (Vegetable Kiosk Owner).

A situation can arise whereby some customers have scrap metal and want something out of them. The only thing they always do is to deliver a little more scrap metal than the items they need. After I mould what they want, I compensate myself with the remaining scrap metal (Blacksmith).

I have also repaired many boda bodas (motor bike taxis) in exchange of free transport for myself and my goods, when I have to move them (Blacksmith).

Now during certain times especially when schools are due to open, many parents opt to sell cows hoping to raise fees. Some usually have bulls and opt to exchange with my heifers whereby I add money on top. This means that they retain the heifers and still pay fees with the balance. It's a semi-cash semi-exchange situation (Butcher).

The most interesting exchange was when I wanted to buy a pet dog from my white neighbour. When I told him my intentions, he told me to take it but on one condition. I was to ensure that all my bones from the butchery were for his dogs. I agreed and up to now as we talk, I always deliver bones to his dogs daily and in return I have a very good Mzungu dog (white man's dog). We are good friends because he also takes care of my dog when it comes to veterinary care (Butcher).
4.2.6 Opinion of Barter Exchange

There were mixed opinions regarding barter exchange. Some respondents thought that barter exchange was a good idea whilst others begged to differ. For the respondents who thought the idea was appealing, they cited that it improved their businesses (in terms of increased income and profits) and were also able to diversify in other goods and services. The fact that traders do not have to rely entirely on cash transactions results in increase in business volume. Barter exchange was seen as profitable particularly when the traders resell the commodities at a higher value.

To me it is okay. The reason being that if I could only be waiting for cash transactions, I would earn less (Blacksmith).

Let me say, I don’t find it wrong. It’s more profitable compared to selling and buying the item in cash. I reap better profits after reselling (Shopkeeper).

Apart from business improvements, the traders also felt that the exchanges improve their family livelihoods because they benefit through direct exchanges or indirectly from profits derived from the exchanges.

This sort of exchanges are good because they help most when one has emergencies like hospital bills, schools and so on (Butcher).

However, there were fears that barter exchanges should not exceed cash transactions because money is still the main currency of trading.

It is okay for as long as the number of people willing to exchange does not overtake the number willing to pay cash. Money is the reason I come daily (Food Kiosk Owner).

...Like wise I still need money for my upkeep. Those paying cash are equally crucial to my survival as well (Blacksmith).
It is fine but at times if encouraged too much the exchanged goods can exceed the cash and this can easily cause debts (Posho Miller).

Other issues raised related to lack of standardised measures and the fear of handling stolen goods. 

Now the problem with this trade is the system based on value (Tailor).

The big problem we have today is insecurity. This has brought fear of buying stolen goods. Then I am forced only to accept exchanges from my trusted customers (Shopkeeper).

4.2.7 How the traders establish value of exchange

The traders cited that the prevailing market rates of commodities and services dictate the value of the barter exchange.

Also the market value price of a commodity is a determining factor. It's never constant (Butcher).

This will always depend on the current prices of both items to be exchanged (Food kiosk owner).

This is simple. I go for the current price of the items versus the current price of the product I am willing to exchange (Shopkeeper).

However, some traders intimated that it is not always easy to establish the value of some goods and services. In this case the exchanges are guided by mutual agreements between both parties.

Trust is all what matters. Otherwise without it, no specific measure can be pointed (Mtumba Dealer).
4.2.8 Whether there are standard values of exchange

Some respondents concurred that there are some known values of commodities and services whilst on the other hand they intimated that it is sometimes difficult to establish values of other goods and services. In the latter case, mutual agreements and advice from neighbours and other community members, tend to be widely acceptable. At other times, circumstances dictate that one accepts an offer made when in desperate situations.

*I would say so because even before I became a shopkeeper I used to go to other shops and the same values were applicable. That is how I ended up using the standards also (Shopkeeper).*

*Some values are standard and others are not depending on how often such items change hands. (Vegetable kiosk)*

*These values are not standard. They differ depending on the desperation of one person towards getting what he wants for exchange (Hair Salon Owner).*

4.2.9 Opinion of traders in being able to conduct business on both cash and barter

Barter is seen as a good supplement and sometimes an alternative to cash. It is also seen as an efficient way to trade because it saves time and energy. It is also seen as a good alternative to cash transactions especially when money is scarce.

*Due to scarcity of money, I think it helps me to otherwise achieve what I would never have achieved especially in terms of labour (Posho Miller).*

*It is very okay with me. I don’t see the logic of somebody paying me cash and then going back to the same person to buy charcoal with the same money. It saves times and energy (Blacksmith).*
I won't say it's bad because no one has everything and not all people have money (Mtumba Dealer).

...What am trying to do is to solve somebody's problem the best way by giving out what he needs (Butcher).

4.2.10 Incidences of Barter exchange

The research wanted to establish how entrenched barter exchange is in the community. There was difference of opinion as to whether barter exchange is common in the area. Some respondents indicated that barter was common at both commercial (trading) and personal level. On the other hand, there are those traders who indicated that barter was not at all common in the area.

I don't know about other traders but it is quite common with us women (Vegetable Kiosk owner).

Yes for example my neighbour being a brewer dealing with local brew always barter whatever we have for us to drink (Blacksmith).

So far I have not been here for long, but I haven't seen anybody do it here (Mtumba Dealer).

Not very common because everyone wants money, unless forced by circumstances, people do practise it often (Cobra).

4.2.11 How barter exchange can be made more acceptable

The research wanted to establish from the traders how barter exchange could be made more acceptable.
The respondents felt that barter exchange could be made more acceptable by getting more people involved so that there is more quality and quantity in the barter. This would improve efficiency of the trade and also offer more variety for the exchange. This would also give people the opportunity to interact and network thereby enhancing confidence and trust in the trade.

*The only way out is to diversify the market of goods. So that all the exchanged items will be sold easily without much delay (Shopkeeper).*

*To establish a system whereby one can always give out an item for exactly what he needs.....This will minimise time that one has to wait to complete a transaction (Blacksmith).*

It was also suggested that there should be a system that regulates and standardises the value of commodities and services in exchange. This would make the trade more authentic. However, there were also concerns in reference to exchanging stolen items.

*The only thing that makes barter exchange a little unacceptable is that .......is seen as though there is no fairness in terms of value (Butcher).*

*.......most importantly since it is very easy to land in prison after exchanging something for a stolen item (Shopkeeper).*

*......the only solution is to cultivate trust amongst participants.....for now I fear to be swindled. (Mtumba Dealer)*
4.2.12 Impact on Business

The traders were asked how barter exchange impacts on their businesses.
Whilst the traders who practise barter exchange felt the trade had positive impact, the traders that hadn't conducted barter saw no impact at all.

No impact at all......at this moment. It will not affect my business because I need money more than anything. I am paying fees and only money can pay (Mtumba Dealer).

It will be better now because the more charcoal I get the more I convert it into cash in nearby food kiosks (Blacksmith).

It will be okay with me because I will have more stock by exchanging even other personal items I do not need (Shopkeeper).

Empower small businesses. Ensures more employment either in cash or in exchange (Posho Miller).
4.3 Squatters

4.3.0 Introduction

This section presents the findings from the squatters' sample.

The initial project plan was to distribute the squatters' and farmers' interviews equally within a quantitative sample population of 100 respondents. Unfortunately, the squatter sample was not achieved due to inaccessibility of the target population and only 6 successful interviews were completed. As the sample size was relatively small to what was envisaged, the data was analysed qualitatively as no meaningful quantitative analysis could be deduced from a very small sample base.

4.3.1 Profile of the Squatters

- The squatters are not formally employed and mainly depend on casual labour.
- Their main source of income is derived from casual labour.
- The squatters get casual labour from their landlords and/or the neighbouring farms comprising of large, medium and small farms.
- The main type of labour that they get is farm labour. This involves farming activities like cultivating, weeding, planting and harvesting.

4.3.2 Mode of payment

- The squatters get paid for their labour in cash or exchange. Most squatters mentioned that they are often paid in exchange. They are more likely to engage in exchanges during planting and harvesting seasons, when children are in school and when there is generally a shortage of money.
4.3.3 Importance rating of Barter Exchange

The squatters were asked to rate the importance of barter exchange on a 5-point scale; Where 1 is not at all important and 5 is very important.

- The rating of importance of exchange ranged from being very important to some squatters to not at all important to others.

4.3.4 Types of exchanges that the squatters have conducted in the past

The respondents were asked to specify the types of exchanges they have conducted in return for their labour when they are not paid in cash.

The squatters indicated that they get paid mainly in foodstuffs like beans, maize and potatoes.

- A day’s labour translates into a debe of maize or potatoes although this tends to vary according to the season and the prevailing market values of commodities in exchange.
- The squatters may also get paid in other foodstuffs like milk, chicken and eggs depending on their needs and the agreement made between the farmer and the squatter.
- They may also get paid in other commodities other than other foodstuffs like second-hand clothes, shoes, utensils and many more.

Exchanging eggs from a shopkeeper in return for the goods I need.

In general exchanging foodstuffs in return for groceries.
I was given second-hand clothes for the kids.
4.3.5. Acceptability of being paid in exchange other than cash

The respondents were asked how acceptable it was for them to be paid in exchange other than cash.

- They intimated that it was acceptable to be paid in exchange because farmers may not always have the cash to pay them. After all, their main concern is to feed their families.

- The squatters also felt that payment in exchange like foodstuffs was acceptable because it helped them meet their basic needs, mainly putting food on the table. However, they felt that sometimes they are forced by circumstances to accept an exchange that they didn't feel was fair because they were in desperate need of food. In this regard, they felt exploited and unable to negotiate on equal terms with the farmers.

4.3.6 How the squatters establish value of exchange

The respondents were asked how they established value of any exchange. For example, how do they establish how much amount of labour should be contracted for a specific exchange?

- Both parties (squatter and employer) normally rely on the existing market values of commodities and labour to determine the value of any exchange.

- In other cases, the value is established by mutual agreement whereby the two parties consent and come to an understanding of what the value of the exchange should be. This is because it is not always easy to determine the value of some commodities in exchange.

...compare the market value of produce of exchange.
The actual price of commodity to be exchanged comparing to job that has been done.

Amount of wages for a day is like 80/= therefore the amount of goods to be transacted should be almost the same comparing the market value of job done. The whole thing is about agreement whereby the two parties come to an understanding.

They compare the market value for the goods in exchange depending on fluctuating prices of the market.

4.3.7 Standard values of exchange that exist

The squatters were asked whether they were aware of any existing values of exchange that are used across the board.

- The respondents were aware of some existing standard values that are used to determine how much labour they exchange in return for commodities.

- Some respondents gave examples of standard values of exchange that exist. One day’s labour (8.00 a.m.-2.00 p.m.) is also equivalent to cultivating 15 x15 or 20 x 20 ft. square area of land. The current market rate for this is 80-100/= per day and is equivalent to a debe of potatoes or 2-4 kg of maize or 2 kg of beans.

- Other foodstuffs like milk, eggs, wheat etc. maybe transacted at an agreed value of exchange.

Half a debe of potatoes for a whole day labour equivalent of Kshs 80.

A full day labour one is paid for a debe of potatoes.
Full day's labour is paid using a debe of maize.

Cultivating a piece of 15X15 for 100/=.

4.3.8 Other types of exchanges (not involving squatters’ labour)

Other than the labour exchange, the squatters were asked whether they engaged in other forms of exchanges on a day-to-day basis. This is besides the casual labour that they mainly provide to farmers.

- The squatters cited that they engaged in other types of exchanges like;
  - Foodstuffs for groceries. i.e. they may exchange vegetables or maize for sugar, tealeaves and maize flour at a grocery shop.
  - Foodstuffs for other foodstuffs that they may need. i.e. they may exchange maize for beans with other community members.

- The squatters also cited community projects and social functions as forms of other exchanges. This includes, water, roads, schools, church, funerals, weddings, harambees and many others. Although they do not derive any direct individual benefits from these exchanges, they felt it was their moral/social responsibility.

   ....School and church construction.

Sometimes I assist in communal projects like water piping, church harambees and helping at weddings and funerals.

Attending weddings and providing firewood for such occasions and utensils for ceremonies like church harambees.
What respondents like about barter exchange

The squatters were asked what they particularly like about exchange.
• The respondents indicated that they liked barter exchange because it provided them with their basic family needs, mainly foodstuffs.
• It also helped one to get commodities that she needs without spending money, making commodities more affordable to the barterer.

It's helpful as one gets daily bread
You get a desired good that you could not have been able to afford.

• They cited sustainability and continuity of life as a motivation for barter exchange.

Life goes on with or without money.

• They also see barter exchange as a good forum for networking for future employment opportunities.

• Finally, the respondents see barter exchange good for community relations.

It creates a mutual friendship with neighbour. It makes a friendly atmosphere with neighbours...
4.3.10 What respondents do not like about barter exchange

Respondents were asked whether there is anything they did not like about exchange:

Some squatters indicated that they sometimes get or feel exploited. This is because sometimes they approach the exchange with very little or no option to bargain. This is especially so when they are in desperate need to feed their families.

Exploitation, one is always misused. Many people tend to think they are doing you a favour.

Having no other alternative you are forced to accept anything. There is a lot of exploitation.

4.3.11 Whether the exchange is good value or not

The respondents felt that the barter exchange was good value because they get commodities to sustain their families, i.e. food, shelter, and clothes.

There was also emphasis that the exchange promotes harmony and good neighbourliness whilst still providing employment.

Create mutual job relationship......because it comes for sympathetic hand of cooperating and creating a good working atmosphere.

4.3.12 How does barter exchange affect day-to-day living?

Provision of basic family needs was seen as important for survival and continuity of life. This is mainly in connection with food security for the family.
Keeps the day pushing through getting the most essential needs......getting the daily meal.

It is helpful, as you cannot go for a day without a meal because money is not everything because you may have scarce money to meet the daily consumption of family and future demands.

4.3.13 Concept testing

The concept of establishing recognised channels of barter exchange was tested.

The concept was appealing with some respondents citing that the exchange provides the opportunity for acquiring goods and services that one otherwise wouldn't afford without money. It is seen as an improvement to life and hope for the future, where respondents aspire for better life.

To have at least a better future not the grime one we have whereby you have no hope of even buying a plot.

However, there was an indication that the idea would be more appealing if there were standardised measures of exchange to avoid exploitation and cheating of either party. The squatters feel exploited because they have little or no bargaining power.

4.3.14 Suggestions to improve barter exchange

Respondents were asked to suggest ways in which barter exchange can be improved in order to make it more appealing.

They felt that the mode of barter exchange could be improved by establishing standardised measures. This would ensure that neither party felt exploited.
To have well-established system that is accepted by the society whereby nobody exploits the other.

To have well recognised measures and limit of exchange. Whereby the two parties, no one gains more than the other or lose than the other.
CHAPTER 5

5.0. Summary, Conclusions and Suggestions

This section of the report provides an overall summary of findings for the entire research project by merging the three data sets (farmers, squatters and business traders). It also provides conclusions, suggestions for policy and future research.

5.1.0 Summary of findings

5.1.1 Socio-economic characteristics of inhabitants of Bahati Location

About 88% of the sample comprised of small-medium farmers with less than an acre to 10 acres and the remaining 12% comprised of big farms with more than 10 acres of land. All squatters interviewed lived on big farms as squatters. The traders were involved in small enterprises ranging from shops (dukas) to food kiosks.

Just over half of all farmers interviewed (53%) live in permanent structures whilst nearly half of the rest (47%) live in semi-permanent structures. 82% of all farmers were landowners whilst the squatters lived rent free off their landlords.

Half of the farmers earned less than Kshs. 5000 per month with three quarters earning less than Kshs. 10,000 per month. There were fewer households under Kshs. 5000 and a greater percentage on higher income bracket because of the fact that many of these households had a higher combined income from housing two or more of those earning less than Kshs. 5000.

The squatters earned less than Kshs. 5000 per month, indicating that they had very little disposable income.
On the other hand, the traders’ monthly business turnover was less than Kshs. 20,000.

As would be expected, all farmers practise crop husbandry with slightly less (80%) in livestock husbandry and nearly all in mixed farming. Some squatters had small allotments where they grow a few staple foods like maize and vegetables.

Most farmers interviewed use either family (51%) or casual labour (49%) most often in their farms. Both types of labour are key to subsistence farming in this community. In addition machinery (64%) is an important supplement to manual labour.

5.1.2 Frequency of exchange

About 85% of farmers claimed to have contracted labour by barter exchange and only 15% had never been involved in exchange. Likewise some squatters said they get paid for their labour in cash or exchange. Most squatters mentioned that they are often paid in exchange particularly when money is in short supply.

The traders cited that their main mode of payment for commodities and services was cash; credit is sometimes extended to regular customers. Traders may prefer to barter than to extend credit because there is less risk of bad debts. When asked how often respondents exchange, most of them indicated that they barter very often or often (60% of farmers).

5.1.3 Forms of exchange

All respondents (farmers, squatters and traders) are involved in all the main forms of exchange namely, service for service, service for goods and goods for goods. The farmers and squatters alike mainly exchange labour for foodstuffs. The traders mainly exchange goods and/or services for foodstuffs.

Foodstuffs are a major exchange commodity in all the three samples. 91% of all farmers exchanged foodstuffs for labour. Amongst the farmers, maize (25%) was the main
exchange commodity, followed by potatoes (18%) and beans (14%). Nearly half (45%) of all the farmers interviewed indicated that they had exchanged maize in the past, to pay for labour.

On the other hand, the squatters indicated that they get paid for labour mainly with foodstuffs like maize, potatoes, beans, chickens, milk, eggs and other commodities like second-hand clothes, shoes and utensils. The commodities to be exchanged depend on the barterer’s needs and the availability of the desired item. Subsequently, a mutual agreement on the exchange value is reached.

The traders’ exchanges ranged from foodstuffs for groceries, foodstuffs for foodstuffs to foodstuffs for service. The type of business the traders conduct and the need for an item determines the type of exchange. These exchanges were both at commercial and personal level.

5.1.4 How exchange compares to cash trading

Most respondents in all the three sample groups rated exchange positively. Not only were negative comments infrequent but also few respondents raised them. It can be noted that positive comments (better value/saves money and gets work done without cash) by most respondents refer directly to exchange as an alternative to cash. Scarcity of money is a key motivator to exchange, which explains why the three sample groups exchange on a regular basis.

The squatters intimated that it was acceptable to be paid in exchange because farmers do not always have the cash to pay them. Provision of foodstuffs to them means they are able to feed their families even without cash.

All three sample groups made similar negative comments on exchange. Most negative comments arise from the difficulty of establishing a fair play. Exchange is rated as time consuming, not good value, no accurate measure and exploitative. For example, the
squelzers feel exploited by the farmers when they are in desperate need for food; whilst
he farmers feel they part with more food than they should.

This is not to say that these negative sentiments expressed are not present in a cash
transaction where one party may feel exploited.

5.1.5 How value of exchange is established

Generally, most respondents in all the three samples were aware of existing market
values of exchange. For example (74%) of the farmers intimated that they were aware of
existing market values of exchange. At the same time, 59% of these respondents
indicated that these measures are standard.

The values of these exchanges are established by the current market value of labour and
commodity and known exchange rates. However, whilst most labour is assessed against
the current value of a commodity and therefore is directly comparable to a cash economy
it can be noted that a significant number of transactions have an element of communal
support and reciprocity that cannot be directly measured in cash. These mainly entail
mutual agreements between two parties and determination of workload vs. exchange
commodity, not necessarily pinning it down to market values.

Some traders intimated that it is not always easy to establish the value of some goods and
services. In this case the exchange is guided by mutual agreements between both parties.

5.1.6 Existing (known) exchange values

Most labour and commodity exchanges are guided by known market values that form the
basis of exchange. For example both farmers and squatters were aware of the existing
values of exchange. The most common value is measured in foot squared on a patch of
land to be cultivated. i.e. [20x20] or [15x15] or [15x20] ft which is valued at 100/= or
equivalent in foodstuffs.
This is not to say that these negative sentiments expressed are not present in a cash transaction where one party may feel exploited.

5.1.5 How value of exchange is established

Generally, most respondents in all the three samples were aware of existing market values of exchange. For example (74%) of the farmers intimated that they were aware of existing market values of exchange. At the same time, 59% of these respondents indicated that these measures are standard.

The values of these exchanges are established by the current market value of labour and commodity and known exchange rates. However, whilst most labour is assessed against the current value of a commodity and therefore is directly comparable to a cash economy it can be noted that a significant number of transactions have an element of communal support and reciprocity that cannot be directly measured in cash. These mainly entail mutual agreements between two parties and determination of workload vs. exchange commodity, not necessarily pinning it down to market values.

Some traders intimated that it is not always easy to establish the value of some goods and services. In this case the exchange is guided by mutual agreements between both parties.

5.1.6 Existing (known) exchange values

Most labour and commodity exchanges are guided by known market values that form the basis of exchange. For example both farmers and squatters were aware of the existing values of exchange. The most common value is measured in foot squared on a patch of land to be cultivated. i.e. [20x20] or [15x15] or [15x20] ft which is valued at 100/= or equivalent in foodstuffs.
These measurements vary from any of the three dimensions given above, dependent on whether the land is virgin, the farming cycle or supply and labour. For example a virgin land is measured smaller because it is harder to cultivate whilst supply and demand of work determines the labour prices.

For both farmers and squatters, the farming cycle is key to exchange. On one hand, we have farmers with a lot of farm work to be done in busy seasons, but lacking contract labour; and on the other we have squatters willing to do the work in order to feed their families. It is not surprising therefore that both parties use exchange more when money is scarce, primarily during harvest and planting. This indicates that labour exchange plays an important role in the rural economy.

5.1.7 Importance rating of exchange

Respondents were asked to rate the importance of exchange on a 5-point scale where 1 was not at all important and 5 was very important. Nearly three quarters (78%) of farmers rated exchange as very important or important. Only 13% of the farmers rated exchange as not important. Likewise some traders and squatters rated exchange as important to very important whilst others rated it as not important to not at all important.

5.1.8 Other forms of exchange (besides farm labour)

The farmers and squatters were asked to state whether they engaged in other forms of exchange(s) besides farm labour. This question was aimed at establishing other barter exchanges that respondents are involved in their day-to-day living.

Nearly three quarters (74%) of the farmers interviewed cited that they engaged in other forms of exchange(s). The main type of exchange between farmers and other community members is foodstuffs for foodstuffs. 92% of farmers exchanged a food item that they
owned with one they needed. For example 37% of farmers exchanged maize for maize
our either in shops or posho mills.

On the other hand, traders tended to exchange their groceries i.e. sugar, flour, tea leaves
etc. for farm produce brought in by the farmers either for commercial sale or personal
sage.

1.9 What respondents like and dislike about exchange

Overall, there were more likes than dislikes mentioned by both farmers and squatters.
They both cited that they liked exchange mainly because it sustains their family needs (12% farmers), is better value and it saves money (24% farmers). The farmers felt that exchange was better value because it eliminates transport and market costs. They can also exchange on a need to need basis (20% farmers). Barter exchange also enhances community relations (11% farmers).

All in all, 78% of the farmers indicated that barter exchange was good value to them for the same reasons mentioned above.

Overall, there were less negative responses cited towards barter exchange from both farmers and squatters. The main concerns are that the exchange can be exploitative (20% farmers) and time consuming (15% farmers) because of lack of standardised measures (13% farmers). Subsequently, this makes the exchange an unfair deal (9% farmers). Lack of well-established exchange networks makes it difficult to identify someone with similar needs of exchange (8% farmers).

The traders had mixed opinions regarding barter exchange. Some respondents thought barter exchange was good whilst others begged to differ. For the respondents who thought the idea was appealing, they cited that it improved their business turnover because of diversification of goods and services. The traders find barter exchange
profitable particularly when they resell the commodities at a higher value than they exchanged.

The setback of exchange by the traders just like the farmers and squatters was that barter exchange lacks *standardised measures* and is *time consuming*. Only the traders raised the problem of handling stolen goods in exchange, which isn’t different from paying cash for stolen goods in a cash transaction.

### 5.1.10 Exchange in community activities

The respondents were prompted on various community activities that they participated in that may have involved exchange. Overall, most respondents (both farmers and squatters) use exchange in many community activities. These include harambees, donations, communal labour, community projects, churches, schools and women’s groups. The main exchange activities are churches (72% farmers), harambees (70% farmers) and donations (60% farmers).

### 5.1.11 How exchange affects day-to-day living

There were both positive and negative reactions to how barter exchange impacts on the respondents’ day-to-day living. The positive comments (66 farmers’ responses) by far outweigh the negative comments (20 farmers’ responses). The positive attribute ratings is that barter exchange *sustains family needs* (24%) and it is important for *survival when there is no money* (14%).

The negative aspects revolved around the dislikes mentioned previously such as *exploitative, time consuming and unfair deal.*
5.1.12 Concept testing of exchange channels

The research tested the concept of having well-established and recognised channels of barter exchange. All farmers, squatters and traders alike positively embraced the idea. 90% of the farmers who embraced the idea cited that the channels would increase their resources (34%). A further (19%) of farmers cited that the channels would improve their standards of living as well as alleviate poverty.
Conclusions and Recommendations for Policy and Future Research

It is imperative to profile the barter traders in order to understand who the target group of barterers are. These are farmers aged 18-61+, both male/ female, landowners of small-medium farms (less than an acre to 10 acres). They are involved in mixed farming and earn less than Kshs. 10,000 in both personal and household monthly incomes.

Small business traders operating within the local trading centers. They range from a shopkeeper to a cobra. Have an income of less than Kshs. 20,000.

The squatters’ data is inconclusive to map out their profile as the sample base is very small. In addition, squatters may cease to exist as more and more landowners evict them from their farms. Hence they may not be an important category to consider in future exchange.

From the research findings it is clear that barter is well entrenched in the social and economic activities of the rural community under study. The farmers, squatters and alike cited that they engage in barter on a day-to-day basis making it an integral part of the rural economy.

To a larger extent barter trade and labour exchange alleviate poverty. Poverty in this context refers to absolute poverty. It means lack of cash and basic human needs like shelter and clothing. From the research findings lack of money is a major handicap to the rural poor. For example, 75% of farmers had a personal monthly income of less than Kshs.10,000. With such meager incomes, most rural communities cannot afford to meet their daily basic needs. However, barter exchange allows the rural people to...
Barter trade and labour exchange is to provide an alternative to cash in a capitalist system. The farmers and squatters highlighted the importance of the scarcity of money. Exchange is depicted as a survival strategy in the cash especially in connection to food security.

Barter is an efficient and cost effective way to trade because it eliminates exploitation by and market costs. Hence some respondents see it as a cost saving measure to profit margins than cash economy.

It is important to say that barter alone can bring about tangible development, instead barter incorporated in modern economies to act as an alternative to cash and to address basic human needs like food and clothing, which the capitalist inadequately addressed.

Every barter exchange exists in many various forms. Present forms of exchange community are: service for service; service for goods and goods for goods. The main exchanges are; foodstuffs for labour and foodstuffs for foodstuffs. It is the main currency of exchange for this community.

There is no doubt that there is a higher value attached to money than barter. This is because money is more widely acceptable than exchange. Paradoxically if barter used more widely with well established channels of trade (like there are in the money markets), barter trade could be more acceptable.

In conclusion, it is not surprising therefore that one of the recommendations suggested respondents is to create well-established channels of trade. This would enhance activities by diversifying the product range and quality of the trade. This would be an opportunity for people to interact and network thereby enhancing and trust in the trade.
With the establishment of exchange channels there would be need to standardise measures of trade in order to create a fair trade. This would make exchange more efficient with little or no room for exploitation. Ultimately, this would authenticate the trade.

With or without the establishment of trading channels, there is need to publicise the exchange. This is because it is already happening and is a reality. Government policies take a long time to be debated and implemented. Thus there would be no harm in advocating for a system that is already making a difference in peoples' lives. It is no wonder that the concept of establishing exchange networks was well received and accepted by the respondents. Furthermore, the respondents said that the exchange requires community-backing intimating that the bulk of the trade lies with them.

Whilst most labour is assessed against the current value of a commodity and therefore is directly comparable to a cash economy, it can be noted that a significant number of barter transactions have an element of communal support and reciprocity that cannot be directly measured in cash. Hence it is befitting to say that barter exchange enhances community relations.

The coining of the term neo-barter in this research as opposed to the term traditional barter was substantiated by the respondents who indicated that the current exchange is modern and progressive because it exists alongside cash economy. It provides the option of either exchange or cash. Traditional barter is seen as old fashioned, rigid and not conducive in a modern economy.

Marxist theory locates production within the society, the human and within socially defined labour; which in barter trade is vital in meeting the needs of the community.

Articulation theory explains how traditional barter exchange has been incorporated in capitalist economy in order to achieve certain economic goals; in this case to alleviate poverty.
Rationale Choice theory explains why the community under study is willing to come together and support barter exchange because *together* they can realise their goals. At the same time the community sees barter exchange as enhancing social relations for the good of the community.

Homans exchange theory on value proposition explains why the community is willing to embrace barter exchange because it is rewarding. The community also sees rationale in accepting barter trade as an alternative to cash, so that they can maximise their returns.

Finally, the research findings support the proposal assumption that barter trade and labour exchange still play a significant role in alleviating poverty amongst rural communities.

As this study was conducted in one community, it would be important to explore the opportunities if any created by intertribal exchanges in future research. For example, would trade with other neighbouring communities create more opportunities or would it complicate the process of exchange? As we know from this research, one of the key aspects in favour of exchange at a local level is its efficiency because it eliminates traveling to market to sell produce, which is time consuming and expensive.

There is need to conduct a much broader national survey amongst other farming communities in order to compare and endorse these findings. It would also be interesting to establish whether exchange exists in non-farming communities like pastoralists and fishing communities and if so, explore the dynamics of their exchange.

If barter exchange was to be made more readily available, there is need to test the concept of barter trading centres/ clubs. It is imperative to understand how these centres should be implemented. This research would provide information on where the clubs should be established and how they should be run.
References


APPENDICES
BARTER EXCHANGE QUESTIONNAIRE

CATEGORY: FARMER

Q. NO.

Introduction

Good Day. My name is........................... from the University of Nairobi. I am currently conducting a study on day to day trading activities that take place in this area. You have been selected to be interviewed in this study and your co-operation will be highly appreciated. The information you provide will be treated with utmost confidentiality and will only be used for the purpose of this survey.

Name of respondent: ______________________________
Location: ______________________________
Sub location: ______________________________
Physical Address: ______________________________

Section 2. BACKGROUND (Please circle the codes as appropriate)

<table>
<thead>
<tr>
<th>1. Sex Male 1 Female 2</th>
<th>2. Age Below 18 yrs... (Terminate) Yes 1</th>
<th>3. Head of Household No 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18-30 1</td>
<td></td>
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<tr>
<td></td>
<td>30-40 2</td>
<td></td>
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<td></td>
<td>41-50 3</td>
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<td></td>
<td>51-60 4</td>
<td></td>
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<tr>
<td></td>
<td>60+5 5</td>
<td></td>
</tr>
</tbody>
</table>

| 4. Family Size 1-5 1 5-10 2 10+ 3 | 5. Farm category Big 1 Small 2 Medium 3 Squatter 4 |

| 6. Type of House Permanent 1 Semi-permanent 2 Others specify 3 |

| 7. Monthly Household income Less than 5000 1 5000-10,000 2 10,000-20,000 3 More than 20,000 4 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|

| 8. Monthly Personal Income Less than 5000 1 5000-10,000 2 10,000-20,000 3 More than 20,000 4 |

| 9. Landowner Yes 1 No 2 |

| 10. Farm size Less than 1 acre 1 1-5 acres 2 5-10 acres 3 Over 10 acres 4 |
11. **What do you do for a living? (MULTIPLE RESPONSES POSSIBLE)**

- Crop farming 1
- Animal farming 2
- Business / Trading Specify 3
- Professional jobs Specify 4

12. **If crop farming, what type of food crops if any do you grow? (MULTIPLE RESPONSE)**

- Maize 1
- Wheat 2
- Beans 3
- Tomatoes 4
- Potatoes 5
- Others 6

13. **If livestock farming, what type of livestock if any do you keep on your farm? (MULTIPLE RESPONSE)**

- Cows 1
- Goats 2
- Sheep 3
- Chickens 4
- Others 5

14. **What type of labour do you use on your farm most often? (SINGLE RESPONSE)**

- Family labour 1
- Casual 2
- Machinery 3

15. **What other types of labour do you use on your farm? (MULTIPLE RESPONSE)**

- Family labour 1
- Casual 2
- Machinery 3

**IF MENTIONED CASUAL LABOUR IN Q.14 AND Q.15 ASK:**

*How do you pay for casual labour? (MULTIPLE ANSWERS POSSIBLE)*

- In Cash 1
- In Exchange 2
17. Do you ever pay for labour in other ways other than money? (PROMPT)
   Yes  1
   No  2 ............... GO TO Q. 29

18. In what way have you paid for labour in exchange? (PROBE FOR SPECIFIC WAYS OF PAYMENT IN EXCHANGE)

PROBE: Any other ways?

19. How does this form of labour exchange compare to having to pay labourers in cash money?

20. How do you establish the value of any exchange(s) you have done in the past. For example how do you establish how much commodity you should exchange for a specific amount of labour to be contracted?

21. Are there any standard forms of value of exchange that exist; for example you cultivate X amount of land in exchange for X number of Foodstuff.
   Yes  1
   No  2 .......... GO TO Q. 24

22. If YES which ones?

23. Are these standard forms of exchange, known measured and practised by the community?
   Yes  1
   No  2
24. What types of commodities have you exchanged in return for labour in the past?

- Food stuffs 1
- Livestock 2
- Others specify 3

25. How often do you find yourself paying for labour in exchange of commodities?

- Not often 1
- Often 2
- Very often 3

26. Are there times in the year that you find you do more barter exchanges than other times?

- Yes 1
- No 2

27. What times of the year are these?

- During harvest 1
- During Planting 2
- When children are in school 3
- When money is scarce 4
- Others specify 5

28. ON A SCALE OF 1 TO 5 WHERE 1 IS NOT AT ALL IMPORTANT AND 5 IS VERY IMPORTANT. How do you rate in terms of importance, the ability to be able to pay for labour in exchange of commodities?

- Very important 5
- Important 4
- Neither nor 3
- Not important 2
- Not at all important 1

29. Now let us talk a little more on other forms of exchanges outside your farm. Have you yourself been involved in getting services or commodities from other places in exchange for something?

- Yes 1
- No 2
30. Have you for example given farm produce to a shopkeeper in exchange of consumer goods or provided your free labour in a community project?

Yes  1
No   2 .......GO TO Q.35

31. Please give me a brief description of the type of exchange you have been involved in? (INTERVIEWER RECORD MORE THAN ONE TYPE IF PROVIDED

PROBE: Any others?

32. What if any do you like about this exchange?

33. What if any do you not like about this exchange?

34. Would you say that this exchange or exchanges you have been involved in were good value to you?

Yes  1 Why?

No  2 Why?
35. Have you ever been involved in any of the following exchanges where you did not have to use money? [PROMPTED QUESTION] READ THE LIST AND CIRCLE AS MENTIONED.

Harambees 1
School fees 2
Donations 3
Debt/Loan 4
Communal Labour 5
Neighbour's farm 6
Community project 7
Consumer goods 8
Church 9
Women's groups 10

36. How does this mode of being able to exchange commodities and services affect your day-to-day living?

CONCEPT TESTING

37. How does the idea of having well-established and recognised channels of barter exchange appeal to you? PROBE FULLY

38. What suggestions if any would you give to improve this mode of exchange?

CLOSE THE INTERVIEW AND THANK THE RESPONDENT

OFFICIAL USE ONLY

NAME OF INTERVIEWER: ...........................................
DATE OF INTERVIEW: ...........................................
SIGNATURE: ......................................................
35. Have you ever been involved in any of the following exchanges where you did not have to use money? [PROMPTED QUESTION] READ THE LIST AND CIRCLE AS MENTIONED.

- Harambees
- School fees
- Donations
- Debt/Loan
- Communal Labour
- Neighbour’s farm
- Community project
- Consumer goods
- Church
- Women’s groups

36. How does this mode of being able to exchange commodities and services affect your day-to-day living?

CONCEPT TESTING

37. How does the idea of having well-established and recognised channels of barter exchange appeal to you? PROBE FULLY

38. What suggestions if any would you give to improve this mode of exchange?

CLOSE THE INTERVIEW AND THANK THE RESPONDENT

OFFICIAL USE ONLY

NAME OF INTERVIEWER: ........................................
DATE OF INTERVIEW: ........................................
SIGNATURE: ....................................................
Section 1: Introduction

Good Day. My name is ................................ from the University of Nairobi. I am currently conducting a study on day to day trading activities that take place in this area. You have been selected to be interviewed in this study and your co-operation will be highly appreciated. The information you provide will be treated with utmost confidentiality and will only be used for the purpose of this survey.

Name of respondent: ________________________________
Location:  _______________________________________
Sub location: ______________________________
Physical Address: ___________________________________

Section 2: Background (Please circle the codes as appropriate)

1. Sex  Male 1  Female 2
2. Age  Below 18 yrs....(Terminate)
        18-30 1
        30-40 2
        41-50 3
        51-60 4
        60+ 5

3. Head of Household  Yes 1  No 2

4. Family Size  1-5 1  5-10 2  10+ 3

5. Squatter  Yes 1....CONTINUE  No 2.....TERMINATE

6. Monthly Household income  
   Less than 5000 1
   5000-10,000 2
   10,000-20,000 3
   More than 20,000 4

7. Monthly Personal Income  
   Less than 5000 1
   5000-10,000 2
   10,000-20,000 3
   More than 20,000 4
Section 3: Main Questionnaire

8. What do you do for a living?
   Casual labour                  1
   Semi skilled labour           2
   Employed (specify type of work) 3
   Unemployed                     4

9. What is your main source of income?
   Casual labour                  1
   Semi skilled labour           2
   Employed (specify type of work) 3
   Others specify.................. 4

IF MENTIONED LABOUR PROMPT:
10. Is this labour mainly from?
    From landowner                1
    From elsewhere                2

11. What type of labour do you provide for a living? PROBE FOR SPECIFIC TYPE OF LABOUR PROVIDED

12. How often do you seek for labour? (MULTIPLE ANSWERS POSSIBLE)
    Not often                     1
    Often                         2
    Very often                    3
                                      (3 times per year or less)
                                      (monthly to quarterly)
                                      (more than once a month)

13. How do you get paid for your labour? MULTIPLE RESPONSE POSSIBLE
    Money                         1
    Exchange (in kind)            2

PROMPT IF NO MENTION OF EXCHANGE IN Q.13
14. Have you ever been paid for your labour in other ways other than money?
    Yes                           1
    No                            2
15. In what way were you paid for labour in exchange? (PROBE FOR SPECIFIC WAYS OF PAYMENT IN EXCHANGE)

Any other ways?

16. Do you feel this is a fair way for you to be paid for your labour?

Yes 1  ....Why?........................................................................

No 2  ....Why?........................................................................

17. How do you establish the value of any exchange (s) you have done in the past. For example how did you establish how much amount of labour you should contract for the exchange you were involved in?

18. Are there any standard forms of value of exchange that exist; for example you cultivate X amount of land in exchange for X number of commodity

Yes 1

No 2  GO TO Q.20

19. If YES which ones? ? PROBE FOR AMOUNT OF QUANTITY VS MONETARY VALUE EQUIVALENT

20. What types of commodities have you received in exchange for your labour in the past?

Food stuffs  1
Livestock  2
Others specify  3

21. How often do you find yourself receiving commodities in exchange of your labour?

Not often  1  (3 times per year or less)
Often  2  (monthly to quarterly)
Very often  3  (more than once a month)
22. Are there times in the year that you find you exchange your labour for commodities more than other times?

Yes 1
No 2  GO TO Q.24

23. What times of the year are these?

During harvest 1
During Planting 2
When children are in school 3
When money is scarce 4
Others specify 5

24. On a scale of 1 to 5 where 1 is not at all important and 5 is very important. How do you rate in terms of importance, the ability to exchange your labour for commodities?

Very important 5
Important 4
Neither nor 3
Not important 2
Not at all important 1

25. Now let us talk a little more on other types of exchanges. Have you yourself been involved in getting services for yourself without the use of money, for example by giving your goods or services in exchange for something else in return?

Yes 1
No 2  GO TO Q. 27

26. Please give me a brief description of the type of exchange you have been involved in? (INTERVIEWER RECORD MORE THAN ONE TYPE IF PROVIDED)

Any others?

27. Have you exchanged commodities or services in a community project in the past?

Yes 1  GO TO Q.29
No 2
28. What community project or projects have you been involved in?

29. Have you ever been involved in any of the following exchanges where you did not have to use money? [PROMPTED QUESTION] CIRCLE AS MENTIONED.

Harambees 1
School fees 2
Donations 3
Debt/Loan 4
Communal Labour 5
Neighbour’s farm 6
Community project 7
Consumer goods 8
Church 9
Women’s groups 10

30. What if any do you like about this exchange?

31. What if any do you not like about this exchange?

32. Would you say that this exchange or exchanges you have been involved in were good value to you?

Yes 1 Why?

No 2 Why?
33. How does this mode of being able to exchange commodities and services affect your day-to-day living?

CONCEPT TESTING

34. How does the idea of having well established and recognised channels of barter exchange appeal to you? PROBE FULLY

35. What suggestions if any would you give to improve this mode of exchange?

CLOSE THE INTERVIEW AND THANK THE RESPONDENT

OFFICIAL USE ONLY

Name of interviewer: ..........................................
Date of interview: ............................................
Signature: ......................................................
Introduction

Good Day. My name is........................... from the University of Nairobi. I am currently conducting a study on day to day trading activities that take place in this area. You have been selected to be interviewed in this study and your co-operation will be highly appreciated. The information you provide will be treated with utmost confidentiality and will only be used for the purpose of this survey. There are no right or wrong answers in this discussion and it is important that you feel free to give your honest opinion.

Name of respondent.__________________________________
Location__________________________________________
Sub location________________________________________
Physical Address____________________________________

Section 2. BACKGROUND (Please circle the codes as appropriate)

1. Sex
   Male 1
   Female 2

2. Age
   Below 18 yrs...(Terminate)
   18-30 1
   30-40 2
   41-50 3
   51-60 4
   60+ 5

7. Type of business
   Please specify..............................

8. Monthly Business Income
   Less than 5000 1
   5000-10,000 2
   10,000-20,000 3
   More than 20,000 4
Let us start by talking a little about your business. What exactly does your business involve?
How long have you been in this business?
For the [TYPE OF BUSINESS] how do most of your customers pay you?
What happens when your customers require your goods or service but they do not have ready cash?
Have you ever conducted any barter exchanges?

IF NOT CLEAR EXPLAIN: This is where you exchange goods or services with your customers without the use of money.

Please explain the exchange(s) you have been involved in. PROBE FULLY

How do you feel about this form of exchange?

Is this form of barter exchange an acceptable way for you to conduct business and why?

How often do you conduct barter exchange?

How do you establish the value in terms of a specific exchange to be transacted?
ESTABLISH THE SPECIFIC TYPE OF EXCHANGE AND ITS VALUE TERMS.

Are these standard values practised by other traders in your locality?

How do you feel about the idea of being able to conduct your business on money basis as well as barter exchange?

In your opinion is barter exchange a common practise amongst traders here?

How does this trade compare to the traditional barter trade?

What do you think needs to be done to make barter exchange more widely acceptable?

How would a better-established exchange network affect your business?

What suggestions if any would you give to improve this mode of exchange?

What else you would like to add before I close the discussion.

END