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INSTITUTE FOR MONEY, TECHNOLOGY
& FINANCIAL INCLUSION

Executive Summary

Social Networks of Mobile Money in Kenya

By Sibel Kusimba, Harpieth Chaggar, Elizabeth Gross, Gabriel Kunyu, Mercy Masika, and Andrew Nakhisa

Kenya is one of the few countries in the world where mobile money is a part of everyday life. There are more than 30 million mobile phones in a country of 40 million people and 20 million mobile money accounts. Sibel Kusimba and her team worked with 300 Western Kenyan town and village residents and also involved Kenyans in Chicago who send remittances back to these communities.

Mobile money is often described as “banking.” Yet most unbanked people in Western Kenya consider mobile money a powerful social tool as much as an economic one – an adjunct to their mobile phones, through which they create relationships by sending money and airtime gifts. “Banking” to many in Kenya conveys the opposite idea – that of affluent people putting “out of circulation” large amounts of money.

A mobile money remittance is a way of storing value until it is returned through a reciprocal gift. Though designed for person-to-person transfers, mobile money is used in savings groups, to circulate resources in families, and to amass contributions at ceremonies. “Sent” money contributes to a circulating resource pool that others can draw upon for a variety of needs.

Savings Groups or “Chama”

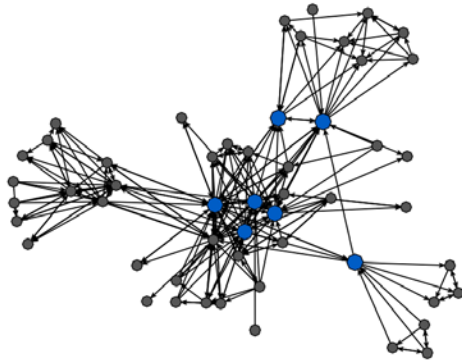
Goals of *chama* participation are to gain income for daily use, make significant investments, and to nurture friendships. *Chamas* use mobile money to: 1) earmark contributions, 2) save and send contributions, 3) send the “win”, 4) communicate via SMS. Groups with small contributions find service fees prohibitive. Following are some examples of “chama”:

- *Dorcas Family Chama*: the children of a pair of sisters collect 1000 Ksh. monthly for school fees. The group receives remittances from the USA through Western Union’s partnership with M-PESA.
- *Wateule Chama*: each of 23 Eldoret Express bus drivers contributes 1000 shillings weekly. As bus drivers they are rarely together, and use mobile money exclusively to send and receive contributions.
- *Mama Soko Chama*: thirty women fruit vendors contribute 100 shillings at the end of each day and take turns getting the “win.” High fees prevent this group from using mobile money.
- *Moi University Students Chama*: seven women and five men contribute 500 shillings each Friday using Zap from Zain (now Airtel) for all their transactions, circulating the win throughout the semester.

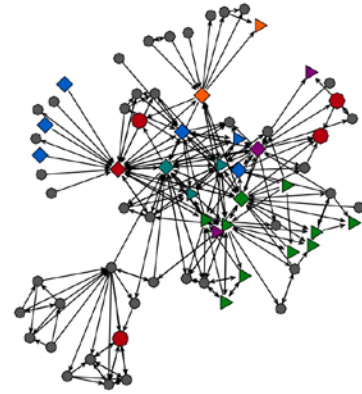


Social Networks

Mobile money is a source of everyday and emergency support through the circulation of frequent, small remittances (500-2000 Ksh [US\$6-24] on average). This network of day-to day support has strengthened and made visible ties among women, their siblings, and their children in these patrilineal societies.



In the Bungoma family, significant asset and income inequality exists among seven siblings (in blue). Three sisters and a brother are part of a dense network of frequent ties (center), giving individuals several pathways to share resources. Paths connect them to three other brothers and their wives and children (on right side of the drawing) and to a sibling's husband and his relatives (left side of drawing).



This Bungoma extended family network is based on cousin, sibling, and maternal ties. It is centered on a woman (red square) and her seven children (squares), and their children (triangles), with paths to four co-wives (red circles) and their children. Connections to fathers and paternal uncles are rare or absent; instead men are mother's brothers, brothers or cousins. The Bukusu use one word for both cousin and sibling – reflecting an ideal of close ties among siblings which extend to their children.

Mobile Money and Ceremonies

Mobile money is now an important part of coming of age ceremonies which amass contributions from hundreds of people and strengthen the social network of a boy's father, male age mates (the *bakoki*), brothers, and other male relatives. The boy's many livestock gifts include the maternal uncle's bull, representing the return of his mother's bridewealth cattle, and the paternal aunt's goat – in Peter's case, a mobile phone. Peter's mobile money gifts paid his school fees.

Gifts for Peter's 2010 Circumcision, Bungoma	
	Source /Value
A young bull	Grandfather's herd
A slaughtered bull for feast	Father Purchased for 18,000 Ksh.
Maize flour, rice and millet for feast	Father, mother and sister purchased for 10,000 Ksh.
Medication and food, and new house for initiate	Three brothers spent 60,000 Ksh.
"Maternal bull"	Maternal uncle
Mobile money gift from brother in Sudan	5,000 Ksh.
Mobile phone	Paternal aunt purchased for 3,500 Ksh.
Mobile money and cash gifts given in between the August ceremony and the December "coming out" as an adult	<i>bakoki</i> , friends, neighbors; "After all the process of celebrations, my (M-PESA) account was loaded with 84,000 (Ksh –about US\$1000)"



