

**EVALUATION OF COMMUNITY INITIATIVE ON PEOPLE'S SOCIO-
ECONOMIC LIVELIHOOD IN KENYA: CASE STUDY OF BANGLA-PESA IN
BANGLADESH SLUM, MOMBASA COUNTY**

BY

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MOI UNIVERSITY

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DECLARATION

Declaration by Candidate

This thesis is my original work and has not been submitted for any academic purposes to any other University.

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This research thesis has been submitted for examination with our approval as University

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DEDICATION

This Thesis is dedicated to my Mother Agnes and my wife Janet for their support throughout the development of this thesis.

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I wish to express my sincere gratitude to all persons who contributed in one way or another to my achievement of this course. The formulation of this research project has been a long and challenging process, which would not have been without the support of many people.

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ABSTRACT

Community initiatives are important on people's socio-economic livelihood. This study evaluates Bangla-Pesa community initiative on people's socio-economic livelihood in Bangladesh slum, Mombasa County. Bangla-Pesa is a community complementary currency which is used as a mutual-credit model through a network of local business. It is a non-profit program to strengthen and stabilize the economy of the informal settlements of Kenya by organizing small scale businesses into Business Networks through which members can utilize a community currency to mediate trades. Bangla-Pesa is shown to facilitate exchanges of roughly more than 197000 Kenya shillings in value per day among 394 businesses. It is expected that this will raise living standards in the community primarily through the utilization of excess business capacity. The main objective was to evaluate community initiative projects on people's socio-economic livelihood in Kenya with emphasis on Bangla-Pesa initiative in Bangladesh slum, Mombasa County. The specific objectives of the study were to; evaluate people's socio-economic livelihood before Bangla-Pesa initiative; assess the effects of Bangla-Pesa initiative in people's socio-economic livelihood; to establish the challenges inhibiting its application in eradicating poverty and to explore strategies of Bangla-Pesa initiative in alleviating poverty. The study was guided by Theory of change and used a case study research design. The study targeted 394 Bangladesh Business Networks owners. A stratified random sampling method was used to select the respondents that included 118 Bangladesh Business owners, 5 Bangla-Pesa initiative management, 3 head teachers and 16 teachers. Questionnaires and interviews for Bangladesh business owners were used to collect data. Validity and reliability of the instruments was ensured before conducting the actual study. The questionnaire was personally administered to the selected Bangladesh business owners. Interviews were conducted on the key informants. Data was analyzed using descriptive statistics and presented in frequency tables and graphs. Both qualitative and quantitative data was analysed by grouping quotations from the respondents by categories and coding of the particular common responses. This was done according to the quotations from particular themes. The findings indicated that the community and the local leaders supported other initiatives before Bangla-pesa. The initiative was found to have a major effect on people's socio-economic livelihood. The challenges inhibiting its application in eradicating poverty included minimum support from the local government, fear of being victimized to be members of MRC and lack of awareness of its benefits among the community member. The strategy used to enhance the initiative in alleviating poverty was found to be relevant. It can be concluded from the findings that, Bangla-Pesa initiative had successful influence on the peoples' socio-economic livelihood. The study therefore recommends that the local leaders should create awareness through barazas and rallies that will educate the community on advantages of the initiative.

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LIST OF ABBREVIATION AND ACRONYMS

AFD- Agency of Development

BBN- Bangladesh Business Network

CC's- Complementary Currency

CED- Community Economic Development

FGD's- Focus Groups Discussions

GDP- Gross Domestic Product

IMF- International Monetary Fund

IOU- I Owe You

LETS- Local Exchange Trading System

MRC- Mombasa Republican Council

NACOSTI- National Commission for Science, Technology and Innovation

U.K- United Kingdom

U.S- United States

WIR- Wirtschaftsring-Genossenschaft

OPERATIONALIZATION OF TERMS

Bangladesh Business Network It is a business network through which members can utilize a complementary currency (Bangla-Pesa) to mediate exchanges of goods and services.

Bangla- Pesa Is a community complimentary currency which is used as a mutual-credit model through a network of local business, including many whose owners fall under the extreme poverty line.

Barter Networks Is an old method of exchange. The system has been used for centuries and long before money was invented. People exchanged services and goods for other services and goods in return.

Challenges A demanding or stimulating situation.

Community Complementary Community economic development initiatives which

Currency encourage participants to exchange goods and services for credits.

Complementary Currency Are monetary alternatives. Their existence is a tool for increasing public knowledge on money and the economy and promoting an economic system that is less exploitative of people and the environment.

Evaluation Act of ascertaining or fixing the value. An appraisal of the value of something.

Initiatives Readiness to embark on bold new ventures.

Livelihood Livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living.

Poverty The state of a community lacking usual or socially acceptable amount of money or material possessions.

Poverty Alleviation These are measures that raise or are intended to raise and enable the poor to create wealth for them as a means for ending poverty forever.

Sustainable Development Widely understood as a form of progress that incorporates economic, social and environmental factors.

CHAPTER ONE

INTRODUCTION

1.1. Overview

This chapter presents key issues that lay the foundation to the study. They include; the background of the study, problem statement, study objectives and guiding research questions. Justification of the study, the scope of the study and its limitations are also presented. The chapter concludes by presenting the theoretical framework and chapter summary.

1.2. Background to the Study

A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base (Chambers & Conway, 1991). Livelihoods are formed within social, economic and political contexts. Institutions, processes and policies, such as markets, social norms, and land ownership policies affect our ability to access and use assets for a favorable outcome. As these contexts change they create new livelihood obstacles or opportunities (UNDP, 2005).

The strength of a given livelihood is not only measured by its productive outcomes, but equally by its resilience to shocks, seasonal changes and trends. Shocks might include natural disasters, wars, and economic downturns. Availability of resources, income-generating opportunities, and demand for certain products and services may fluctuate

seasonally. More gradual and often predictable, trends in politics and governance, technology use, economics, and availability of natural resources, can pose serious obstacles to the future of many livelihoods. These changes impact the availability of assets and the opportunities to transform those assets into a living. Under such conditions, people must adapt existing strategies or develop new strategies in order to survive (UNDP, 2005).

Sustainable development means that development should keep going. It emphasizes the creation of sustainable improvements in quality of life of all people through increases in real income per capita, improvements in education, health and general quality of life and improvements in quality of natural environmental resources (Jhingan, 2002). Sustainable development is understood as a form of progress that incorporates economic, social and environmental factors (Adams, 2008). Complementary currency systems issue money, either in printed notes or by issuing electronic credits, as a tool for community improvement. A list of the goods and services that can be purchased with this new currency is centrally maintained and made available to those with complementary currency to spend. Participants must make sales in order to generate currency so that they can then spend it with other participants. The systems universally cite the inclusion of marginalized individuals and the benefits of a vibrant local economy as guiding principles.

Complementary currencies are Community Economic Development (CED) initiatives which encourage participants to exchange goods and services for credits. They are called

complementary due to their intention to add to, or complement, the participants' income in national currency and by doing so increase their income and access to goods and services. The design of complementary currency economies differs from national economies through increased social interactions, increased importance of individual reputations, strengthened community and regional loyalties, and increased exchange of informal services. Complementary currencies are monetary alternatives. Their existence is a tool for increasing public knowledge on money and the economy and promoting an economic system that is less exploitative of people and the environment. There are approximately 4,000 complementary currency systems worldwide, with varying degrees of formality and size. Most began since the mid-1980s and involve a few hundred individuals, a small number of businesses, and total annual transaction values of rarely more than \$100,000 US (Lietaer, 2004). There is the recognition among organizers of the limitations of the global economic system in securing social service requirements for the marginalized or improving human rights problems or increasing ecological sustainability. In many cases, the complementary currency systems are designed to educate participants and the general public about how economic design influences society (Lietaer, 2004).

Social currencies or complementary currencies are an example of instruments designed for this purpose: they can be spent locally on goods and services produced in the area and maximize the potential of socially responsible consumerism by promoting local development and becoming tools to include the most vulnerable, for example by forming part of income support and also by putting a value of contributions of time (Marco and Servettini, 2008). Complementary currency systems have demonstrated to highly

effective in supporting exchange within a local context, for instance, in the context of a local economy (Jorn and Omer, 2010).

Monetary and financial services innovation is viewed by many development actors as a way forward for sustainable development and poverty elimination. Leveraging the financial lending world for the benefit of the poor was one of the key motivations for Micro-Finance as envisioned and championed by the Nobel Laureate Mohammed Yunus. But according to Bateman (2010) over the years micro-finance has been used by many as a profit making, not people empowering, tool. He showed how it has often been a way to entice poor people into loans with high interest rates. While concerns grow over microfinance, traditional donor funds for development are declining in various regions, as a result of the Western economic crisis. In this context, novel approaches to financing development need to be considered. One possible innovative mechanism for financing development is to monetize the spare capacities of business networks in the areas targeted for development assistance, by creating new means for issuing and clearing credits amongst business networks.

Barter Networks, have been used for decades by corporate networks to weather inflation, economic slumps and external market competition. According to Z/Yen (2011) they have been also a key tool in improving cash flow, increasing working capital, and providing a source of interest free credit. For example, the WIR bank in Switzerland started in 1934 and registered over 60,000 businesses by 2010, all of which trade without the national currency to support one another and defend against monetary fluctuations. The WIR has been identified as one of the key tools keeping Switzerland's business community stable.

Notably, Studer (1998) gave an in depth analysis of the famous WIR Bank in Switzerland. Stodder (2000), concluded the WIR CC's ability to promote economic stability by producing a counter cyclical effect with the Swiss Franc. There is some evidence that mutual credit systems can benefit small-scale community empowerment programs (Bendell and Greco, 2013; Greco, 2009). Practitioners, as well as some published academic literature, suggests that CCs can have an effect on economic sustainability, which can be loosely defined as a community's resilience from the negative effects of internal and external economic forces (Z/Yen, 2011). Beneficial social impacts sometimes result from CC's ability to create networks and promote the social services. Environmental sustainability may also be enhanced through a CC's ability to promote localization and fund environmental services (Ruddick, 2011). However, some analysts argue that mutual credit systems have limited positive impacts at community level (Dittmera, 2013).

Despite its being a technological and logistical hub for East Africa, Kenya faces extreme poverty with over 50% of the population living in extreme poverty Kristjanson (2010). One manifestation of this poverty is rapidly growing informal settlements. Alder (1995) describes informal settlements as densely populated areas where residents have little or no property rights and often occupy the bottom economic tier of society. These communities face numerous challenges due to glaring socio-economic marginalization, lack of property rights, poor education levels and minimal access to infrastructure, health and social services. According to a UN Habitat (2003) study, the annual urban population growth rate in Kenya will be 3.14 percent over the next 8 years, reaching 21 million people in 2020. The study went on to state that in developing nations over 50 percent of

urban populations live in informal settlements and as much as 70 percent in Kenya. Due to their size and rapid growth all over the world, sustainable development efforts should be directed towards informal settlements. Thus, informal settlements may be especially well suited to reap the benefits of complementary currencies due to their density and diversity of businesses, acute scarcity of a medium of exchange, and lack of market stability and absence of public services.

Further, Kenya has a rapidly shifting cultural context which can be quick to adopt new economic systems and technologies, as evidenced by the near ubiquitous use of mobile phone banking. From this, we determined that an informal settlement in Kenya represented an ideal location to introduce and analyze the effectiveness of complementary currencies as a development intervention (UN Habitat, 2003).

This study will evaluate whether the benefits of CCs that are being realized by vast networks of corporations worldwide, could apply in impoverished communities, such as informal settlements. The case study to be analyzed here is the Bangla-Pesa, a mutual-credit clearing system, or reciprocal exchange which involves agreements to trade goods and service using a determined amount of credit, in the form of a printed voucher, usable by everyone in the business network in Bangladesh squalor settlement, Mombasa County. In June 2013, 109 businesses were participating, to utilize their excess capacity and assist in local economic stability. After only a week of circulation, Bangla-Pesa helped community members increase sales an estimated 22% through capacity trading. As Complementary Currencies become more widespread, special attention must be paid to

analyze and mitigate their risks and propose governance models to keep these systems safe to use and free from abuse.

Therefore, this study report lessons to be learned in Kenya and suggests paths forward in implementation, research and monitoring and evaluation related to using Complementary Currencies as a tool for sustainable development. Furthermore, organizations like Red Cross have been using of Complementary Currencies in the form of food vouchers to meet aid objectives for decades. In these systems, selected food distributors are chosen and vouchers are given to the needy that can be redeemed at such chosen distributors. However, initiatives like the Bangla-Pesa provide new means of exchange that are not dependent on donor funds, and are not yet widely practiced within the development assistance community. Therefore innovations in mutual credit systems need urgent study, which I seek to address in this study.

Complementary currency participation can be motivated by various factors including increased social relationships, networking, wealth, and business development. This study explored demographic characteristics as well as both social capital and economic capital of participants. Social capital consists of good will, fellowship, sympathy, and social intercourse, both individually and collectively (Putnam, 2000: 19).

In addition, in Africa, the challenges of eradicating poverty, of achieving rapid and sustainable socio-economic development, and integrating the continent into the mainstream of the world economy have been increasingly taken seriously by the top echelon of the African leadership as evidenced by some of the recent important

development initiatives and measures taken, such as the establishment of the African Union and the adoption of the New Partnership for Africa's Development as the strategic programme of the Union whose effective implementation would bolster Africa's efforts towards meeting the Millennium Development Goals and hence claiming the 21st Century for its people (Kenya Vision 2030, 2007).

1.2.1 The History and Description of Bangla-Pesa

Bangla-Pesa is a community initiative and complementary currency for community development which is initiated in Bangladesh slums, in Mombasa County. Koru-Kenya (Koru) is a Kenyan community based organization whose purpose is to grow communities' ability to access their own abundance. It is a partner with Community Forge, a Swiss non-profit from which Koru derives much of its inspiration (Koru Kenya, 2014).

Bangla-Pesa program was funded on a tune of 4,000 EURO. Koru initiated the Bangla-Pesa program in the Kenyan informal settlement near Mombasa known as Bangladesh by organizing roughly 200 small businesses into the Bangladesh Business Network (BBN), through which members can utilize a complementary currency to mediate exchanges of goods and services. The Bangla-Pesa is the unit of credit within this mutual-credit-clearing or multilateral reciprocal exchange system which provides a means of barter exchange complementary to official money. The Bangla-Pesa was used with a value on parity with the Kenyan Shilling in order to represent member's goods and services (Ruddick, 2013).

The community officially launched the Bangla-Pesa on May 11th 2013. This initiative was based on the experience of some Koru Kenya staff gained by running a successful complementary currency scheme in 2010, called the Eco-Pesa, which found no resistance and much encouragement, the program began that month with community discussions and members of Alpha and Omega, a local community based organization. These and later meetings represent crucial elements of program implementation as they both provide avenues through which to explain complementary currencies, and opportunities for community members to become involved in the initiations of such systems. Overall, two initial meetings were held with local business owners covering topics including: benefits and challenges of a Complementary Currency, barter and how it is already being used in the community, how money is used for barter and in general in the community. In the workshops a demonstration was done to simulate barter systems and complementary currencies using colored paper, which helped to identify how a mutual credit system could increase economic activity (Ruddick, 2013). These activities, as well as a network mapping exercise and subsequent discussion, made participants aware of the interconnectedness of the business community and the potential for increasing local trade. Project coordinators then discussed the potential benefits of different types of Complementary Currency in these workshops. The proposed system was described as mutual credit clearing in which every business, after passing some criteria, would be allocated business vouchers that are redeemable with any member of the network. Businesses receiving the vouchers would be required to accept as much as they spend, seeking to always return to the initial amount. The discussions highlighted some potential challenges, including: If a member spends all his or her vouchers without accepting

vouchers for the purchase of goods or services at their shop. Solution: As a result, the group identified the need for guarantors, so that, before becoming part of the network and being given vouchers, a business must have 4 other business that will vouch for them and specifically spend vouchers and receive vouchers with the new business. Another challenge is if someone accepts vouchers but then doesn't spend them back into circulation. Therefore the solution the group identified the need for a community liaison that educates and encourages businesses to spend their vouchers on a daily basis. Discussions also identified challenges with administration, the need for guarantors to back up member commitments and systems to deal with problems. One potential benefit of the program identified by participants was steady trading in the community when Kenyan Shillings were scarce. It was suggested by the community that the program be monitored closely and that the complementary currency could be printed with denominations of 5, 10, 20, and 50 and be called Bangla-Pesa. Bangla is the short form of Bangladesh and Pesa is the Kiswahili word for money (Ruddick, 2013).

After business group meetings as described above and several focus group sessions, the Bangladesh Business Network had its first large group meeting on February 9th 2013 with 165 local business owners attending. The agenda included plenary discussions, voucher design, question and answer as well as small group demonstrations. During the demonstrations people were given 200/= of mock Bangla-Pesa (represented by colors paper 2-5's, 3,-10's, 3,-20's 2,-50's). Each demo participant was also given white cards where their goods and services were listed along with the cost. They were instructed to buy and sell as much as possible but stay within trading limits such that: when they have less than 200 they should sell more and when they have more than 400 Bangla-Pesa they

should buy more. Based on previous meetings, five facilitators of the network were chosen, representing Community Health Workers, Youth, Elders and Men's and Women's businesses, who helped gather 165 other business owners for the meeting. During this meeting, attendees decided that the five facilitators should constitute an interim committee for the network. These committee members would be responsible for accounting, administration, registration, networking, care taking and organizing community service work within the network. At the launch meeting, each business would be given vouchers representing 400/= Bangla-Pesa and half of this would be retained as a membership fee to facilitate the five committee members with a monthly allowance and to pay for community service work. Security printing of the vouchers for businesses was set to take place in the following months and the vouchers distributed publicly at the Launch event. Videos of Complementary Currency projects in other areas were shown; including Berkshares, Brixton Pound, Bancos Palmas and Eco-Pesa. In accordance with concerns raised in the group meetings, local business needed four guarantors in case of default before gaining admission to the network. If a BBN member spends their credits at other members and then refuses to accept a minimal level of Bangla-Pesa in their own store, the guarantors must resolve the issue; accept those credits at their own businesses, or loose membership. Similarly, although valuing Bangla-Pesa at parity with the Kenyan Shilling is purely by consensual agreement, operationally, failing to accept BP at the determined rate would lead to suspension and eventual expulsion of the member and his/her backing group (Ruddick, 2013).

Moreover, these meeting and prior to the launch event, 200 local businesses registered as interested in the program. 137 local business owners attended the launch and 56 members

who had completed the registration and backing process received Bangla-Pesa. The number of members issued Bangla-Pesa grew to 109 in the following week of the launch. (Ruddick, 2013).

The community wanted the vouchers to be visually interesting. Therefore the Bangla-Pesa artwork was done by a local artist, Head of Art Department at The Mombasa Academy, Kenya. The computer graphics and security printing were done by Punchlines Limited (Kenya's top security printers based in Nairobi). Micro lettering, specialty paper, serial numbering and UV ink are the primary means of reducing the risk of counterfeit. Bangla-Pesa Vouchers are security printed in four denominations; 5, 10, 20 and 50. Since the highest denomination of Bangla-Pesa is valued at 50 Kenyan shillings and the vouchers' circulation is severely geographically limited, the incentive for counterfeiters was deemed to be minimal. The vouchers read, Bangladesh Business Network Voucher and in Kiswahili say Uchumi Mashinani - Tushirikiane which translates to Grass-roots Economy – We Work Together. Graphically the vouchers depict the labour of women and pictures symbolic to the community. Care was taken to ensure that users would understand that these are vouchers from the business network. The morning of the launch, members of the business network processed through Bangladesh, led in song by the Bangladesh Business Network (BBN) Committee, and following a woven basket containing the Bangla-Pesa, which was escorted by local security officials. Then, the proposed Bangladesh Businesses Network's constitution was read and discussed in detail. Members of the Network asked pointed questions about issues like voting rules and tribal equity in leadership, clearly communicating their understanding and investment in the Network (Ruddick, 2013).

Members possessing completed registration forms, with 4 co-signers and the approval of the network's committee, received 400 Bangla-Pesa and a marketing sticker for their shops. Each member returned 200 Bangla-Pesa as their registration fee. This registration fee was designated to facilitate community activities such as trash collection and health care, after an initial three month period which allows the network time to strengthen its use and understanding of Bangla-Pesa. Following the launch, more members completed the registration and backing process to reach a total of 109 members with Bangla-Pesa. Each member received vouchers in the following denomination: two 50's, two 5's, three 20's and three 10's. Hence the total number of individual Bangla-Pesa vouchers in the community came to 1,090. As the Bangla Pesa should be traded for goods and services with the same value as they would with Kenyan Shillings, this constitutes 21,800 Kenyan Shillings worth of goods and service (Koru Kenya, 2013).

1.3 Statement of the Problem

Levels of poverty in Kenya's slum settlement calls for initiatives that are binding to people's needs. Although most of the initiatives have assisted in one way or another, but still some people spend less than a dollar per day. The level vulnerability of the squalor settlements have not been able to sustain themselves due to failure of initiatives, high costs of living and low purchasing power. The study evaluated Bangla-Pesa as a community initiative on people's socio-economic livelihood within Bangladesh slum. The initiative is used as a mutual-credit model through a network of local business, including many whose owners fall under the extreme poverty line has been able to

alleviate poverty and achieve sustainable development by the way the community. The community of Bangladesh has desired to use Bangla-Pesa complimentary currency in order to move from small businesses into the Bangladesh Business Network (BBN), through which members can utilize a complementary currency to mediate exchanges of goods and services. The Bangla-Pesa is the unit of credit within this mutual-credit-clearing or multilateral reciprocal exchange system which provides a means of barter exchange complementary to official money. The Bangla-Pesa was used with a value on parity with the Kenyan Shilling in order to represent member's goods and services.

This proposed system is described as mutual credit clearing in which every business, after passing some criteria, would be allocated business vouchers that are redeemable with any member of the network. Businesses receiving the vouchers would be required to accept as much as they spend, seeking to always return to the initial amount. The study evaluated how the community benefited from it towards sustainable development and poverty alleviation. The study was confined in Bangladesh squalor settlement in Mombasa County.

1.4 Objectives of the Study

The main objective was to evaluate community initiative projects on people's socio-economic livelihood in Kenya with emphasis on Bangla-Pesa initiative in Bangladesh slum, Mombasa County.

1.4.1 Specific Objectives of the Study

- a) Evaluate people's socio-economic livelihood before Bangla-Pesa initiative.

- b) Assess the effects of Bangla-Pesa initiative in people's socio-economic livelihood in Bangladesh slum.
- c) To establish the challenges inhibiting its application in eradicating poverty in Bangladesh slum, Mombasa County.
- d) To explore strategies of Bangla-Pesa initiative in alleviating poverty in Bangladesh slum, Mombasa County.

1.5 Research Questions

To address the foregoing objectives, the study was guided by the following research questions:

- a) What determined Bangladesh slum livelihood before Bangla-Pesa initiative?
- b) How has Bangla-Pesa initiative affected socio-economic livelihood of people of Bangladesh slum?
- c) What challenges have been faced in implementing Bangla-Pesa initiative in Bangladesh slum?
- d) What are the appropriate strategies that have been used to sustain Bangla-Pesa initiative?

1.6 Justification of the Study

Enormous growth of slums in the world has contributed too many initiatives in order to improve people's socio economic livelihood and eradicate poverty. Idleness among the slum dwellers can make them to engage in robbery, prostitution and drug abuse. By studying Bangla-Pesa as community complimentary currency and as a means for sustainable development, the study will show how the members of Bangladesh slum have

used Bangla-Pesa to increase consumption, as business women and men are able to exchange their excess goods and services for items they might otherwise have been unable to purchase. In addition, the use of Bangla-Pesa should allow business owners to weather market instability more effectively, as they can exchange in Bangla-Pesa even when Kenyan shillings become especially scarce due, for example, to the outpouring of funds from the community which accompanies the payment of school fees every term of school days.

1.7 Significance of the Study

The study findings may be useful in understanding the need for Bangla-Pesa as a community complimentary currency which the community of Bangladesh are able to achieve sustainable development. Bangla-Pesa as a unit of credit within what can be described as a mutual credit clearing system which provides a means of payment complementary to official money. As such, the study reflects how Bangla-Pesa raises the local economy in the face of monetary volatility by allowing network members to trade with each other without using the national currency.

Moreover, it provides a mechanism for community development. Moreover, the findings reflect how Bangla-Pesa is used by the community to strengthen and stabilize the local economy among a network of local businesses called the Bangladesh Business Network (BBN). The study shows how the Bangla-Pesa community complimentary currency forms a buffer against fluctuations in the money supply due to remittances, weather, holidays, and sending children to school, political turmoil and sustainable development.

The fundamental driver of this economic stability and increase in trade is due to BBN members' ability to trade their excess capacity.

1.8 Scope of the Study

The study sought to establish how Bangla-Pesa as a community complementary currency is influencing the sustainable livelihood and poverty alleviation among the community in Bangladesh, Mombasa County.

1.9 Limitation of the Study

The following were the researcher's foreseen but avoidable shortcomings of the study: The researcher had no control over the responses of the respondents. But the researcher assured the respondents that they would not be victimized. They would also have concealed confidential information even though they were assured that their identity would remain anonymous.

1.10 Theoretical Framework

This study was guided by the theory of change. Its specific type of methodology for planning, participation, and evaluation that is used in the philanthropy, not-for-profit and government sectors to promote social change. In addition, its long-term goals and then maps backward to identify necessary preconditions. Theory of Change explains the process of change by outlining causal linkages in an initiative (Weiss, 1995). The aim of using a complementary currency as a tool for development rested upon two underlying

assumptions. The first is that businesses in the slum have excess capacity. By this we mean businesses have excess stock, some of which is perishable and goes to waste at the end of the day, as well as excess time in which they could be offering their services. The second assumption is that there is unmet demand for these goods and services because there is a scarcity of means of exchange or because existing direct barter techniques are inappropriate or ineffective. In other words, people have goods and services to offer and others desire to purchase these services, but because of poverty (in national currency), the excess capacity goods and services are not being used, and demand is not being met.

Complementary currencies have the potential to bridge this gap by introducing a structured means of barter that allows businesses to exchange a voucher representing their excess goods and services. Because the voucher is redeemable at any shop in the network, it creates flexibility not present in direct barter and, because the value of the voucher is tied to Kenyan shillings, it allows easy trade of goods at well-known and established prices (Ruddick, Richards, Bendell, 2013).

For example, a mother of three selling peanuts, her business stock go badly after a certain period of time, so, if members of your community don't have sufficient funds to purchase peanuts, you will lose the money spent to purchase your stock, and you will not have money to purchase the goods you need. If a complementary currency is introduced into this situation, the voucher is used to purchase maize flour. This voucher is essentially a promissory note or IOU promising to pay an amount in peanuts equal to the value of the flour. The person selling maize flour can then use the voucher to buy well water. The water vendor can use the voucher to buy vegetables, and the vegetable dealer can use the

voucher to buy charcoal for cooking. The women selling charcoal can then return to you and exchange the voucher for the peanuts you promised to repay when you used the voucher to purchase maize flour. In this situation, excess stock that might have gone bad (maize flour, vegetables, and peanuts) and excess services that might have gone unused (well water collection) were purchased through the exchange of a voucher which represented those excess capacity goods and services.

The introduction of a complementary currency should lead to an increase in sales as people exchange their excess capacity goods and services using Bangla-Pesa. However, if there is no or insufficient excess capacity in goods and services, the Bangla-Pesa will not increase sales, rather it will simply replace the use of Kenyan shillings for some exchanges. Returning to the example above, if you as the peanut seller are able to perfectly predict market instability and purchase enough peanut stock to meet but not exceed the demand for your product, then you will sell all your peanuts and experience no spoilage. Similarly, if this is the case for the vegetable and flour vendors, they will experience no spoilage. (Ruddick, Richards, Bendell, 2013). And, if all the water the well is capable of producing each day is sold every day, the capacity of the well is also exhausted. In this idealized situation, there is no room for sales increases due to the introduction of an alternative means of exchange. So, the voucher would simply replace some portion of the already existing total sales, rather than facilitating trades which would not otherwise have happened due to poverty in Kenyan shillings.

It's also expect Bangla-Pesa to increase consumption, as business women and men are able to exchange their excess goods and services for items they might otherwise have been unable to purchase. In addition, the use of Bangla-Pesa should allow business owners to weather market instability more effectively, as they can exchange in Bangla-Pesa even when Kenyan shillings become especially scarce due, for example, to the outpouring of funds from the community which accompanies the payment of school fees every first term of the year. However, focus was on sales because measuring the effect of Bangla-Pesa on stability and consumption patterns required a longer interval between the introduction of the currency and analysis of the currency's effect.

1.11 Chapter Summary

This chapter presented the contextual as well as the academic background that underpins the study. The key issues arising from this discussion included the background to the study, the [history and Description of Bangla-Pesa](#), statement of the problem, [specific objectives of the study](#), research questions, justification of the study significance of the study, scope of the study, limitation of the study theoretical Framework

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

This chapter presents a review of literature related to the study problem. The literature review is on the rationale of the community complementary currencies, complimentary currency towards sustainable development; influence of community complimentary currency on the business networks and political support of community complementary currency.

2.2 Cebu's Community-based Mortgage Initiative in Philippines

The scale of housing need in the Philippines is immense. In Cebu, more than half the population is either homeless or landless. The Local Government Code (1991) transferred additional responsibilities to local government, while the *Urban Development and Housing Act* (1992) sought to encourage greater investment in social housing. Even before that legislation, the Government has established a nationally-financed Community Mortgage Programme, implemented by a wide range of institutions, and which provided subsidized loan finance to regularize and improve low-income squatter settlements. In the Philippines, it has so far assisted 100,000 families to legalize their land tenure (Urban Governance and Urban Poverty, 2001).

At the beginning of the 1990s, the city government established the Cebu City Commission for the Urban Poor. One of the objectives of the Commission was to take forward housing efforts in the city. In Cebu, the Community Mortgage Programme has been nurtured due to the strength of the local economy, the alliance between the mayor and the urban poor, and the local presence of one of the designers of the programme, who is a long-standing resident and Non-Governmental Organization activist in the city. A number of positive steps have been taken, including a shortening of the time required to process Community Mortgage Programme applications from two years to six months. Over 4000 families in the city have benefited from Community Mortgage Programme loans in 65 different improvement projects. Community Mortgage Programme sites are also eligible for basic services (footpaths, electrical posts, artesian wells, drainage and roads), with the government providing materials and the community completing the works (Alex, 2014).

The low-income community in Inayawa is a perfect example of how partnerships between national governments, local authorities, Non-Governmental Organizations and communities can provide housing solutions for the urban poor. Residents of Inayawa first occupied a privately owned piece of land in the 1960s. In 1985, the owner of the land sought a court order to evict the residents, and this was eventually granted in 1988. Residents had to make repeated appeals to the demolition team to prevent their homes from being destroyed. They then lobbied the Mayor, Thomas Osmena, at his home very early one Sunday morning. He agreed to seek a court order to prevent demolition and referred their case to the Cebu Commission for the Urban Poor. As a result, and with the help of a local Non-Governmental Organization, the Pagtambayayong Foundation, the

residents organized themselves into an association (SISARO) and obtained a Community Mortgage Programme loan. With this loan, they purchased the land in 1990 with the certificate of title being in the name of the community. Plots range in size from 25 square metres to 163 square metres. The loan was repayable at 12 per cent interest over five years (later extended to seven years). All except one of the members have repaid the loan, but because of one default, it has not yet been possible to individualize the title. The residents have constructed a pathway through the settlement using collective labour and materials provided by the City. In 2000, the City provided a 6 meter access road and the Mayor provided materials for the construction of drainage (Urban Governance and Urban Poverty, 2001).

2.3 Pred Nai Community-Based Forestry Group Initiative in Thailand

The Pred Nai Community Forestry Group is a community-based natural resource management program begun by villagers in the mangrove forests of eastern Thailand near the Cambodian border (UNDP, 2004). Villagers initiated the project in 1986 in response to resource extraction activities of logging and intensive shrimp aquaculture the wake of the logging activities. These extractive industries run by outside business interests offered little in the way of economic benefit for local people. More importantly, these activities destroyed and degraded the mangrove forest environment, and prevented the villagers from gaining access to the mangrove forests which they had long used. The villagers responded by forming a group in order to put a stop to the logging and intensive shrimp aquaculture and thereby re-established their use of the mangrove forest (Barbier, 2000; Huitric et al., 2002).

The villagers' informal efforts have since developed into a successful community-based resource management organization and have expanded their program through networking with other local villages. The Pred Nai Community Forestry Group has been working towards the sustainable use and restoration of the local mangrove forest. The principal means that they have used include the development of a forest management plan and restoration of formerly logged and degraded areas. The restoration of mangrove forest areas is vitally important as studies have shown that Thailand has lost nearly half of its mangrove forests in the preceding three decades (Charles, 2011).

In addition to stopping the loss of existing biodiversity, their efforts have also resulted in the return of many formerly displaced native fauna, including species of wetland birds and monkeys. Their conservation efforts have also had a direct impact on alleviating poverty and facilitating local economic development. This has come about through the restoration and improvement of yields in the local crab harvest, the development of mud crab farming in former shrimp farms, the utilization of non-timber forest products from the mangroves, and the establishment of a village savings fund to assist with social and economic development initiatives. The restoration and conservation of mangrove forests also improves the long-term sustainability of the villagers' economic activities (Barbier, 2000; Huitric et al., 2002).

2.4 The Northern Rangelands Trust Community-Based Initiative in Northern Kenya

The Northern Rangelands Trust (NRT) is a community-based conservation initiative in the arid and semiarid rangelands of northern Kenya which aims to improve the livelihoods of communities through wildlife conservation (NRT, 2008:3). Established in

2004, it has facilitated the formation of community-led institutions which link rangeland management and conservation of large mammal species with poverty alleviation for their constituent communities. Since 2004, the network of conservancies assisted by Northern Rangelands Trust has expanded rapidly and by 2009 had brought more than 8,300 km² of land outside of Kenya's formal protected area system under conservation management (Louise Glew, Malcolm, Hudson, Patrick and Osborne, 2010).

Northern Rangelands Trust has its origins in a partnership between local communities and Lewa Wildlife Conservancy, a privately owned ranch managed for biodiversity conservation since the 1980s. Initially an outreach programme from Lewa Wildlife Conservancy which helped neighboring communities establish Ng'wesi and Namunyak Wildlife Conservation Trust, the conservancies were developed as a tool to mitigate human-wildlife conflict and enhance landscape-scale conservation in the region. With the rapid expansion of the conservancy network, it became apparent that an independent organization was required to provide effective technical assistance and meet the knowledge demands of the increasing number of participating communities (Louise Glew, Malcolm, Hudson and Patrick Osborne, 2010).

Northern Rangelands Trust is comprised of community, institutional and private-sector members. Community members receive one of four levels of technical support ranging from technical advice and capacity building to enterprise development. Receipt of this support depends on conservancies undertaking a pro-active programme of improving the ecology within their respective areas' (NRT, 2007: 8) and undergoing independent

financial audits. Where these conditions are not met, community members may have support suspended (NRT, 2007).

While the majority of Northern Rangelands Trust staff are Kenyan nationals resident in the conservancy communities, funding for the initiative is primarily derived from international donors, including United States Agency International Development, Fauna and Flora International, St. Louis Zoo, and Zoos Victoria. Typically, Northern Rangelands Trust seeks to establish long-term partnerships between a donor and individual conservancies to provide sustained funding for community enterprises and conservation management (Greco, 2009).

2.5 Community-Based Engagement Initiative into the Entrepreneurial Activities

In the Nyumba-Kumi initiative the whole purpose is to bring together small-holder farmers. The initiative incorporates farmers in diverse fields into single run groups. To ensure sustainability of the initiative, farmers in a pool have established a trust; Gichugu Development trust, which is unilaterally run by nominated persons by the farmers themselves. The trust was established to oversee the management and accountability of the project. It purely runs the affairs of the project in an autonomous rule. The financial output of the pool is always determined by farm produce which its end common activity is share trading where the benefits have been channeled towards value chain (Paula, 2010).

The farmers are registered under the initiative before undergoing a capacity building on value addition. In addition, the engagement is also been ensured by providing relevant services for the farmers. Hence, farmers have undergone several trainings on value chain which has seen them adopt new methods of farming. The local community involvement in the Community Power Centre case is slightly different as the approach in the beginning was more externally oriented. The local community is responsible of the management of the Community Power Centre. Hence, the intention is to involve the community into the projects from the beginning to ensure future sustainability. This means that the common utility setup will depend on the location of the Community Power Centre, the people and the need of services and energy in the community (Jhingan, 2002).

Once the Community Power Centre has been launched, it starts to manage the activities. This means, for instance that the formal management and governance structure need to be created and employees hired. In on the centres, located in Olosho-Oibor's, three people were recruited: the manager, assistant and security guard. The recruitments were carried out by the community board. Once the center has been established, it needs begin its business activities to cover the maintenance costs, but also to produce added value for the community. In addition, relating to community engagement, the community needs to get feeling of community ownership. In the cases, the feeling of community ownership was strengthened by community members investing little their own money and providing the land (Hideki, 2010).

Basically, the Nyumba Kumi-initiative provides farmers with requisite skills, indirectly forces them to reverse old methods with an aim of increasing profits for their produce and improves their position in the value chain. Income earning possibilities and the other benefits that the farmers receive are combined and offered by mix of different actors. As mentioned earlier, the farmers are members of Gichugu Development trust that manages and runs the activities. The farmers are also shareholders of Akili Holdings which is an offshoot of Nyumba Kumi and plays a central role of coordination. The Akili originates from the existence of Nyumba-Kumi concept where implementers of the initiative found the need to further ensure an all-circle value addition from the farm, collection, processing to marketing (Greco, 2009).

It also facilitates provides technical input to farmers through training. More importantly, Akili Holdings offer for the farmers' production common branding for products and tracking of products in the market. Being part of Akili Holdings has helped the farmers to get their products to broader markets which mean that farmers' products have become more competitive and well-known. In addition, the farmers sell their products through an association – Tropical Fresh which in turn provides requites services to the farmer as well as offering adequate market information. These two associations - Akili Holding and Tropical Fresh – mean that farmers have now more direct access to the markets and they no longer need to sell their products through middle-men. Besides gaining better profit of their products, farmers can now access credit from the financial institutions and insurance to their crops (Dayo, 2014).

The Energy Kiosk is designed to be a financially self-sustainable. Thus the Community Power Centre should make at least enough money to cover the running and maintenance cost of the center. UNIDO gives freedom to the centers to choose and invent their own business activities. Each Energy Kiosk is an income generation centre through various services it provides, very common local business activities are for instance, recharging of Light Emitting Diode lamps and phones. In the Olosho-Oibor's case the business activities included charging services (mobile phones, batteries), hair cutting services, soap making. In addition, future plans included opening an artisan workshop and some dry-land farming. In addition, kiosk can earn money from the energy services or energy sales it makes or supports. Besides income generating purpose, the idea of the Energy-Kiosk is to act as Community Power Centre in the village. This means that there can be, for example Information and Communication Technology Centre with computer printing, photocopying, internet and Information and Communication Technology training facilities, community recreation center with a Television and satellite connection etc. In addition, in industrial center can be run some light industrial activities like flour milling, carpentry workshops, poultry incubators, juice making preservation of produce in refrigerator/cold storage (Paula, 2010).

2.6 Effect of Community Initiative Projects on Peoples Livelihood

Slum upgrading initiatives in Kenya, have been successful by the Jubilee government has implemented them in order to develop the squalor settlements and improve livelihood in Kenya. One of the most successful slum upgrading programmes locally in Kenya is the

Jamii Bora Kaputei town project. This pilot project has attracted a lot of attention domestically and internationally. The project began in 2007, through the development of a new city the Kaputei Town for 10,000 inhabitants. The town and the houses are designed and produced in a way has enabled the very poor to acquire their own house through affordable housing loans. The project has provided 2000 homes that house at least 10.000 people (Belfrage, 2009). The town was built on a 293 acre parcel of land with all the infrastructure and services needed, for example proper roads, piped water and sewer, garbage collection, electricity, a town centre with 3100 business premises, a nursery, primary and secondary school, a hospital, playgrounds for children and sports ground for all, and a small industrial area. The residential areas are organised in neighbourhoods of 250 houses each. The homes are 50 square metres with two bedrooms, a sitting room and a bathroom built in permanent material that are produced in a factory on site (Samaranayake, Budinich & Kayser, 2011).

The factory provides employment to members and has enhanced the families' capacity to repay their housing loans. Each house costs Ksh. 350 000 (35 000 SEK) which successful members borrowed and will repay within 10 to 15 years. There are a few houses constructed with four bedrooms and costs Ksh. 495, 000 (Belfrage 2009). The town was designed to be eco-friendly and green rich town with plenty of trees that not only look beautiful, but is good for wind protection and in time income earning from wood sales. Wetlands have been constructed for recycling wastewater which is particularly important in this semiarid area. In addition, the total cleaning of wastewater will protect the environment of all down-stream communities (Belfrage 2009).

Electricity was the challenge for Jamii Bora to meet, as both being expensive for their members and the Kenya Power and Lighting Company had been delaying their promises of electricity in Kaputei. Instead, Jamii Bora decided to install electricity with the help of solar panels on each house, which is both inexpensive to use and environmental friendly. Once installed, which costs Ksh.12500, it is free to use and works in all rooms in the house. Jamii Bora has pioneered a holistic, bottom-up strategy that has empowered hundreds of thousand women and men all over Kenya to meet their basic needs on a sustainable basis (Samaranayake, Budinich and Kayser, 2011).

Most often, the poorest people will be missed out, either because they are excluded by microfinance organizations, or as they will tend to exclude themselves, not seeing the programs being for them. Jamii Bora's success in reaching extremely poor people partly has to do with the time they spend getting to understand their members and gain their trust. Every branch Jamii Bora opens is in a slum or poor neighbourhood, ensuring that the poorest are being served. Jamii Bora has been very successful especially in two larger slum areas, Kibera and Mathare, where the impact of their programs is clearly visible (Samaranayake, Budinich and Kayser, 2011).

2.7 Rationale of Complementary Currencies

Complementary currencies are agreements within a community to accept something else than legal tender as a means of payment. They are sometimes called community currencies, local currencies or common tender. But some of these common tender currencies are not local, and some have purposes other than community building.

Because they are designed to function in parallel with conventional money and not replacing but complementing national currencies- we will use the terminology of complementary to describe them (Amato, Fantacci, and Doria, 2003). Moreover, complementary currency systems were borne from the social, economic, and environmental dynamics that existed in the late 1980s and early 1990s. To some degree, they reflect the interests of various social movements, evolving during the same period (Amato, Fantacci, and Doria, 2003).

Numerous social movements, for complementary currencies, fair trade, and organic food production sought to create sustainable and just alternatives to emerging global issues rather than simply protesting injustices. This section of the literature review will provide a selected examination of the social movements that share their inspiration with the complementary currency movement. I will start with a brief review of the anti globalization movement then continue on to discuss environmental concerns and conclude with a discussion of voluntary simplicity.

Historically, complementary currencies have been very generally in use in many parts of the world throughout most of history. In Western Europe, they have been documented uninterruptedly from roughly 800 AD to 1800 AD (Amato, Fantacci, and Doria, 2003). The gradual generalization of the gold standard and the creation of national monopolies suppressed the operation of these smaller scale local systems. Interestingly, in Japan complementary currency systems were also operational until 1868. They were typically organized within the Han structure (local or regional lordships) (Maruyama, Kumazawa, and Kawakami, 1994). In Japan, the explosive growth of contemporary complementary

currency systems dates from the mid-1990s. Japan had been hit by a major economic crash in 1990, and has not really recovered since. However, contrary to general belief both inside and outside of Japan, the earliest pioneering efforts worldwide in post-World War Two complementary currencies can be traced to Japan as well, although those efforts have remained mostly unsung to this date. That is why we will start by putting the spotlight on those earliest pioneers.

The complementary currency movement, however, offers more than just another illustrative case of collective action signaling the need and desire for change in terms of global trade in order to promote more equity (Saral and Mark, 2010). According to Charles Eisenstein, (2011), complementary currencies have a standard sovereign currency and with a floating exchange rate.

2.8 Complementary Currencies towards Sustainable Development

Complementary currencies throughout the world had led to sustainable development in various ways like community business and poverty alleviation. Complementary currencies like Ithaca Hours, Kootenay Hours, and Calgary Dollars are part of a movement that has grown to 5,000 systems worldwide by 2006. These initiatives have been united by the belief that money is not value-free and that as a medium of exchange, money has characteristics that bias certain outcomes. Therefore, by designing money to promote community interests, complementary currencies stimulate the local economy and benefit those that use it while offering social benefits. The next portion of this study will explore various types of complementary currencies. With different formats, design

principles, and users, complementary currencies can accomplish different goals (Lietaer, 2001).

Complementary currency is a term used to describe a range of currency innovations. Other names for printed and non-printed currencies include community currency, alternative currency, local currency, barter dollars, barter money, barter bucks, Hours, community cash, funny money, local area exchange trading systems (LETS), and local economic trading systems (LETS). Complementary currency, was chosen as the most relevant term in this thesis although local currency was the term used in the participant surveys. Although participants may consider their complementary currency a local currency because it serves that locality, the term complementary currency best reflects the potential this currency adds to that created by the national currency and strengthens the local economy which is reliant on both currencies. The term is also consistent with Bernard Lietaer's definition of Complementary Yin Yang Currency Types, where national currency and complementary currencies create a spectrum of currencies to meet a range of goals where only one had previously existed (Lietaer, 2001).

The many types of complementary currency systems in operation have been compared in a variety of ways such as time-backed versus commodity-backed, electronic versus printed, and redeemable versus non-redeemable. There are also various hybrid designs. Furthermore, the markets for each system vary and can focus on the elderly, marginalized neighborhoods, activists, or the business community. Three models, however, describe most complementary currency systems: LETS, Time Dollars, Ithaca Hours and WIR

which acts as economic circle and Swiss example of a complementary currency run by and for a community of individuals and small business (Lessen and Schieffer, 2012).

Although some complementary currencies had been established in Japan, LETS systems represented the first wave of complementary currencies which began in the mid- 1980s and quickly grew in number in Canada, the U.S, the U.K, New Zealand, and Australia. These systems generally use electronic accounts which are centrally tracked based on individual transactions. In most systems, participant accounts can go into debt which has been at times problematic. Systems in New Zealand, the UK, Canada, and the US have been established to increase social and economic interaction within potentially marginalized communities. Public funding has supported many of these initiatives in recognition of their social service (Lieataer, 2001).

Ithaca Hours was the next complementary currency system to be widely replicated. It uses printed currencies, most frequently in denominations of time, which are issued into circulation in proportion to new membership. The Hour denomination is designed as an equalizer, encouraging participants to trade equally for their time. Ithaca's reference to federal dollar denominations, usually one Hour is equal to \$10, allows for the use of market value as a basis for valuing each participant's time. Time Dollars is a labor-backed electronic currency based on denominations of time, one hour equal to one Time Dollar, traded among participants. Time Dollars have been a popular model in the U.S, the U.K, and other countries, with 79 systems listed worldwide in January 2006 (Time Dollars website, 2014). They have generally aided populations that are socially excluded and have attracted the financial support and recognition of governments. British Prime

Minister stated that such systems are "showing the way" towards rebuilding human capital and "making the links between rebuilding communities and rebuilding economic opportunity" p.67 (Lietaer, 2001).

Their charismatic and influential founder, Edgar Cahn, has inspired many with his call to break from the charitable model of client and provider, replacing it with active participation and adherence to the principles of social justice by all those involved. A number of variations on these three central complementary currency designs are worthy of mention. Each has added a unique twist to basic designs in addressing either local concerns, theoretical issues, or a desire to be as practical as possible (Lietaer, 2004).

The Fureai Kippu "caring relationship tickets" are emerging as a fourth type of complementary currency. Focused on service for the elderly, credits are earned and can be stored in a bank account and are transferable. Officially launched in 1994 by Tsutomu Hotta, a former Attorney General and Minister of Justice in the Japanese government, the system shares many similarities with Time Dollars but it is significant in its specific focus, national design, and growth to over 400 systems by 2003 (Lietaer, 2004).

Money which is backed by units of energy is a unique form of complementary currency and is clearly linked with the peak oil research as mentioned earlier. Energy Backed Currency Units have been proposed to be issued by the IMF to address both monetary and ecological concerns (Douthwaite, 1999). In the Japanese example, the WAT was launched in 2000 with denominations determined by the price of one Kwh of electricity. Thirdly, the Terra, or Trade Referenced Currency, proposed by the chair of the ACCESS

Foundation, is a complementary, privately issued, demurrage charged currency. It is backed by a standardized basket of the dozen most important commodities and services in the global market including energy (Lietaer, 2004). With these three examples demonstrating the link between complementary currency and energy, it is not surprising that the Schumacher Society's 2004 conference "Local Currency in the 21st Century" sponsored a screening of the peak oil documentary *End of Suburbia*, hosting lead researcher and *High Noon for Natural Gas* author Julian Darley (Lietaer, 2004).

Three complementary currencies have been designed to address practical concerns and increase the perception of value of this new form of money. Saltspring Island Dollars, Toronto Dollars, and Calgary Dollars are examples of currencies which include characteristics designed to increase credibility and their appeal to local businesses. On Saltspring Island in British Columbia, the Island Monetary Fund (IMF) that manages Saltspring Dollars made their currency 80 per cent backed by Canadian Dollars and 20 per cent backed by gold. Although they are not redeemable for federal dollars, this backing has resulted in almost universal acceptance among businesses on the island. Toronto Dollars are accepted in two shopping malls and among many community businesses, innovative partner organizations, and individuals. They are redeemable at per cent of their value in cash, which has, like Saltspring, resulted in rapid business acceptance. In Calgary, the Dollars are accepted by over 200 businesses as a result of business-focused promotions, including a newspaper with a readership of 100,000, regular business conferences and events, loans to businesses, and a dedicated business coordinator. Although Calgary Dollars are not backed, their acceptance by the business community and for items such as City of Calgary transit tickets, lends similar credibility

to the money. All three of the systems use the dollar denomination to facilitate participant business accounting and staff training, and each system emphasizes business participation to promote the usefulness of the currency. A theoretical underpinning for these three systems comes from Canadian urban planner Jane Jacobs who identifies cities as the economic building block of the economy and who sees them as ill-served by national currencies, since these do not represent their citizens in the larger economy (Lietaer, 2004).

According to Muniategi (2012), time banking is a way for sustainable consumption and the community alternative currency perspective due to the transformative force lying behind these social movements in as much as they seek fundamental changes in lifestyles, economic and social systems and to increase a kind of quality of life not based on material consumption.

Other complementary currencies are introducing unique features to the international currency movement. Regios, regional currencies in Germany, are paper currencies which draw on historic social identification with their areas, frequently including three cities in a historically-identified region. Twelve Regios are currently operational with another 27 in the planning phase. The Brazilian Sabre is a currency designed for students to earn monetary incentives from tutoring and these are accepted for state university tuitions upon the student's graduation. In Byron Bay, Australia, Mullumbimby and the Tweed Valley "Ecos" are a hybrid complementary currency system which combines features of LETS, such as the ability of its members to create credit, with the ease of use of a printed currency (Mullumbimby, 2004). These are just a few of the recent adaptations that are redefining the complementary currency movement. Complementary currency can also be

demonstrated by Maslow's hierarchy of basic needs by the way people create initiatives like complementary currency for livelihood and sustainable development purposes. Abraham Harold Maslow's theory of human motivation postulates that all human beings, regardless of culture, have basic needs that can be arranged on a hierarchy according to prepotency or pressing drive for gratification (Harper and Guilbault 2008).

Maslow theorized that needs explain much (but not all) of human motivation and striving, and that the gratification of basic needs leads to a holistically healthy or self-actualizing personality, whereas a lack of gratification of the basic needs results in psychopathology or sickness. Maslow used the term sick to include biological, psychological, and spiritual illness (Harper and Guilbault, 2008). The most pre potent needs of the person occupy a conscious effort and striving for gratification or satisfaction, whereas the less pre potent needs are unconscious, minimized, denied, or suppressed. Therefore, when one need group is satisfied, the next pre potent need group emerges to dominate the drive or conscious motivational efforts of the person. Moreover, the gratification of the four deficiency needs (physiological, safety, belongingness and love, and esteem) are necessary before the human organism can sufficiently focus on self-actualization and other growth needs as a means toward a healthy or superior personality (Harper, 1970).

Far from an exhaustive survey, this section has been designed to provide a general typology of complementary currency models most commonly employed, as well as a few unique applications.

2.9 Lewes Pound and Sustainable development in Lewes Town, East Sussex United Kingdom

The Lewes Pound is a local currency in use in Lewes Town, East Sussex, in the United Kingdom. The currency was introduced in September 2008 by a NGO movement called Transition Towns as a mechanism to cushion the residents from the effects of climate change, economic inflation and rising oil prices (Holmgren, 2002). It is legal as a voucher but not as a currency and the notes are valid for use for five years after which they can be exchanged for new Lewes notes or redeemed for Sterling pound notes. It is essentially a voucher system traded locally as a complementary currency used alongside the sterling pounds. One can buy the vouchers at designated Lewes Pound outlets and spend it in stores that display the Lewes pound to buy goods and services (Hopkins, 2008).

By January 2009, the shops using the currency had risen from 70 when it was first introduced in 2008 to 130. Businesses that accept the Lewes Pound include grocery stores, restaurants, hairdressers, jewelers, pubs, yoga clubs and schools. Moreover, store owners can use the Lewes Pound to pay their employees and local suppliers if they accept it. In this case, it is treated as a taxable benefit (The Star Newspaper, 2013).

However, it is not a legal tender and does not intend to replace the Sterling Pound thus there is no obligation by the residents to accept it and it is only accepted in participating outlets. The Lewes Pound is only spent within the locality and it is aimed at benefiting the local economy by encouraging demand for local goods and services. It can be exchanged for Sterling Pounds and they have the same book value. For every Lewes

Pound issued, five pence is pledged to the Live Lewes Fund which is a kitty used in funding local projects that are not affiliated with the Lewes Pound initiative (Gunderson, 2000). The Sterling Pounds exchanged for the Lewes Pound are kept in a safe deposit box in a local bank in case people want to trade in their Lewes Pounds.

Although it supports local trading and encourages economic growth within the town, it tends to lose momentum in circulation because for every Sterling Pound that leaves the market, it is replaced by a Lewes Pound therefore there is no real growth of the Lewes Pound if there is no demand for it. The currency will only grow if soft loans or interest free loans are offered on them which are not yet available since it is not a legal tender (Longstaff and Yang, 2008). For safety measures, the Lewes Pound notes are printed on high security paper with watermarks, serial numbers and other hidden features to avoid duplication and production of fake notes. The work done in circulating and manufacturing the currency is all voluntary.

2.10 Bangla-Pesa Initiative and Socio-Economic Livelihood of Bangladesh Community

Bangla-Pesa is a complimentary currency which works alongside the Kenyan Shilling and serves the people of the Bangladesh community in Kenya. During economic downturns which are common in an agrarian society such as much of Kenya, the government currency can become scarce, leaving residents unable to pay for things that they need for survival. Bangla-Pesa fills this gap and enables the residents to use a system of Multilateral Reciprocal Exchange to provide each other with the goods and services they need locally – even when the money has run out. Local shop owners and community

members use Bangla-Pesa to keep money in their town, to empower the businesses around them, and increase efficiency in an economy that had stagnated without enough Kenyan Shillings in the past. The Bangla-Pesa bills can only be used within Bangladesh at member businesses, and promote more trade which more effectively uses the talents of the community (Koru Kenya, 2014).

Bangla-Pesa aims to strengthen and stabilize the economy of an informal settlement called Bangladesh, in the coastal town of Mombasa in Kenya, by organizing small scale businesses into a network of more than 100 businesses in which members can trade their goods and meet their basic needs during even the deepest economic slumps. Bangla-Pesa is a unit of credit which provides a means of payment complementary to official money; as such it helps to stabilize the community in the face of national monetary volatility by allowing network members to trade with each other without using the national currency. According to UN Habitat, over 50% of urban populations in developing nations live in informal settlements (slums), with this figure rising to as much as 70% in Kenya. This trend is increasing rapidly all over the world as environmental damage and the search for jobs push people out of rural areas. Informal settlements are densely populated areas where residents have few or no property rights and often occupy the bottom economic tier of society. According to a Habitat study (2003: Table B.2), the annual urban population growth rate in Kenya will be 3.14 percent over the next 8 years, with the number of city dwellers reaching 21 million by 2020. Due to their size and rapid expansion, a major focus in sustainable development should be directed toward informal settlements (Habitat, U. N., 2003).

Key pieces of information led Koru-Kenya, a community based organization in Mikindani Kenya, to see complementary currencies as a promising part of the solution to both gender inequality and economic instability in a Kenyan slum known as Bangladesh. Koru-Kenya found that: in women's household expenditures, the vast majority is used for purchases from fellow businesses within the same community. On regular months of the year and certain days of the week, sales reduce to a bare minimum because of lack of hard currency in the community (Ruddick, Richards, Bendell, 2013).

These characteristics dense local business trading, currency scarcity and an overall underutilized capacity for trade make the Bangladesh community a prime environment for the introduction of a complementary currency. Further, the use of complementary currencies to support local businesses in this way is not a novel concept. The WIR bank in Switzerland, started in 1934, had over 60,000 registered businesses in 2010, all of which trade with a complementary currency. In this way, they support one another and are protected from monetary fluctuations. The WIR has been identified as one of the key tools keeping part of Switzerland's business community stable (Studer, 1998).

If local businesses in informal settlements could band together to create and guarantee an alternative means of exchange similar to the WIR, it would allow trades of goods and services to take place without scarce national currency. Inspired by this idea, Koru-Kenya developed a means of exchange called the [Bangla-Pesa](#) to strengthen and stabilize the local economy among a network of local businesses called the Bangladesh Business Network (BBN) (Ruddick, Richards, Bendell, 2013).

Bangla-Pesa is issued in the form of paper vouchers that pass from hand to hand as payment for goods and services. Any business in the community that is guaranteed by four other businesses in the network can receive a credit line of Bangla-Pesa at no interest. This means that if a BBN member spends his or her credits at other stores and then refuses to accept a minimal level of Bangla-Pesa in his or her own store, the guarantors must resolve the issue, accept those credits at their own businesses or lose membership. The businesses also pay a membership fee to the network in Bangla-Pesa, which is used for administration, marketing and community programmes. In baseline data collection, Koru-Kenya found that 400 Bangla-Pesa (3.5 Euro) would suffice for daily local trading. Hence 400 Bangla-Pesa was allocated to each member to facilitate local transactions.

This currency forms a buffer against fluctuations in the money supply due to remittances, weather, holidays, sending children to school, political turmoil and so on. The fundamental driver of this economic stability and increase in trade is due to BBN members' ability to trade their excess capacity. For instance a bicycle operator may have the capacity for 20 customers, but in general only has 10. Now he can give rides to other businesses in exchange for goods and services they have in excess, such as a woman who has extra tomatoes to sell (Ruddick, Richards and Bendell, 2013).

The BBN has a board of directors consisting of representatives of the following groups: youths, elders, women business owners, men business owners and community health workers. These directors have the task of accounting, administration, registration,

networking, care taking and organizing community service work. Koru-Kenya holds a non-voting advisory role on the board. Thus, the Bangla-Pesa is a unit of credit within what can be described as a mutual credit clearing system (or multilateral reciprocal exchange) which provides a means of payment complementary to official money. As such, it helps stabilize the local economy in the face of monetary volatility by allowing network members to trade with each other without using the national currency, for example, in a typical day of exchanges when a consumer buys water from another woman for 10 Kenyan Shillings. The water seller then uses the 10 shillings to purchase charcoal for cooking. The charcoal seller then goes to buy flat bread from Faith, completing a full cycle. In this situation, if the consumer or anyone in the chain has no money, the following exchanges also prevent the local economy from stalling. The Bangla-Pesa circumvents such bottlenecks by providing a means of exchange which can be used even when national currency is scarce, as it often is.

In addition, because most Bangladesh Business Network members work several jobs and still make just enough to support their families' most basic needs, they struggle to save money and pay additional medical and education costs. If businesses could use a complementary currency barter exchange between them, it would allow them to use their business profits more for education, health and savings. This becomes especially important for women. Because businesswomen in the Bangladesh community earn less than their male counterparts, their spending is more constrained. They struggle more to balance caring for their families, running their businesses, and saving for the future, and they use a greater portion of their earnings to care for their family's basic needs. The use of Bangla-Pesa to pay for basic needs locally frees their Kenyan Shillings for

reinvestment in their businesses and themselves and their families. This gives them more freedom to choose what to do with their business profits, a freedom most men already enjoy.

Initial outcomes of the programme support this powerful development potential. With an initial intake of 200 businesses wanting to join the programme, by 29 May 2013 a total of 109 members had completed the registration process, been guaranteed by other community businesses, and begun using the Bangla-Pesa on a daily basis. An average amount of 70 Bangla-Pesa was being used by each business member every day which represents around 22% of their daily sales, according to baseline survey data. At the very least, then, businesses were doing around 22% of their trade in Bangla-Pesa. However, since most people reported an increase in their daily sales, this number likely represented additional sales which might not have happened without this means of exchange (Ruddick, 2013). Thus, programme monitoring suggests the Bangla-Pesa increased local trading within only a few weeks of operation and very minimal programme expenditure. And, because most of these businesses are owned and operated by women, these sales increases demonstrate the potential for complementary currencies to address gender inequalities by boosting the income of women (Koru Kenya, 2014).

However, while it seemed that the community of Bangladesh was poised for sustainable and self-driven economic and social resilience, the Central Bank of Kenya prevented the continuation and expansion of the programme. On 29 May 2013, the government of Kenya declared the programme to be a threat to national security and placed five community members as well as Will Ruddick, the programme founder and author of this

think piece, in jail. When officials found no link to terrorism, the group was charged by the Central Bank's fraud department with holding forged papers under the Kenyan Penal code 267(e), although Bangla-Pesa vouchers look nothing like Kenyan Shillings and are clearly labeled as vouchers. The international community immediately refuted these charges. The head of Kenya's stock exchange, declared promissory notes, such as Bangla-Pesa, legal and many Kenyan and international media outlets have supported the community based programme, such as the Huffington Post, in which Ellen Brown states, "The successful Kenyan experiment quickly earned endorsements from the United Nations and the International Reciprocal Trade Association. Indeed, no other poverty alleviation programme can compete with the cost-effectiveness of this approach, which is easily replicable in poor communities across Africa. The plan was to expand it to other villages in a democratic grassroots fashion so that it could provide a local medium of exchange for people throughout the continent. This would be done via mobile phones with a system provided by Community Forge, an organization based in Geneva that supports the development of community currencies worldwide." Despite this support, the group, though released on bail, still awaits a trial as their case is currently being reviewed by Kenya's Director of Public Prosecutions (Ruddick, 2014).

Although this misunderstanding with local authorities has so far limited the scope of the Bangla-Pesa's success, initial programme outcomes suggest that: Sustainable poverty reduction and community benefits are possible and cost-effective through complementary currencies. These positive impacts can be targeted at vulnerable groups, such as women, to reduce inequality in development by enabling women to care for their families without using up their business profits. Complementary currencies have become a global

movement, as indicated by the swift and international response to the arrest of programme implementers and participants. There is an acute need for an authoritative body to offer technical assistance to governments and engage with development actors if complementary currencies are to reach their full potential (Koru-Kenya).

The full impact of allowing hundreds of micro-businesses in Kenya to trade freely with each other is a revolution in how we think about sustainable development and poverty reduction. These people have a huge untapped capacity and they only need the means to exchange it with each other. Bangla-Pesa puts development in the hands of the people and helps stabilize the local economy by allowing them to trade this excess capacity. These programs need to be studied and expanded around the world. Developing a modular mobile phone Bangla-Pesa system could help millions living in poverty. Allowing the 6 people to go to prison for this program is a failure in understanding and justice. It would set a horrible precedent for similar poverty reduction programs that have a proven track record - like Bancos-Palmas in Brazil. (Koru-Kenya). Bangla-Pesa has four denominations which are shown in the diagram below:



Figure 2.1: Bangla-Pesa denominations

Source: Koru Kenya, 2014

2.11 Challenges inhibiting Application of Bangla-Pesa Initiative in Eradicating Poverty

According to Dikembe Disembe in his article in *Kenya Today*, 2013, after the launch of Bangla-Pesa as complimentary currency in Bangladesh slums in Mombasa County 2010, the founders were arrested. They included, Alfred Osigo, Paul Mwanja, Caroline Dama, Rose Auma and Emma Odhiambo who were subsequently charged in a court of law alongside their American co-sponsor William Ruddick.

But after the founder was released from jail after a court battle and after a major campaign, which mobilized the many complementary currency specialists around the world, the charges were dropped. Since then, Ruddick has approached local politicians and discussed the project with Kenya's Central Bank. Mombasa Governor has re-established Bangla-Pesa programme in the Bangladeshi slums of Jomvu area which the national government prohibited in June 2013 with allegations that the group was clandestinely engaging in illegal monetary activities. In late November 2013, the currency was officially re-launched (Dikembe Disembe, 2013).

Several respectable quarters defended Bangla with some investors supporting the idea of complimentary currencies. "Bangla-Pesa is just a promissory note liquidatable at a later date," one investor said this. While officially launching the programme, Mombasa Governor said the Bangla system provides a means of payment that compliments official money.

“The Bangla-Pesa is a unit of credit within this mutual-credit-clearing system which provides a means of payment that is complementary to official money,” said the Mombasa Governor (Dikembe Disembe, 2013).

“Bangla-Pesa is a non-profit program to strengthen and stabilize the economy of Bangladesh village in Jomvu Sub County. The program has more than 200 small scale businesses forming the Bangladesh Business Network (BBN) through which its members can utilize a complementary currency to mediate trades,” added the Governor (Dikembe Disembe, 2013).

2.12 Membership of Bangla-Pesa

The membership in these business networks consists of 75% women businesses owners who regularly fall below the international poverty line. Generally they work several jobs and find no way to save money from month to month. They are also often sending any spare money back to extended family living in rural areas. The Bangla-Pesa gives them a way to save their national currency and use the local currency for daily spending. Businesses include services such as: clothes washing, tailoring, cobbling, manual laborer, house builders, salons, mechanical and electronic repairs, and porting. Other businesses include: Water, transportation, hardware, soap, general shops, food services, raw food (Including fish, meat, eggs, vegetables, fruits and grains), farming, charcoal, lamp oil, education (Primary and nursery school), clothes, medical clinics, drinks including alcohol, soda and fruit drinks (Koru Kenya, 2014).

A total of 200 small-scale businesses have registered in the Bangladesh Business Network through which the network members trade with each other without using the national currency. One becomes a member of the network upon finding four guarantors. A membership fee paid is used for administration, marketing and community

programmes. Once a member, you are expected to buy and sell goods and services to fellow members. If you default, the guarantors pay for your sins after which you are kicked out of the group. The amount of Bangla-Pesa in circulation is determined by membership and a baseline survey that indicated that Bangla businesses spend a maximum average of Sh400 in a day. A Currently, The Bangla-Pesa vouchers in circulation are the equivalent of Sh20, 000. “This currency forms a buffer against fluctuations in the money supply due to remittances, weather, holidays, sending children to school and political turmoil, among others. The difference between Bangla-Pesa and Eco-Pesa is that Bangla-Pesa is not supported by donors and the initiative is owned by the community (Ruddick, 2013).

2.13 Strategies of Bangla-Pesa Initiative in Alleviating Poverty

A Kenyan national has been selected as one of the 21 best candidates amongst 800 applications in the recent initiative African Forum, 100 innovations for sustainable development, launched by the French Ministry of Foreign Affairs in partnership with the French Agency for Development (AFD) (Pusateri, 2014).

Caroline Dama, from Mombasa has been selected for her project on financial innovations with a social dimension called Bangla-Pesa. Bangla-Pesa aims to strengthen and stabilize the economy of an informal settlement called Bangladesh, in the coastal town of Mombasa in Kenya, by organizing small scale businesses into a network of more than 100 businesses in which members can trade their goods and meet their basic needs during even the deepest economic slumps. Bangla-Pesa is a unit of credit which provides a

means of payment complementary to official money; as such it helps to stabilize the community in the face of national monetary volatility by allowing network members to trade with each other without using the national currency (Pusateri, 2014).

This voucher system, not legally a currency, acts as cash to any individual or business who agrees to honor it. It is that pledge, and nothing more, that ensures the Bangla-pesa has value. Bangla-pesa's restricted scale makes this system not only viable, but an example for the rest of the world. There are currently only around 100 people and businesses accepting the vouchers in a tight geographic area, meaning anyone thinking about renegeing on their pledge will have to face social castigation from the people they robbed a recurring, endless punishment (Pusateri, 2014).

Whereas cash is faceless, being backed by a distant and abstract central government, Bangla-pesa relies on and fosters a sense of community among people with shared experiences of poverty. It also is not amenable to crime, as any theft of the vouchers must be used within that tight community, where any newcomer attracts attention. Working complementary to, and not in place of, the government backed Kenyan shilling means the Bangla-pesa does not constrict the economy or the people who opt in to the system. Studies by Koru, the Kenyan non-profit behind the idea, found the spending of shillings in the slum did not shrink after the introduction of the vouchers. Instead, people were able to manage their resources to spend shillings in businesses which were not in the system, improving their lives without extra cost and keeping more people in the slum working, not festering in poverty (Pusateri, 2014).

Bangla-pesa ran into trouble with the Kenyan authorities in June, who accused Koru of creating and distributing its own currency. Those charges have now been dropped, and more Bangla-pesa distributed. If there is a downside to the voucher system, it is hidden well behind an overwhelmingly attractive idea and successful implementation—not only in Mombasa, but in over 4,000 other communities around the world now using voucher systems. In an article for the Brookings Institute, it questioned the effects of the vouchers on the larger economy and the possibility of vouchers eventually replacing cash in areas like the Bangladeshi slums (Pusateri, 2014).

His concerns exhibit the irrelevance for which much of the discipline of economics may soon be known. If the vouchers enable the flow of goods and services among the poorest populations, who have faith in the system and in their community, there can be no downside; after all, the economic institution has already declared them to be virtually valueless. And if, by contrast, governments decide that the risk to their GDP supercedes the amelioration of extreme squalor among millions of people, and stamp out the vouchers, a clear message will stand for any who can see it: the system is broken (Pusateri, 2014).

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Overview

This chapter presents the study area, study design, study population sample size and sampling techniques, data collection methods and data analysis. The chapter finally discuss the ethical considerations guiding the study.

3.2 Study Area

The location of the study was Bangladesh slum in Changamwe, Mombasa County. Bangladesh is arguably the biggest informal settlement in Mombasa in terms of population. It is located off Nairobi Mombasa Highway in Mikindani Ward within Changamwe/Jomvu Constituency and approximately covers 20 acres. The population of the study area is approximately 20,000 people. The area was formerly owned by an Asian who left for Bangladesh and never returned back. After he had left, people started settling there as from the 1950s. They started calling the settlement Bangladesh after the former owner's destination. Today the settlement is divided into three parcels of land owned by different entities. Structure owners within Bangladesh generally constructed without having official allotment letters. The settlement has faced several eviction threats. Against this background, in 2011, a community-led enumeration and mapping exercise was conducted to gain more information about the settlement and the residents. The exercise included defining the boundaries of Bangladesh, numbering all structures, administering a household questionnaire and conducting Focus Group Discussions (FGDs). Bangladesh

has seven clusters, namely Mkupe, Central, Nairobi area, Majengo, Giriamani, Kachimbeni and Majengo Mapya. The settlement is densely populated and most of the houses are of semi-permanent nature (Pamoja Trust, 2014).



Figure 3.1 Map of Bangladesh Slum

Source: Google maps (2016)

3.3 Research Design

A descriptive case study research design in mixed method approach was adopted by the researcher in carrying this study. Case study has a distinctive advantage over other research strategies when how or why questions are being posed to discover a current

phenomenon and when the researcher has little or no control over the events (Yin, 2003). A descriptive case study is a story about something unique, special, or interesting stories can be about individuals, organizations, processes, programs, neighborhoods, institutions, and even events. The case study design was used because it gives the story behind the result by capturing what happened to bring it about, and can be a good opportunity to highlight a project's success, or to bring attention to a particular challenge or difficulty in a project (Yin, 2003).

3.4 Study Variables

Independent Variables was the community imitative that included the Bangla-Pesa initiative; this included the study of the effects of Bangla-Pesa initiative on people's socio-economic livelihood; the challenges inhibiting its application in eradicating poverty; the strategies of Bangla-Pesa initiative in alleviating poverty and the Dependent Variable was socio-economic livelihood.

3.5 Target Population

The research study targeted a universe of 394 Bangladesh Business Owners within their business networks, in Bangladesh slum, Mombasa County. The Bangladesh Business Networks have business owners in Bangladesh slum. The study also targeted the five Bangla-Pesa initiative management that included the chairman, community elder, and secretary general. The study targeted three primary schools that used Bangla-Pesa. The respondents targeted to be interviewed were three head teachers and 48 teachers from the three targeted schools.

3.6 Sampling Procedure and Sample Size

The sample size for the study was determined using the approach based on precision rate and confidence level. With a population of 394 and a precision of 2% with a 95.5 per cent confidence level the sample size n , is given using the following formulae:

$$n = \frac{Z^2 \cdot P \cdot q \cdot N}{e^2(N-1) + Z^2 \cdot P \cdot q}$$

Where N is the population, e is the precision, z is the value of the standard variate for the given confidence level of 95.5%, n is the size of the sample, p is the proportion of defective in the population and q is $1-p$.

$$\text{Therefore } n = \frac{(2.005)^2(0.02)(1-0.02)(394)}{(0.02)^2(394) + (2.005)^2(0.02)(1-0.02)}$$

$$n = 131 \text{ Bangla Pesa users}$$

The study involved stratified random sampling to select the 131 Bangla Pesa users, 5 Bangla-Pesa initiative management, 3 head teachers and 16 teachers. The study sampled five key informants Bangla-Pesa initiative management that included the chairman, secretary general, community elder and three head teachers and 30% of the 48 teachers were sampled to give 16 teachers.

3.7 Research Instruments

A questionnaire for business owners was used to collect data. The questionnaire was designed by the researcher to suit the data required for the study. The questionnaire had both closed-ended and open-ended questions. In the closed-ended questions definite responses were expected, while in the open-ended items indefinite responses with some

description for clarity was expected from the business owners. The research questions guided the construction of the questionnaire items so that all areas are addressed in the questionnaire. This ensured completeness of all the areas covered by the study.

A description of the questionnaire for business owners is as follows: The questionnaire had three sections: Section (I) was a letter to the respondents and introduction of the study to the respondents and the reasons for carrying out the study. In this section ethical values upheld by the researcher were explained to the respondents and their security and confidentiality of the information that they gave was assured.

Section (II) was socio-demographic information of the selected business owners. In this section the questionnaire was used for collecting information such as gender, highest education level and experience in dealing with the use Bangla-Pesa as complementary currency.

In section (III) the questionnaire was used for collecting data in accordance to research questions on Evaluation of Community Initiative on People's Socio-Economic Livelihood in Kenya: Case Study of Bangla-Pesa in Bangladesh Slum, Mombasa County. Such data covered the: business owner's attitude towards the use of Bangla-Pesa as complementary currency; business owner's competence for complementary currencies for sustainable development; adequacy of use Bangla-Pesa as complementary currency in the community; evaluation of success of the Bangladesh Business Networks towards sustainable development (Researcher, 2014).

3.7.1. Key Informant Interview

Due to the fact that the focus group discussions are only as good as the quality of the information which is to be collected and depend totally on the presumed responses, key informants were used whereby, informal interviews and discussions with the community leaders, elders, head teachers and the members of the Bangla-Pesa initiative committee.

3.7.2. Field Observation

This method was additionally used and concerned information gathered during the stay in the study areas. Observations such as availability and quality of infrastructure such as roads, schools, health care and community project, traditional use of resources, illegal activities and damages were taken into consideration.

3.7.3. Focus Group Discussions

The focus group discussion was another alternative method that was used to collect primary data. On arrival in each Bangladesh slum, a focus group discussion was organized with the members of the community that included teachers and business owners. The focus group discussion was a sort of participatory rural appraisal in order to grasp information on their community about history, community profile, livelihoods activities, resources accessibility, constraints and problems, local institutions, relation with other forest users and existing conflicts. The focus group discussion was organized in a form of a deliberative forum where the research team asked the questions to the

villagers and several answered were given which then were deliberated upon to have the most reliable answers. The focus group discussion took place in the evening period so that large number of the community members could attend after returning from their daily activity and it lasted for about two hours. The deliberation was in Kiswahili and English since everybody in the study area understands and speaks English and Kiswahili.

3.8 Methods of Data Collection

A permit for data collection was obtained from National Commission for Science, Technology and Innovation (NACOSTI) in order to grant me the permission to conduct research in Bangladesh slum, Mombasa County. The researcher pre-visited the selected Bangladesh Business Networks to establish rapport with the business owners. There after the questionnaire was personally administered to the selected business owners by the researcher in each of the selected Bangladesh Business Networks in Bangladesh slum. The researcher issued each teacher with a questionnaire for completion. Each business owner was expected to individually complete the questionnaire. To ensure 100% returns of the questionnaire, the researcher waited for the filled in questionnaire to be handed over to him.

3.9 Reliability and Validity of the Research Instruments

3.9.1 Validity

In order to realize validity pilot study was conducted. The instrument would be valid depending on how the data collected was related in terms of how effective the items would have sampled significant aspects of the purpose of the study (Kasomo, 2006). Content validity of the instruments was used to measure the degree to which the items represented specific areas covered by the study. Therefore, content validity of the instrument was determined by experts in research from Moi University department of Development Studies who looked at the measuring technique and coverage of specific areas objectives covered by the study. The experts then advised the researcher on the items to be corrected. The corrections on the identified questions were incorporated in the instrument to increase validity.

3.9.2 Reliability

In the piloting process split-half method was used by administering the questionnaire to a pilot sample of 84 randomly selected business owners from the Bangladesh Business Networks out of the business owners who had been identified from the Bangladesh Business Networks in Bangladesh slums. This sample of 84 did not interfere with the sample size 118 since only 118 out of 394 target population formed the sample size. Thus, the 84 business owners came from the other 394 in the population. Personal details of the 84 business owners were obtained by the researcher in order to be able to exclude them from the actual data collection process for the study. A correlation coefficient above 0.75 is said to be sufficient for the questionnaire to have high reliability (Kasomo, 2006).

Therefore, the correlation coefficient was calculated and found to be a 0.85 hence it deemed the questionnaire to have high test-retest reliability and it was used in the data collection procedure, with the assurance that the data collected was valid and reliable on whose findings significant conclusions and recommendations of the study was made. Reliability of the open ended questions was determined by ensuring the research assistants were trained on data collection and how to avoid biasness. The researcher sought assistance from the supervisors, in order to improve reliability of the instrument.

3.10 Data Processing and Analysis

Data collected using closed-ended questions was directly analyzed using descriptive statistics by tallying and forming frequency distributions and percentages and the presented on bar graphs and pie charts. Moreover, a Statistical Package (SPSS) version 24 and spreadsheets (Microsoft Excel) was used to analyze data quantitatively. The open-ended items helped in collecting qualitative data. The qualitative data was analysed by grouping quotations from the respondents by categories and coding of the particular common responses were done so that the quotations from particular themes were presented as frequency distributions and percentages in thematic forms according to research questions. In each case of analysis of data from a research question the researcher sought to determine the strength of the association between the independent variables and dependent variable (Orodho, 2005).

3.11 Ethical Considerations

The respondents were assured of identity anonymity and confidentiality of the data they gave. A permit for data collection was obtained from Ministry of Higher Education through the National Council for Science, Technology and Innovation. The researcher pre-visited the Bangladesh Business Networks and established rapport with the business owners. A piloting exercise was conducted during the first week of field study. This process fine-tuned the data-gathering method and heightens the theoretical sensitivity towards the phenomenon of community initiative and sustainable development by the use of complementary currency which is Bangla-Pesa. Theoretical sensitivity refers to the 'attribute of having insight, the ability to give meaning to data, the capacity to understand, and capability to separate the pertinent issues from those which aren't (Kasomo, 2006). The theory of change was used during search process. Efforts were made to ensure that the research project does not duplicate work already done. During the past four months the researcher had conducted an extensive review of literature in the areas of community initiatives, complementary currencies and sustainable development. The researcher was unable to locate any research that utilizes a descriptive survey research design in quantitative research methodology on the Evaluation of Community Initiative Effectiveness in Improving Living Standards in Bangladesh slum, Mombasa County. By ensuring that no other study had been conducted on Evaluation of Community Initiative on people's socio-economic livelihood in Kenya: Case Study of Bangla-Pesa in Bangladesh Slum, Mombasa County, hence the researcher ascertained the originality of the study. The researcher also observed confidentiality of the information collected.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, DISCUSSION AND INTERPRETATION

4.1 Overview

This chapter deals with data analysis, presentation and the interpretation of findings. The data presented evaluation of community initiative on people's socio-economic livelihood guided by the following specific objectives: Evaluate people's socio-economic livelihood before Bangla-Pesa initiative, assess the effects of Bangla-Pesa initiative in people's socio-economic livelihood in Bangladesh slum, establish the challenges inhibiting its application in eradicating poverty in Bangladesh slum and explore strategies of Bangla-Pesa initiative in alleviating poverty in Bangladesh slum, Mombasa County.

4.2 Response Rate

Out of 131 sampled Bangla-Pesa users, 118 responded to the questionnaires. The interviewed respondents included 5 Bangla-Pesa initiative management officers, 3 head teachers and 16 teachers responded to the study. This represented a 90.07% response rate, which is considered satisfactory to make conclusions for the study. The study also had 6 key informants who included the five Bangla-Pesa initiative management that included the chairman, community elder, and secretary general. This can be related to Mugenda & Mugenda (1999) who said a 50% response rate is adequate, 60% good and above 70% rated very good. This implies that basing on this assertion; the response rate in this case of 90.07% is very good.

4.3 Socio-Demographic Characteristics

The researcher started by analyzing the demographic information of the respondents. The study involved the gender of respondent, category of business owner and respondents duration of usage of Bangla-Pesa and highest academic qualification of respondents.

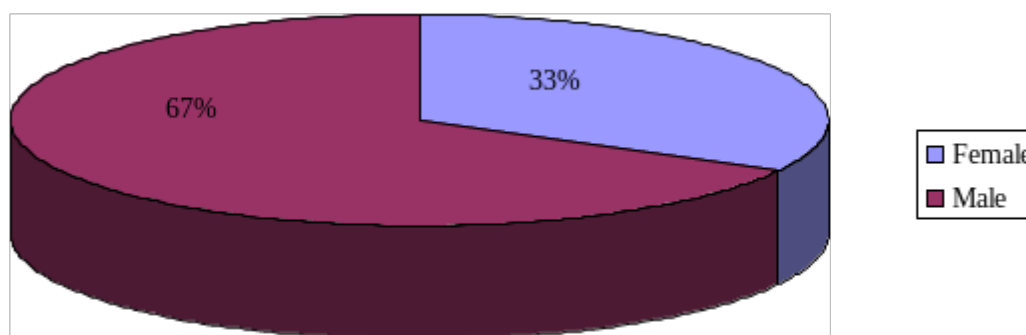


Figure 4.1: Gender of the respondents

Figure 4.1 indicates the gender of the respondents. Majority 79 (67%) of the respondents were male while 39 (33%) were female. This implies that the study sample both gender and so the results is a view of both gender. Therefore the findings on the influence Bangla-pesa community initiative on people's socio-economic livelihood are a view of both genders in the region.

Table 4.1: Category of business owner

Category	Frequency	Percentage
Man business owner	39	33
Women business owner	79	67
Total	118	100

Source: Researcher 2015

Arising from the table above, majority 79 (67%) of the respondents were of women business owners category while 39 (33%) were male business owners. This implies that the Bangla-pesa community initiative is embraced by both genders in Bangladesh Slum, Mombasa County. Through observation, it was noted that Bangla-Pesa business ownership is distinctly owned by either male or female.

Table 4.2: Respondents duration of usage of Bangla-Pesa

Duration	Frequency	Percentage
3 - 5 months	3	3
11 - 12 months	17	14
1 - 2 years	98	83
Total	118	100

Source: Researcher 2015

As indicated in the table above, Bangla-pesa has been used for more than a three years in the area study. It was indicated that 98 (83%) of the respondents had used Bangla-Pesa for between 1 - 2 years while 17 (14%) had used it for between 17 - 14 months. 3 (3%) of the respondents had used the initiative for between 3 – 5 months. This implies that the respondents had a wide knowledge on the influence of Bangla-Pesa community initiative on people's socio-economic livelihood in in Bangladesh Slum. The head teachers and community leaders also had used the Bangla-Pesa initiative for over a year and

therefore formed the right source for information on its effect on the socio-economic livelihood.

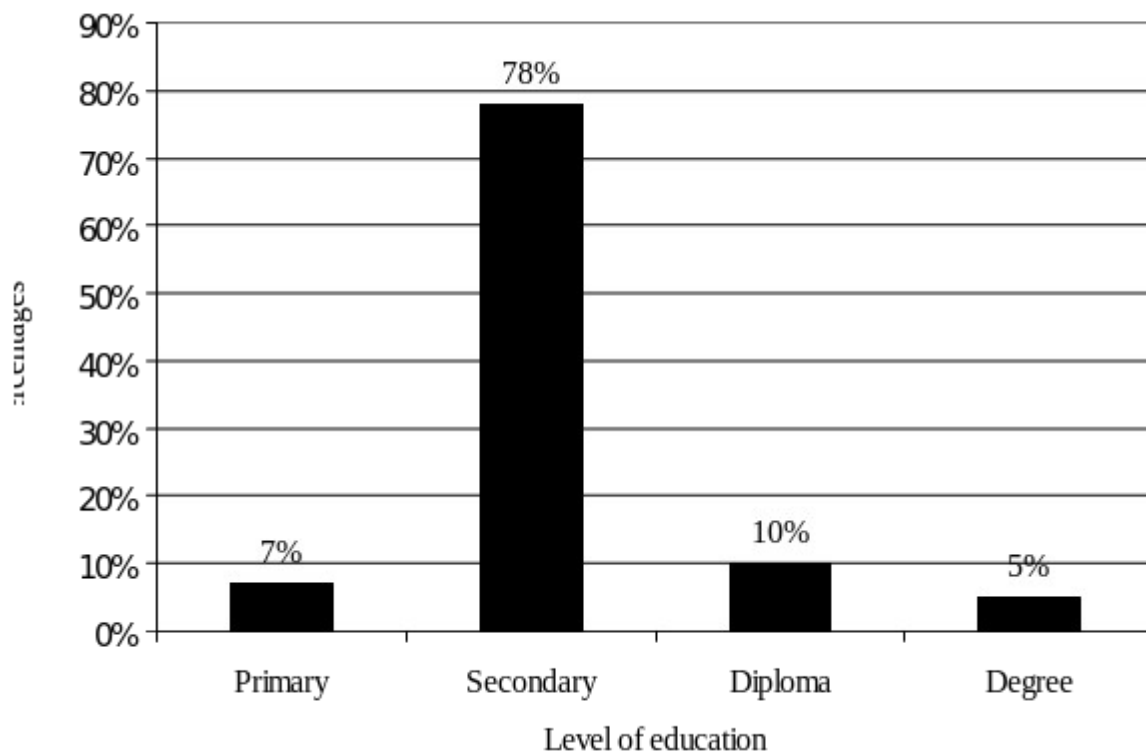


Figure 4.2: Highest academic qualification of respondents

Level of education did not hinder participation of Bangla-Pesa as indicated in the figure above. From the table 92 (78%) of the respondents had secondary as their highest level of education while 12 (10%) had diploma level of education. A few 8 (7%) had primary while 6 (5%) had degree as highest level of education. This implies that the Bangla-Pesa users do not possess higher education and therefore might be influencing their usage of the Bangla-Pesa initiative and therefore affects their socio-economic livelihood.

Table 4.3: Monthly income of respondents

Monthly income	Frequency	Percentage
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Below 15,000/=	12	11
15,000/= - 30000/=	97	82
Above 30,000/=	9	7
Total	118	100

Source: Researcher 2015

Arising from the table above the monthly income does not influence the usage of Bangla-pesa in Bangladesh slum. The Table 4.3 indicates that 97 (82%) of the respondents had a monthly income of between 15,000/= – 30,000/= while 12 (11%) had below 15,000/=. A few 9 (7%) had a monthly income of above 30,000. This implies that the Bangla-Pesa users' initiative has improved the socio-economic livelihood of the community.

The founder of the Bangla-Pesa initiative indicated that with roughly 9,600 KSH (\$111 USD) worth of Bangla-Pesa transacted daily, the increase growth in the local economy can surpass the cost of the program implementation in about 3 months. The market in Bangladesh is extremely volatile, with business reporting their average daily sales revenue varying from 200ksh (~\$2 USD) during bad periods to 1200ksh (~\$14 USD) during good periods, as shown in the volatility graph. This fluctuation tells us that businesses could meet a much higher demand for goods and services (as demonstrated during good times) than they are during bad or even average periods. However, because community members often lack a means of exchange (Kenyan shillings) through which to make purchases due to persistent poverty or market stagnation, individuals cannot actualize their demand for products, and so businesses are not able to reach their full potential. We refer to those goods or services which might have been sold, given a means of exchange, as a business's excess capacity.

4.4 Evaluate People's Socio-Economic Livelihood before Bangla-Pesa Initiative

This study covered people socio-economic livelihood by evaluating influence of other initiatives before Bangla-Pesa initiative, success of the other initiatives before Bangla-Pesa, the community commitment of the other initiatives before Bangla-Pesa, community awareness of the other initiatives before Bangla-Pesa initiative, local leader's support of the other initiatives before Bangla-Pesa. The study also investigated the satisfaction of the community on the other initiatives before Bangla-Pesa, benefits of the initiatives to the community before Bangla-Pesa and the growth of the other initiatives before Bangla-Pesa initiative. Table 4.4 indicates the findings on other initiatives before Bangla-Pesa on socio-economic livelihood.

Table 4.4: Influence of other initiatives before Bangla-Pesa on socio-economic livelihood

Response	Frequency	Percentages
Had influence	113	96
No influence	5	4
Total	118	100%

Source: Researcher 2015

Arising from the Table 4.4, other initiatives before Bangla-pesa has influenced the socio-economic livelihood of the community. This is because 111 (96%) of the Bangla-Pesa users respondents agreed that other initiatives before Bangla-Pesa had influence on their socio-economic livelihood. They indicated that they have been employed through the initiatives. 5 (4%) disagreed that the other initiatives had influence their socio-economic livelihood. This implies that the previous community initiatives had an influence on the community socio-economic livelihood. The community leaders indicated that other

initiatives like Maji na Ufanisi, Bomako and Alpha and Omega youth organizations had a positive influence on the community's socio-economic livelihood.

This finding can be related to a study in Cebu in Philippines where the Government established a nationally-financed Community Mortgage Programme, implemented by a wide range of institutions, and which provided subsidized loan finance to regularize and improve low-income squatter settlements. In the Philippines, it has so far assisted 100,000 families to legalize their land tenure (Urban Governance and Urban Poverty, 2001).

Table 4.5: Success of the other initiatives before Bangla-Pesa initiative towards sustainable development

Response	Frequency	Percentages
Successful	81	68
Unsuccessful	37	32
Total	118	100%

Source: Researcher 2015

From the Table 4.5 81 (68%) of the respondents agreed that there has been success of the other initiatives before Bangla-Pesa initiative towards sustainable development while 37 (32%) indicated it was unsuccessful. This implies that the previous initiatives influenced positively sustainable development in the slum. Therefore the management should be encouraged to support the Bangla-Pesa initiative since it can enhance the socio-economic livelihood of the community.

Other initiative in Bangladesh slum includes the Nyumba-Kumi initiative whose purpose is to bring together small-holder farmers. The initiative incorporates farmers in diverse

fields into single run groups. To ensure sustainability of the initiative, farmers in a pool have established a trust; Gichugu Development trust, which is unilaterally run by nominated persons by the farmers themselves. The trust was established to oversee the management and accountability of the project. It purely runs the affairs of the project in an autonomous rule. The financial output of the pool is always determined by farm produce which its end common activity is share trading where the benefits have been channeled towards value chain (Paula Linna, 2010).

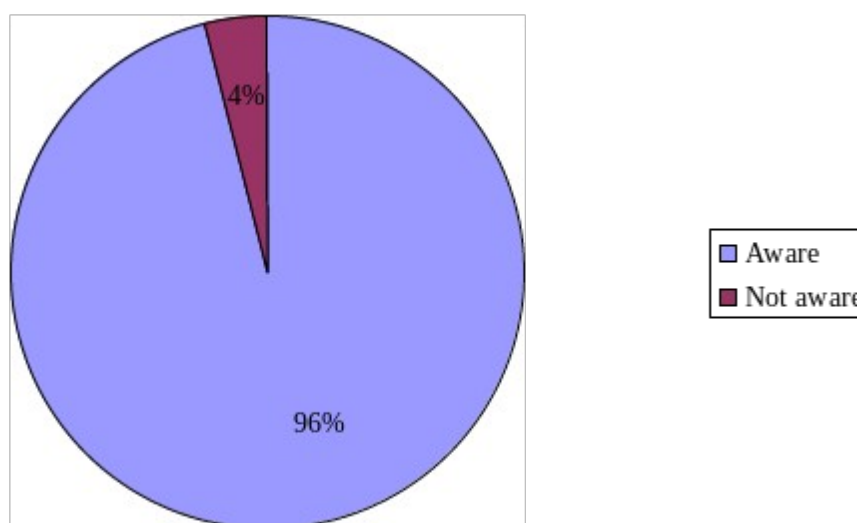


Figure 4.3: Community awareness of the other initiatives before Bangla-Pesa initiative

Arising from the Table above, 113 (96%) of the Bangla-Pesa users respondents agreed that community were aware of other initiatives before Bangla-Pesa initiative to a large extent while a few 5 (4%) disagreed that the community were aware of the other initiatives before Bangla-Pesa initiative. This means that the society is knowledgeable about Bangla-pesa initiative and therefore influences their livelihood.

In Calgary, the Dollars are accepted by over 200 businesses as a result of business-focused promotions, including a newspaper with a readership of 100,000, regular business conferences and events, loans to businesses, and a dedicated business coordinator. Although Calgary Dollars are not backed, their acceptance by the business community and for items such as City of Calgary transit tickets, lends similar credibility to the money. All three of the systems use the dollar denomination to facilitate participant business accounting and staff training, and each system emphasizes business participation to promote the usefulness of the currency. A theoretical underpinning for these three systems comes from Canadian urban planner Jane Jacobs who identifies cities as the economic building block of the economy and who sees them as ill-served by national currencies, since these do not represent their citizens in the larger economy (Lietaer, 2004).

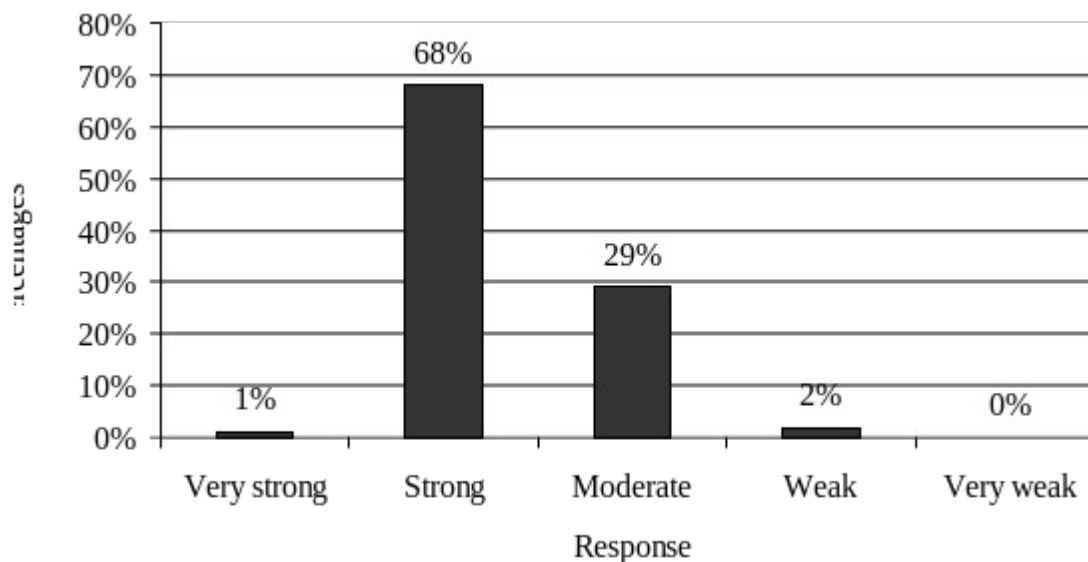


Figure 4.4: Local leaders' support of the other initiatives before Bangla-Pesa initiative

The figure above indicated that 81 (68%) of the Bangla-Pesa users respondents said that the local leaders' support of the other initiatives before Bangla-Pesa initiative was strong while 34 (29%) rated it as being moderate since they did not find them involved much in its growth. The secretary general of Bangla-Pesa initiative indicated that the community embraced the initiative after a court battle. Nevertheless the leaders are now supporting the initiative since they have noted that it positively influences the socio-economic livelihood of the people.

The morning of the launch, members of the business network processed through Bangladesh, led in song by the Bangladesh Business Network (BBN) Committee, and following a woven basket containing the Bangla-Pesa, which was escorted by local security officials. Then, the proposed Bangladesh Businesses Network's constitution was read and discussed in detail. Members of the Network asked pointed questions about issues like voting rules and tribal equity in leadership, clearly communicating their understanding and investment in the Network (Ruddick, 2013).

Table 4.6: Satisfaction of the community on the other initiatives before Bangla-Pesa

Response	Frequency	Percentages
Satisfied	115	97
Not satisfied	3	3
Total	118	100%

Source: Researcher 2015

As arising from the Table 4.6 the community was satisfied by other initiatives before Bangla-pesa. 115 (97%) of the Bangla-Pesa users respondents indicated that they were satisfied with other initiatives before Bangla-Pesa initiative. The community benefited from the initiative through initiatives like Maji na Ufanisi, Bomako and Alpha and Omega youth organizations which had a positive influence on the community's socio-economic livelihood.

Table 4.7: Growth of the other initiatives before Bangla-Pesa initiative

Response	Frequency	Percentages
Growth	116	98
No growth	2	2
Total	118	100%

Source: Researcher 2015

As indicated in the table above there has been growth of other initiatives before Bangla-pesa. This is shown by 116 (98%) of the Bangla-Pesa users respondents agreeing that there was growth of other initiatives before Bangla-Pesa initiative. This is because they indicated to have benefited from other initiatives like Bomako. A few 2 (2%) disagreed that there has been growth of other initiatives since they did not benefit directly. This implies that the previous initiatives in the area have had success although not to a very large extent. For Bangla-Pesa initiatives to succeed, the community has to support it through the support of the government.

4.5 Effects of Bangla-Pesa Initiative in People's Socio-Economic Livelihood in Bangladesh slum

The study investigated the effects of Bangla-Pesa initiative in people's socio-economic livelihood in Bangladesh slum. The study probed the socio-economic effect of the Bangla-Pesa initiative to the community, the success of Bangla-Pesa initiative to the Bangladesh community, growth of Bangla-Pesa to the community, commitment of the community towards the use of Bangla-Pesa, benefits Bangla-Pesa initiative towards sustainable development, community willingness to use Bangla-Pesa as complementary currency rather than Kenyan currency during transactions, the growth of Business Networks after the use of Bangla-Pesa as a complementary and how often Bangla-Pesa is used in business transactions in the community.

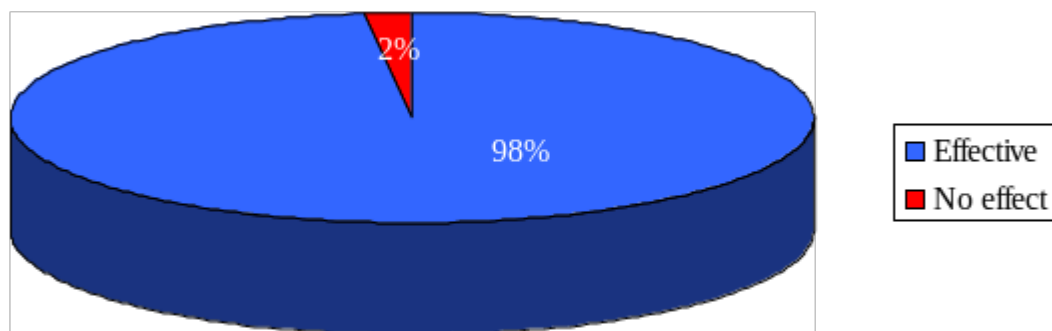


Figure 4.5: Socio-economic effect of Bangla-Pesa initiative on the community

Arising from the figure above, Bangla-pesa initiative had an influence on socio-economic of the community. This was indicated by 115 (98%) of the Bangla-Pesa users respondents who agreed that there is socio-economic effect of Bangla-Pesa initiative to the community.

This is because of creation of employment that generated income. A few 3 (2%) disagreed that there was socio-economic effect of Bangla-Pesa initiative to the community, this is because they did not embrace it much. This means that the Bangla-Pesa initiative positively influenced the socio-economic livelihood of the community.

Northern Rangelands Trust has its origins in a partnership between local communities and Lewa Wildlife Conservancy, a privately owned ranch managed for biodiversity conservation since the 1980s. Initially an outreach programme from Lewa Wildlife Conservancy which helped neighboring communities establishes Ng'wesi and Namunyak Wildlife Conservation Trust, the conservancies were developed as a tool to mitigate human-wildlife conflict and enhance landscape-scale conservation in the region. With the rapid expansion of the conservancy network, it became apparent that an independent organization was required to provide effective technical assistance and meet the knowledge demands of the increasing number of participating communities (Glew, *et al.*, 2010).

Table 4.8: Success of Bangla-Pesa initiative to the Bangladesh community

Response	Frequency	Percentages
Successful	108	91
Not successful	10	9
Total	118	100%

Source: Researcher 2015

From the table above, there has been success of Bang-Pesa initiative to the Bangladesh community. This is indicated by 108 (91%) of the Bangla-Pesa users respondents who

indicated that there was success of Bangla-Pesa initiative to the Bangladesh community. They mentioned projects like Omega youth organization that has benefited the youth. A few 10 (9%) disagreed that there was success of Bangla-Pesa initiative to the Bangladesh community. This implies that the Bangla-Pesa initiative has been initiated successfully and therefore it has influenced the people's socio-economic livelihood.

Table 4.9: Growth of Bangla-Pesa to the community

Response	Frequency	Percentages
Presence of growth	94	80
No growth	24	20
Total	118	100%

Source: Researcher 2015

Arising from the table above, there has been growth of the Bangla-Pesa initiative. This is indicated by 94 (80%) of the Bangla-Pesa users respondents who indicated that there was growth of Bangla-Pesa to the community by indicating the number of users increasing each month. A few 24 (20%) disagreed that there was growth of Bangla-Pesa to the community. They indicated that the management is not properly raising awareness of the initiative in the area. The head teachers and teachers indicated that the Bangla-Pesa initiative is being used in kiosks, salons, small hotels and water businesses. This implies that the socio-economic livelihood of the people in Bangladesh slum has been influenced by the initiative.

The Northern Rangelands Trust (NRT) is a community-based conservation initiative in the arid and semiarid rangelands of northern Kenya which aims to improve the livelihoods of communities through wildlife conservation (NRT, 2008). Established in

2004, it has facilitated the formation of community-led institutions which link rangeland management and conservation of large mammal species with poverty alleviation for their constituent communities.

Table 4.10: Commitment of the community towards the use of Bangla-Pesa

Response	Frequency	Percentages
Committed	85	72
Not committed	33	28
Total	118	100%

Source: Researcher 2015

From the table above, the community is committed towards the use of Bangla-Pesa initiative. This is indicated by 85 (72%) of the Bangla-Pesa users respondents who indicated that there was commitment of the community towards the use of Bangla-Pesa. They use the initiative in programs such as the Omega youth organization and Alpha and Omega. A few 33 (28%) indicated that there was no commitment of the community towards the use of Bangla-Pesa. A business woman by the name Marciana indicated that she uses the initiative in barter trade through exchange of food and water in her business. She indicated that by using Bangla-Pesa, they save on the use of the Kenya currency (Ruddick, 2013).

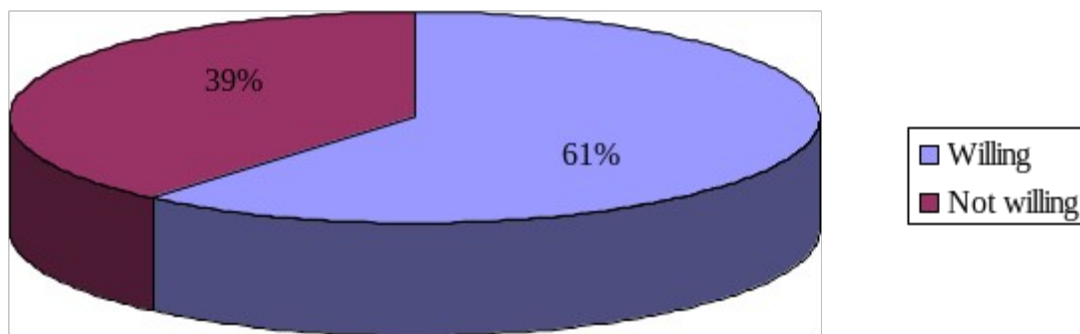


Figure 4.6: Community willingness to use Bangla-Pesa as complementary currency rather than Kenyan currency during transactions

Majority 72 (61%) of the Bangla-Pesa users respondents agreed that there was community willingness to use Bangla-Pesa as complementary currency rather than Kenyan currency during transactions while 46 (39%) disagreed. The head teachers indicated that they use it in their school to pay teachers wages. The church also uses it in paying the offerings and the business owners use it in transacting. This therefore means that the socio-economic livelihood of the community is influenced by the Bangla-Pesa initiative.

Complementary currencies throughout the world had led to sustainable development in various ways like community business and poverty alleviation. Complementary currencies like Ithaca Hours, Kootenay Hours, and Calgary Dollars are part of a movement that has grown to 5,000 systems worldwide by 2006. These initiatives have been united by the belief that money is not value-free and that as a medium of exchange, money has characteristics that bias certain outcomes. Therefore, by designing money to

promote community interests, complementary currencies stimulate the local economy and benefit those that use it while offering social benefits. The next portion of this study will explore various types of complementary currencies. With different formats, design principles, and users, complementary currencies can accomplish different goals.

Table 4.11: Growth of Business Networks after the use of Bangla-Pesa as a complementary currency

Response	Frequency	Percentages
Growth	98	83
No growth	20	17
Total	118	100%

Source: Researcher 2015

As indicated in the table above, there has been growth of business network after the use of Bangla-Pesa as a complementary currency. This is indicated by 98 (83%) of the Bangla-Pesa users respondents who agreed that there was growth of Business Networks after the use of Bangla-Pesa as a complementary currency. A few 20 (17%) disagreed. One of the business women indicated that she supports this initiative through the sale of porridge, beans and maize soup. The porridge sells for 15ksh (\$0.18) and soup for 10ksh (\$0.12). She usually makes around 600ksh (\$7) a day to feed a family of 7. Technically, this puts her above the international poverty line based on the lower cost of living in Kenya, but, as she leaned her forehead against a pole, looked down at her worn red flip flops and dust covered feet, and told us about her life, we could feel the exhaustion caused by her efforts to keep her family fed and housed, and some sadness at being unable to keep her daughters in school and in good health. This indicated even though the

initiative influences positively the socio-economic livelihood of the community, much need to be done.

Table 4.12: Frequency of Bangla-Pesa usage in business transactions in the community

Response	Frequency	Percentages
Very often	0	0
Somehow often	79	67
Moderate	38	32
Somehow rarely	0	0
Very rarely	1	1
Total	118	100%

Source: Researcher 2015

Arising from the table there is frequent usage of Bangla-Pesa usage in business transactions in the community. This is shown by 79 (67%) of the Bangla-Pesa users respondents who indicated that the frequency of Bangla-Pesa usage in business transactions in the community was somehow often while 38 (32%) indicated it to be to moderate. The Bangla-Pesa initiative is used to support the youth through sports for example football, netball and drama. Each winner of the team is given 200 Bangla-Pesa. This helps the youth to keep off from drug and substance abuse. This enhances their socio-economic livelihood.

4.6 Challenges Inhibiting Bangla-Pesa Initiative Application in Eradicating Poverty in Bangladesh Slum

The study investigated the challenges inhibiting Bangla-Pesa initiative application in eradicating poverty. The study investigated if the community members face challenges in the use of Bangla-Pesa. If the community leaders oppose the Bangla-Pesa initiative, the problems faced when using Bangla-Pesa as a complementary currency and not using Kenyan currency, challenges in shifting from Kenyan currency to Bangla-Pesa complementary for business transactions and improving socio-economic livelihood.

Table 4.13: Community members face challenges in the use of Bangla-Pesa

Response	Frequency	Percentages
Faced challenges	1	1
No challenges	117	99
Total	118	100%

Source: Researcher 2015

Arising from the table above 117 (99%) of the Bangla-Pesa users respondents indicated that community members did not face challenges in the use of Bangla-Pesa to no extent while 1 (1%) indicated that they faced challenges. This is because they found the management to be performing in terms of rising awareness of the initiative and solving arising problems. The community initiating the Bangla-Pesa initiative is thought to be Mombasa Republican Council (MRC) members who endanger their lives and businesses. This affects their socio-economic livelihood negatively. There is therefore need to raise community awareness of the benefits of the initiative.

Alder (1995) describes informal settlements as densely populated areas where residents have little or no property rights and often occupy the bottom economic tier of society. These communities face numerous challenges due to glaring socio-economic

marginalization, lack of property rights, poor education levels and minimal access to infrastructure, health and social services.

Table 4.14: Community leaders' opposition to the use of Bangla-Pesa initiative

Response	Frequency	Percentages
Oppose	115	97
Support	3	3
Total	118	100%

Source: Researcher 2015

Arising from the table above, there was less opposition on the use of Bangla-Pesa initiative. This was indicated by 115 (97%) of the Bangla-Pesa users respondents who agreed that the community leaders' oppose the use of Bangla-Pesa initiative while 3 (3%) indicated that they supported. The initiatives management indicated that the leaders opposed the initiative and there was even a court case. There is therefore the need to enhance leadership support in initiating the initiative through awareness. This finding can be related to how community leaders handle different initiative. The scale of housing need in the Philippines is immense. In Cebu, more than half the population is either homeless or landless. The Local Government Code (1991) transferred additional responsibilities to local government, while the Urban Development and Housing Act (1992) sought to encourage greater investment in social housing. Even before that legislation, the Government has established a nationally-financed Community Mortgage Programme, implemented by a wide range of institutions, and which provided subsidized loan finance to regularize and improve low-income squatter settlements. In the Philippines, it has so far assisted 100,000 families to legalize their land tenure (Urban Governance and Urban Poverty, 2001).

Table 4.15: Challenges in shifting from Kenyan currency to Bangla-Pesa complementary for business transactions

Response	Frequency	Percentages
Experienced challenges	12	10
No challenges	106	90
Total	118	100%

Source: Researcher 2015

As arising from table above, there are few challenges faced in shifting from Kenyan currency to Bangla-pesa for business transaction. This is indicated by 106 (90%) of the Bangla-Pesa users respondents who indicated that there were no challenges in shifting from Kenyan currency to Bangla-Pesa complementary for business transactions. They said that it has made business much easier. 12 (10%) experienced challenges such as exchanging Bangla-pesa to Kenya currency in the evening. The business owners indicated that some of them are finding it hard to embrace the currency. The local leadership are also resistant to accept the Bangla-Pesa initiative. This therefore slows down the positive influence of the initiative towards the socio-economic livelihood of the community.

Ruddick (2013) indicated that another challenge is if someone accepts vouchers but then doesn't spend them back into circulation. Therefore the solution the group identified the need for a community liaison that educates and encourages businesses to spend their vouchers on a daily basis. Discussions also identified challenges with administration, the need for guarantors to back up member commitments and systems to deal with problems. One potential benefit of the program identified by participants was steady trading in the

community when Kenyan Shillings were scarce. It was suggested by the community that the program be monitored closely and that the complementary currency could be printed with denominations of 5, 10, 20, and 50 and be called Bangla-Pesa.

4.7 Strategies of Bangla-Pesa Initiative in Alleviating Poverty in Bangladesh Slum

The study examined the strategies of Bangla-Pesa initiative in alleviating poverty. The study sought to find out if the strategies by Bangla-Pesa initiative is sufficient to alleviate poverty, how the community members understand the strategies use by Bangla-Pesa to alleviate poverty. The community members' response to the strategies used by Bangla-Pesa initiative. The study probed if the community has confidence in the strategies used by Bangla-Pesa initiative and if the initiative contributes to future success in improving socio-economic livelihood of the community.

Table 4.16: Sufficiency of the strategies by Bangla-Pesa initiative to alleviate poverty

Response	Frequency	Percentages
Sufficient	118	100
Not sufficient	0	0
Total	118	100%

Source: Researcher 2015

Arising from the table above, the strategies used by Bangla-Pesa initiative to alleviate poverty was sufficient. This implies that the strategies used to implement the Bangla-Pesa initiative is working and therefore the socio-economic livelihood of the community ought to be affected positively.

Availability of resources, income-generating opportunities, and demand for certain products and services may fluctuate seasonally. More gradual and often predictable, trends in politics and governance, technology use, economics, and availability of natural resources, can pose serious obstacles to the future of many livelihoods. These changes impact the availability of assets and the opportunities to transform those assets into a living. Under such conditions, people must adapt existing strategies or develop new strategies in order to survive (UNDP, 2005).

Table 4.17: Community members understanding of the strategies used by Bangla-Pesa to alleviate poverty

Response	Frequency	Percentages
Understand	116	98
Do not understand	2	2
Total	118	100%

Source: Researcher 2015

From the table above, the community members understood the strategies used by Bangla-pesa to alleviate poverty. This is indicated by 116 (98%) of the Bangla-Pesa users respondents understood the strategies used by Bangla-Pesa to alleviate poverty while 2 (2%) did not understand. The community members understand the strategies used by the Bangla-Pesa initiation and therefore must be influencing their socio-economic livelihood.

Jamii Bora has pioneered a holistic, bottom-up strategy that has empowered hundreds of thousand women and men all over Kenya to meet their basic needs on a sustainable basis (Samaranayake, Budinich and Kayser, 2011).

Table 4.18: Community confidence in the strategies used by Bangla-Pesa initiative in improving their socio-economic livelihood

Response	Frequency	Percentages
Confident	104	88
Not confident	14	12
Total	118	100%

Source: Researcher 2015

There was community confidence in the strategies used by the Bangla-pesa initiative in improving the community socio-economic livelihood. This is indicated by 104 (88%) of the Bangla-Pesa users respondents were confident of the strategies used by Bangla-Pesa initiative in improving their socio-economic livelihood while 14 (12%) were not confident. This implies that the community has confidence in the initiative and therefore is ready to support it to enhance the socio-economic livelihood.

Slum upgrading initiatives in Kenya, have been successful by the Jubilee government has implemented them in order to develop the squalor settlements and improve livelihood in Kenya. One of the most successful slum upgrading programmes locally in Kenya is the Jamii Bora Kaputei town project. This pilot project has attracted a lot of attention domestically and internationally. The project began in 2007, through the development of a new city the Kaputei Town for 10,000 inhabitants. The town and the houses are designed and produced in a way has enabled the very poor to acquire their own house

through affordable housing loans. The project has provided 2000 homes that house at least 10.000 people (Belfrage 2009).

Table 4.19: View of the community on the influence of Bangla-Pesa community initiative on socio-economic livelihood

Response	Frequency	Percentage
Good initiative	102	86
Very good initiative	3	3
Best initiative	13	11
Total	118	100%

Source: Researcher 2015

The level of influence of the Bangla-Pesa initiative on socio-economic livelihood was good initiative. This is indicated by 102 (86%) of the respondents view who said it was good while 13 (11%) indicated it as the best initiative done to enhance their socio-economic livelihood. This implies that the initiative is influencing the socio-economic livelihood of the community.

Working complementary to, and not in place of, the government backed Kenyan shilling means the Bangla-pesa does not constrict the economy or the people who opt in to the system. Studies by Koru, the Kenyan non-profit behind the idea, found the spending of shillings in the slum did not shrink after the introduction of the vouchers. Instead, people were able to manage their resources to spend shillings in businesses which were not in the system, improving their lives without extra cost and keeping more people in the slum working, not festering in poverty (Pusateri, 2014).

4.8 Information from Key Informants and Field Observation

The key informant that included the head teachers indicated that the community initiating the Bangla-Pesa initiative is thought to be the out lawed Mombasa Republican Council (MRC) members who endangers their lives and businesses. This affects their socio-economic livelihood negatively. The church also uses it in paying the offerings and the business owners use it in transacting. This therefore means that the socio-economic livelihood of the community is influenced by the Bangla-Pesa initiative. A business woman indicated that she uses the initiative in barter trade through exchange of food and water in her business. She indicated that by using Bangla-Pesa, they save on the use of the Kenya currency.

It was observed that Bangla-Pesa initiative is being used in kiosks, salons, small hotels and water businesses. This implies that the socio-economic livelihood of the people in Bangladesh slum is influenced by the initiative. It was observed that the Bangla-Pesa initiative is used to support the youth through sports for example football, netball and drama. Each winner of the team is given 200 Bangla-Pesa. This helps the youth to keep off from drug and substance abuse. This enhances their socio-economic livelihood.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1. Overview

This chapter of the study summarizes the findings, draws conclusions and also gives recommendations based on the findings of the study. A suggestion for further research is also given at the end of the chapter.

5.2. Summary of Key Findings

The following is a summary of research finding as per the objectives of the study.

5.2.1 Evaluate People's Socio-Economic Livelihood before Bangla-Pesa Initiative

Arising from the findings 111 (94%) of the Bangla-Pesa users respondents agreed that other initiatives before Bangla-Pesa had influence on their socio-economic livelihood. A few (4(3%) indicated that they were undecided on the other initiatives influence on their socio-economic livelihood. Majority 80 (68%) of the respondents agreed that there has been success of the other initiatives before Bangla-Pesa initiative towards sustainable development while 37 (31%) were undecided. Majority 103 (87%) of the Bangla-Pesa users respondents agreed that the community were commitment towards other initiatives before Bangla-Pesa initiative while a few 14 (12%) were undecided on whether the

community was commitment to other initiatives before Bangla-Pesa initiative. Majority 113 (96%) of the Bangla-Pesa users respondents agreed that community were aware of other initiatives before Bangla-Pesa initiative to a large extent while a few 5 (4%) disagreed that the community were aware of the other initiatives before Bangla-Pesa initiative. Majority 81 (68%) of the Bangla-Pesa users respondents indicated that the local leaders' support of the other initiatives before Bangla-Pesa initiative was strong while a few 34 (29%) were indicated it as moderate. Majority 91 (77%) of the Bangla-Pesa users respondents indicated that they were satisfied with other initiatives before Bangla-Pesa initiative while a few 24 (20%) indicated that they were somehow satisfied. Majority 81 (68%) of the Bangla-Pesa users respondents agreed that there was growth of other initiatives before Bangla-Pesa initiative while a few 35 (30%) indicated were undecided.

5.2.2 Assess the Effects of Bangla-Pesa Initiative in People's Socio-Economic Livelihood

Arising from the findings 80 (68%) of the Bangla-Pesa users respondents agreed that there is socio-economic effect of Bangla-Pesa initiative to the community while a few 38 (32%) strongly agreed that there was socio-economic effect of Bangla-Pesa initiative to the community. This means that the Bangla-Pesa initiative positively influence the socio-economic livelihood of the community. Majority 76 (64%) of the Bangla-Pesa users respondents agreed that there is success of Bangla-Pesa initiative to the Bangladesh community while a few 32 (27%) strongly agreed that there is success of Bangla-Pesa initiative to the Bangladesh community. Majority 83 (71%) of the Bangla-Pesa users respondents agreed that there was growth of Bangla-Pesa to the community while a few 11 (9%) strongly

agreed that there was growth of Bangla-Pesa to the community. Majority 78 (66%) of the Bangla-Pesa users respondents agreed that the commitment of the community towards the use of Bangla-Pesa while a few 33 (28%) were undecided on the commitment of the community towards the use of Bangla-Pesa. Majority 72 (61%) of the Bangla-Pesa users respondents agreed that there was community willingness to use Bangla-Pesa as complementary currency rather than Kenyan currency during transactions while 46 (39%) disagreed. Majority 94 (80%) of the Bangla-Pesa users respondents agreed that there was growth of Business Networks after the use of Bangla-Pesa as a complementary currency while 20 (17%) were undecided towards the statement. Majority 79 (67%) of the Bangla-Pesa users respondents indicated that the frequency of Bangla-Pesa usage in business transactions in the community was somehow often while 38 (32%) indicated it to be to moderate.

5.2.3 Challenges Inhibiting its Application in Eradicating Poverty in Bangladesh Slum

Arising from the findings 85 (72%) of the Bangla-Pesa users respondents strongly disagreed that the community members faced challenges in the use of Bangla-Pesa to no extent while 32 (27%) disagreed. Majority 89 (75%) of the Bangla-Pesa users respondents strongly disagreed that the community leaders' oppose the use of Bangla-Pesa initiative while 29 (25%) disagreed. Majority 108 (92%) of the Bangla-Pesa users respondents disagreed that there are challenges in shifting from Kenyan currency to Bangla-Pesa complementary for business transactions was to little extent while 8 (7%) strongly disagreed.

5.2.4 Strategies of Bangla-Pesa Initiative in Alleviating Poverty in Bangladesh Slum

Arising from the findings 83 (70%) of the Bangla-Pesa users respondents agreed that the sufficiency of the strategies by Bangla-Pesa initiative to alleviate poverty while 35 (30%) disagreed. This implies that the strategies used to implement the Bangla-Pesa initiative is working and therefore the socio-economic livelihood of the community ought to be affected positively. Majority 99 (84%) of the Bangla-Pesa users respondents agreed that community members understanding of the strategies used by Bangla-Pesa to alleviate poverty while 17 (14%) disagreed. Majority 71 (60%) of the Bangla-Pesa users respondents agreed that the community members' response to the strategies used by Bangla-Pesa initiative while 43 (37%) disagreed. Majority 103 (87%) of the Bangla-Pesa users respondents agreed that the community confidence in the strategies used by Bangla-Pesa initiative in improving their socio-economic livelihood while 14 (12%) disagreed. Majority 102 (86%) of the respondents view of the influence of Bangla-Pesa community initiative on socio-economic livelihood was shown as a good while 13 (11%) indicated it as the best initiative done to enhance their socio-economic livelihood.

5.3 Conclusion

It can be concluded from the findings on the effect of socio-economic livelihood before Bangla-Pesa initiative had influence on their socio-economic livelihood. There is success of the other initiatives and the community commitment towards other initiatives before Bangla-Pesa initiative. There is community awareness of the other initiatives before Bangla-Pesa initiative. There was the local leaders' support of the other initiatives before

Bangla-Pesa initiative. There is satisfaction by the community on the other initiatives before Bangla-Pesa initiative. There have been benefits of the initiatives to the community before Bangla-Pesa initiative.

It can be concluded that Bangla-Pesa initiative has influence on the people's socio-economic livelihood. This means that the Bangla-Pesa initiative positively influence the socio-economic livelihood of the community. The success of Bangla-Pesa initiative to the Bangladesh community was also indicated. This implies that the Bangla-Pesa initiative has been initiated successfully and therefore it has influenced the people's socio-economic livelihood. The growth of Bangla-Pesa to the community was also indicated. The head teachers and teachers indicated that the Bangla-Pesa initiative is being used in kiosks, salons, small hotels and water businesses. This implies that the socio-economic livelihood of the people in Bangladesh slum. Bangla-Pesa users' respondents indicated that there is commitment of the community towards the use of Bangla-Pesa. A business woman by the name Marciana indicated that she uses the initiative in barter trade through exchange of food and water in her business. She indicated that by using Bangla-Pesa, they save on the use of the Kenya currency. Bangla-Pesa users respondents indicated that the benefits Bangla-Pesa initiative towards sustainable development. The business owners indicated that the initiative streamlines their businesses. They use it in transacting business. Bangla-Pesa users' respondents indicated that the community willingness to use Bangla-Pesa as complementary currency rather than Kenyan currency during transactions. The head teachers indicated that they use it in their school to pay teachers wages. The church also uses it in paying the offerings and the business owners use it in transacting. This therefore means that the socio-economic livelihood of the community is

influenced by the Bangla-Pesa initiative. Bangla-Pesa users respondents indicated that the growth of Business Networks after the use of Bangla-Pesa as a complementary currency. The frequency of Bangla-Pesa usage in business transactions in the community was high. The Bangla-Pesa initiative is used to support the youth through sports for example football, netball and drama. Each winner of the team is given 200 Bangla-Pesa. This helps the youth to keep off from drug and substance abuse. This enhances their socio-economic livelihood.

The challenges inhibiting its application in eradicating poverty in Bangladesh slum included the Bangla-Pesa initiative being thought to be Mombasa Republican Council (MRC) members which endangers their lives and businesses. This affects their socio-economic livelihood negatively. There is therefore need to community awareness of the benefits of the initiative. Bangla-Pesa users' respondents indicated that the Community leaders' opposition to the use of Bangla-Pesa initiative was a challenge. The initiatives management indicated that the leaders opposed the initiative and there was even a court case. There is therefore the need to enhance leadership support in initiating the initiative through awareness. There are problems faced when using Bangla-Pesa as a complementary currency and not using Kenyan currency. This implies that the usage of Bangla-Pesa is not faced by problems. Therefore the community should support it to enhance their socio-economic livelihood. The challenges in shifting from Kenyan currency to Bangla-Pesa complementary for business transactions. The business owners indicated that some of them are finding it hard to embrace the currency. The local leadership are also resistant to accept the Bangla-Pesa initiative. This therefore slows

down the positive influence of the initiative towards the socio-economic livelihood of the community.

It can be concluded that the strategies used in Bangla-Pesa initiative in alleviating poverty in Bangladesh slum is working. The influence of Bangla-Pesa community initiative on socio-economic livelihood was shown as a good idea to enhance their socio-economic livelihood. Bangla-Pesa users' respondents indicated that the community confidence in the strategies used by Bangla-Pesa initiative in improving their socio-economic livelihood was to a large extent. The community members understand the strategies used by the Bangla-Pesa initiation and therefore must be influencing their socio-economic livelihood. There is sufficiency of the strategies by Bangla-Pesa initiative to alleviate poverty. This implies that the strategies used to implement the Bangla-Pesa initiative is working and therefore the socio-economic livelihood of the community ought to be affected positively.

5.4 Recommendations

The following are the recommendations:

- i. The findings indicated that the local community hesitates to embrace the Bangla-Pesa initiative. Therefore the local leaders (Koru Kenya) should create awareness through barazas and rallies that educate the community on advantages of the initiative.
- ii. The findings revealed that the community was not well aware of the initiative, therefore the government should enhance awareness of the role played by the Bangla-pesa initiative on socio-economic livelihood of the community.

- iii. People living in Bangladesh slums should form social network groups where they meet regularly and thus create trust with one another. In such fora they will discuss factors that predispose them to come up with more community initiatives which will improve their livelihood.
- iv. Increase the resilience among people living in Bangladesh slums by facilitation to access credit by micro-finance organizations and giving them priority in making decisions that affect them. Informal settlement problem can be reduced by legalizing land ownership in the areas concerned with the help of the County government.
- v. There is need for both further and more sustained research and international support to promote legislation and understanding amongst policy makers and regulators to avoid future programme disruptions due to confusion and lack of regulation.

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APPENDICES

APPENDIX I: LETTER TO THE RESPONDENTS

Felix Lungayia Isanya
P.O. Box 10647-00100
Nairobi, Kenya.
10th March 2015.

Bangladesh Community Business Owners,
C/o Koru Kenya
PO Box 84212-80100,
Mombasa, Kenya.

Dear Sir/Madam,

REF: REQUEST TO CONDUCT RESEARCH

I am a student at Moi University Nairobi Campus undertaking Master of Science in Development Studies. As part of course requirement, am required to undertake research on Sustainable development issue. This questionnaire is designed to collect information for use in a study on **Evaluation of Community Initiative on People's Socio-Economic Livelihood in Kenya: Case Study of Bangla-Pesa in Bangladesh Slum, Mombasa County**. Your Business Network has been identified for the use of Bangla-Pesa as a complementary currency with contributes towards sustainable development. You have been selected as one of the business owners for the use of Bangla-Pesa and other business men and women to participate in this study. The researcher assures you that your responses will be treated with strict confidentiality and will only be used for the purpose of this study. You can indicate your response by (√) ticking one of your preferred choice from the given options or state your response in the provided space in the questionnaire. If you wish to receive the outcome of the research please email:felixisanya@yahoo.com. Yours faithfully,

Felix Lungayia Isanya.

APPENDIX II: QUESTIONNAIRE FOR BANGLADESH COMMUNITY

BUSINESS OWNERS

Section I: Socio-demographic Characteristics

1. Please indicate your Gender?

- a) Male () b) Female ()

2. Indicate your category of business owner as in:

- a) 'Man business owner' ()
b) 'Woman business owner' ()

3. Have you used Bangla-Pesa

- a) Yes () b) No ()

4. What is your highest academic qualification?

- a) Degree ()
b) Diploma ()
c) Primary ()
d) d) Other(s) specify.....

5. How long have you used Bangla-Pesa?

- a) 0-2 months ()
b) 5-9 months ()
c) 10-14 months ()
d) 15-19 months ()
e) 1-2 years ()

6. How much do you earn in a month?

- Below 15,000 ()
15,000 – 30,000 ()
Above 30,000 ()

Section II: Evaluation Of Community Initiative on People’s Socio-Economic Livelihood in Kenya: Case Study of Bangla-Pesa in Bangladesh Slum, Mombasa County

The following statements indicate the views on evaluation people’s socio-economic livelihood before Bangla-Pesa. Please use a tick (✓) in the provided five-point scale of to a Strongly Agree (SA), Agree (A), Undecided (UD), Disagree (D) and Strongly Disagree (SD) to evaluate people’s socio-economic livelihood before Bangla-Pesa.

	Evaluation people’s socio-economic livelihood before Bangla-Pesa	SA	A	U D	D	SD
6.	Evaluation of other initiatives before Bangla-Pesa initiative for socio-economic livelihood					
7.	Evaluation of the success of the other initiatives before Bangla-Pesa initiative towards sustainable development					
8.	Evaluation of the community commitment of the other initiatives before Bangla-Pesa initiative					
10.	Evaluation of local leaders support of the other initiatives before Bangla-Pesa initiative					
11.	Evaluation of the satisfaction of the community on the other initiatives before Bangla-Pesa initiative					
12.	Evaluation of the benefits of the initiatives to the community before Bangla-Pesa initiative					
13.	Evaluation of the Growth of the other initiatives before Bangla-Pesa initiative					

14. There is community awareness of the other initiatives before Bangla-Pesa initiative.

Yes () No ()

If Yes, please explain _____

Assessment of the effects of Bangla-Pesa initiative on people's socio-economic livelihood

The following statements indicate the views on the effects of Bangla-Pesa initiative on people's socio-economic livelihood. Please use a tick (✓) in the provided five-point scale of to a Strongly Agree (SA), Agree (A), Undecided (UD), Disagree (D) and Strongly Disagree (SD) to assess of the effects of Bangla-Pesa initiative on people's socio-economic livelihood.

	Effects of Bangla-Pesa initiative on people's socio-economic livelihood	SA	A	U D	D	SD
14.	Assessment of the socio-economic effect Bangla-Pesa initiative has contributed to the community					
15.	Assessment of the success of Bangla-Pesa initiative to the Bangladesh community					
16.	Assessment of the Growth of Bangla-Pesa to the community					
17.	Assessment of commitment of the community towards the use of Bangla-Pesa					
18.	Assessment of the benefits Bangla-Pesa initiative towards sustainable development					
20.	Assessment of the growth of Business Networks after the use of Bangla-Pesa as a complementary					
21.	Assessment of how often is Bangla-Pesa used in business transactions in the community					

14. There is community willingness to use Bangla-Pesa as complementary currency rather than Kenyan currency during transactions.

Yes () No ()

If Yes, please explain _____

Establishment of the challenges inhibiting it's application in eradicating poverty

The following statements indicate the views on the establishment of the challenges inhibiting it's application in eradicating poverty. Please use a tick (√) in the provided five-point scale of to a Strongly Agree (SA), Agree (A), Undecided (UD), Disagree (D) and Strongly Disagree (SD) to establishment of the challenges inhibiting it's application in eradicating poverty.

	Establishment of the challenges inhibiting it's application in eradicating poverty	SA	A	U D	D	DS
22.	Do the community members face challenges in the use of Bangla-Pesa					
23.	Are there community leaders opposing the Bangla-Pesa initiative					
24.	What are the problems faced when using Bangla-Pesa as a complementary currency and not using Kenyan currency					
25.	Did the community have challenges in shifting from Kenyan currency to Bangla-Pesa complementary for business transactions and improving socio-economic livelihood					

Exploration of the strategies of Bangla-Pesa initiative in alleviating poverty

The following statements indicate the views on the Exploration of the strategies of Bangla-Pesa initiative in alleviating poverty.

Please use a tick (✓) in the provided five-point scale of to a Strongly Agree (SA), Agree (A), Undecided (UD), Disagree (D) and Strongly Disagree (SD) to establishment of the challenges inhibiting it's application in eradicating poverty.

	Strategies of Bangla-Pesa initiative in alleviating poverty	SA	A	UD	D	SD
27	Are the strategies by Bangla-Pesa initiative sufficient to alleviate poverty					
28	How does the community members understand the strategies use by Bangla-Pesa to alleviate poverty					
29	Does the community members respond the strategies used by Bangla-Pesa initiative					
30	Does the community have confidence in the strategies used by Bangla-Pesa initiative will contribute to future success in improving socio-economic livelihood of the community					

32. State your general comment on the Bangla-Pesa as a community initiative on People's Socio-Economic Livelihood in Bangladesh slum, Mombasa County, Kenya.

Thank you for your co-operation,

Felix Lungayia Isanya,

Moi University.

APPENDIX III: KEY INFORMANTS SCHEDULE

- a) What determined Bangladesh slum livelihood before Bangla-Pesa initiative?
-
-
-
- b) How has Bangla-Pesa initiative affected socio-economic livelihood of people of Bangladesh slum?
-
-
-
- c) What challenges have been faced in implementing Bangla-Pesa initiative in Bangladesh slum?
-
-
-
- d) What are the appropriate strategies that have been used to sustain Bangla-Pesa initiative?
-
-
-

APPENDIX IV: INTERVIEW SCHEDULE

- a) What determined Bangladesh slum livelihood before Bangla-Pesa initiative?
-
-
-
- b) How has Bangla-Pesa initiative affected socio-economic livelihood of people of Bangladesh slum?

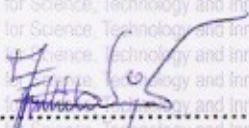

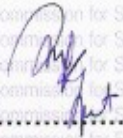
c) What challenges have been faced in implementing Bangla-Pesa initiative in Bangladesh slum?

d) What are the appropriate strategies that have been used to sustain Bangla-Pesa initiative?

APPENDIX V: PICTURE PLATES OF BANGLA-PESA INITIATIVE



APPENDIX VI: PERMIT TO COLLECT DATA

<p>THIS IS TO CERTIFY THAT: MR. FELIX LUNGAYIA ISANYA of MOI UNIVERSITY, 0-100 Nairobi, has been permitted to conduct research in Mombasa County on the topic: EVALUATION OF COMMUNITY INITIATIVE ON PEOPLE'S SOCIO-ECONOMIC LIVELIHOOD IN KENYA: CASE STUDY OF BANGLA-PESA IN BANGLADESH SLUM, MOMBASA COUNTY for the period ending: 31st August, 2015</p> <p> Applicant's Signature</p>	<p>Permit No : NACOSTI/P/15/4063/5356 Date Of Issue : 25th March, 2015 Fee Recieved :Ksh 1,000</p> <p></p> <p> Director General National Commission for Science, Technology & Innovation</p>
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CONDITIONS

1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit
2. Government Officers will not be interviewed without prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice

At the Kenya



REPUBLIC OF KENYA



National Commission for Science,
Technology and Innovation

RESEARCH CLEARANCE
PERMIT

Serial No. A 4640

APPENDIX VII: RESEARCH AUTHORIZATION LETTER



**NATIONAL COMMISSION FOR SCIENCE,
TECHNOLOGY AND INNOVATION**

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Fax: +254-20-318245, 318249
Email: secretary@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

9th Floor, Utalii House
Uhuru Highway
P.O. Box 30623-00100
NAIROBI-KENYA

Ref. No.

Date:

24th March, 2015

NACOSTI/P/15/4063/5356

Felix Lungayia Isanya
Moi University
P.O. Box 3900-30100
ELDORET.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“Evaluation of community initiative on people’s socio-economic livelihood in Kenya: Case study of Bangla-Pesa in Bangladesh Slum, Mombasa County,”* I am pleased to inform you that you have been authorized to undertake research in **Mombasa County** for a period ending **31st August, 2015**.

You are advised to report to **the County Commissioner and the County Director of Education, Mombasa County** before embarking on the research project.

On completion of the research, you are required to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.


**DR. S. K. LANGAT, OGW
FOR: DIRECTOR-GENERAL/CEO**

Copy to:

The County Commissioner
Mombasa County.

The County Director of Education
Mombasa County.



APPENDIX VIII: LETTER FROM THE UNIVERSITY



**MOI UNIVERSITY
SCHOOL OF HUMAN RESOURCE DEVELOPMENT
DEPARTMENT OF DEVELOPMENT STUDIES**

Tel: (053) 43153

P.O Box 63056-00200

Fax: (053) 43153

NAIROBI
KENYA

MU/NRB/SHRD/SA/01

9th March 2015

National Commission for Science, Technology and Innovation
Utalii House
NAIROBI

Dear Sir/Madam,

RE: REQUEST FOR RESEARCH PERMIT
FELIX LUNGAYIA ISANYA – REG. NO. SHRD/PGD/019/13

This is to confirm that the above named is a bonafide postgraduate student of Moi University, School of Human Resource Development, Department of Development Studies. The student is pursuing a Master of Science in Development Studies course offered at Nairobi campus.

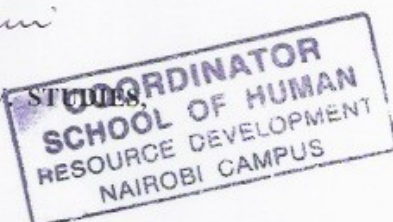
The student successfully defended his proposal and is due to proceed for his research data collection.

The research Title is – **“Evaluation of Community Initiative on People’s Socio-Economic Livelihood in Kenya: Case Study of Bangala-Pesa in Bangladesh Slum, Mombasa County”**

The student is in the process of obtaining a research permit to enable him visit the identified research centers. The University shall highly appreciate any assistance accorded to him.

Yours faithfully,

S. Gachewa
S. GACHEWA
COORDINATOR, DEV. STUDIES
NAIROBI CAMPUS



APPENDIX IX: RESEARCH AUTHORIZATION FROM THE COUNTY



**OFFICE OF THE PRESIDENT
MINISTRY OF INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT**

Telegrams: "PROVINCER", COAST
Telephone: Mombasa 2311201
Fax No.041-2013846
Email: msacountycommissioner@yahoo.com
when Replying please quote

COUNTY COMMISSIONER'S OFFICE
P.O. BOX 90424-80100
MOMBASA
Tel.0722371400

REF. NO. MCC/ADM.25/58

9th April, 2015

TO WHOM IT MAY CONCERN

**RE: RESEARCH AUTHORIZATION
MR. FELIX LUNGAYIA ISANYA – ID/NO. 24755949**

This is to confirm that Mr. Felix Lungayia Isanya, holder of ID Card No. 24755949 has been authorized to carry out research in Mombasa County on "*Evaluation of community initiative on people's socio-economic livelihood in Kenya: Case study of Bangla-Pesa in Bangladesh Slum*" for the period ending 30th August, 2015.

Any assistance given him will be highly appreciated.

Thank you.

**NELSON SOSPETER MARWA
COUNTY COMMISSIONER
MOMBASA COUNTY**

C.C.

Deputy County Commissioners
MOMBASA COUNTY