

Edited by Karin Hofmeester and Pim de Zwart

Colonialism, Institutional Change, and Shifts in Global Labour Relations

Colonialism, Institutional Change, and Shifts in Global Labour Relations

Edited by Karin Hofmeester and Pim de Zwart Cover illustration: Workers in the silver mine in Potosí, an engraving from Theodor de Bry in *Historia Americae sive Novi Orbis*, 1596

© Nancy Carter, North Wind Picture Archives

Cover design: Coördesign, Leiden Lay-out: Crius Group, Hulshout

Amsterdam University Press English-language titles are distributed in the US and Canada by the University of Chicago Press.

 $\begin{array}{lll} {\rm ISBN} & 978\ 94\ 6298\ 436\ 3 \\ {\rm e\text{-}ISBN} & 978\ 90\ 4853\ 502\ 6\ (pdf) \\ {\rm DOI} & 10.5117/9789462984363 \end{array}$

NUR 696



Creative Commons License CC BY NC ND (http://creativecommons.org/licenses/by-nc-nd/3.o)

© The authors / Amsterdam University Press B.V., Amsterdam 2018

Some rights reserved. Without limiting the rights under copyright reserved above, no part of this book may be reproduced, stored in or introduced into a retrieval system, or transmitted, in any form or by any means (electronic, mechanical, photocopying, recording or otherwise) without the written permission of both the copyright owner and the author of the book.

Every effort has been made to obtain permission to use all copyrighted illustrations reproduced in this book. Nonetheless, whosoever believes to have rights to this material is advised to contact the publisher.

Table of Contents

Ac	cknowledgements	9
1	Introduction Colonialism, Institutional Change, and Shifts in Global Labour Relations Karin Hofmeester and Pim de Zwart	11
Pā	art I Labour in the Production of Global Commodities	
2	The Industrialization of the Developing World and Its Impact on Labour Relations, 1840s to 1940s William G. Clarence-Smith	29
3	Economic Institutions and Shifting Labour Relations in the Indian, Brazilian, and South African Diamond Mines **Karin Hofmeester**	67
4	The Global Detour of Cane Sugar From Plantation Island to Sugarlandia <i>Ulbe Bosma</i>	109
5	Threads of Imperialism Colonial Institutions and Gendered Labour Relations in the Textile Industry in the Dutch Empire Elise van Nederveen Meerkerk	135
6	The Triumph of the Peasant Option and the Parasitic Cotton Sector in Malawi, 1891 to 1995 Elias C. Mandala	173

Part II Changing Labour and Land Market Institutions

7	Extractive Economy and Institutions? Technology, Labour, and Land in Potosí, the Sixteenth to the Eighteenth Century *Rossana Barragán*	207
8	Changing Tides Maritime Labour Relations in Europe and Asia Matthias van Rossum	239
9	Wage Labour and Slavery on the Cape Frontier The Impact of the Abolition of Slave Imports on Labour Relations in the Graaff-Reinet District Johan Fourie and Erik Green	265
Pā	art III Monetization and the Payment of Work	
10	Paying in Cents, Paying in Rupees	
	Colonial Currencies, Labour Relations, and the Payment of Wages in Early Colonial Kenya Karin Pallaver	295
11	Colonial Currencies, Labour Relations, and the Payment of Wages in Early Colonial Kenya	295 327
	Colonial Currencies, Labour Relations, and the Payment of Wages in Early Colonial Kenya Karin Pallaver Labour and Deep Monetization in Eurasia, 1000 to 1900	

10 Paying in Cents, Paying in Rupees

Colonial Currencies, Labour Relations, and the Payment of Wages in Early Colonial Kenya

Karin Pallaver

Hofmeester, Karin & Pim de Zwart (eds.), *Colonialism, Institutional Change, and Shifts in Global Labour Relations*. Amsterdam: Amsterdam University Press, 2018

DOI: 10.5117/9789462984363/CH10

Abstract

This chapter focuses on labour relations and the payment of wages in early colonial Kenya. It looks at how colonial money was obtained, saved, and spent by African labourers, and it argues that the circulation and use of different currency denominations was connected to the rhythms of wage and tax payments. The chapter contends that the supply of labourers in the early colonial period was partly determined by the type of currency denominations in which labour was paid and by the ways in which cash earned through waged work was used.

Keywords: Kenya, labour, money, wages, colonialism

Introduction

The history of labour in Kenya has been the subject of numerous studies.¹ As Bruce Berman pointed out, "few historical arenas offer a clearer view of the intersection of powerful social forces with the subjective decisions of determinate actors creating a new and recognizable social and political entity such as "Kenya".² The establishment of white settlers' plantations,

¹ The key works are: Clayton and Savage, Government and Labour; Van Zwanenberg, Colonial Capitalism; Tignor, The Colonial Transformation; Cooper, From Slaves to Squatters; Stichter, Migrant Labour; Mosley, The Settler Economies; Berman, Control & Crisis; Berman and Lonsdale, Unhappy Valley; Okia, Communal Labor.

² Berman, Control & Crisis, p. 49.

together with the demand for workers coming from the colonial state, produced a "perpetual search for labour"³ that lasted from the early twentieth century until the 1950s.4 During the early colonial period, the main concern of the embryonic colonial state was to find cheap labour and to create the conditions for colonial development. In order to control the sources of uncertainty and instability in the labour supply, the colonial state used coercion and expanded the scope and intensity of its intervention.⁵ However, this could not suffice to mobilize the required number of workers. The availability of labourers was connected to the level of taxation, the rhythms of the subsistence agricultural production, and the attractiveness of wages. For African workers, waged labour was a way to access colonial money, and the availability of labourers was therefore largely connected to what they wanted to do with the cash earned. Money, and the ways to obtain it, can therefore provide an analytical tool to explore the development of the colonial economy and of labour relations in early colonial Kenya.

The introduction of a new currency system was one of the most important institutional changes of the early colonial period. It was driven by various economic motivations, including the reduction of transaction costs, the construction of colonial economies, and the increase in control over macroeconomic conditions.⁶ At the same time, it was a way to create a new relationship with the colonial state: the daily use of coins and notes was instrumental in the establishment of a link of authority between the colonial state and its subjects.⁷ Crucial in this process were the imposition of taxes and the payment of wages in the new currency, as well as the monetization of marriage payments and of the ways of accumulating and storing wealth.

This chapter looks at how colonial money was obtained, and then saved or spent in early colonial Kenya. It focuses on how wages were paid and in what currency denomination, on the connection between monetization and the supply of labour, and on the link between colonial taxation and the development of wage labour. It looks at which groups used which means of exchange, for what type of transaction, and at how often wages were paid and in which coins. It argues that the supply of labourers in the early colonial

- 3 Ittmann, Cordell, and Maddox, *The Demographics of Empire*, pp. 8-9.
- 4 Stichter, Migrant Labour, p. 133.
- 5 Berman, Control & Crisis, p. 68.
- 6 Helleiner, *The Making of National Money*, pp. 165-183.
- 7 Herbst, States and Power in Africa, p. 202.

period was also the result of the ways in which the cash earned through waged work was used. The chapter also contends that the circulation of different currency denominations was connected to the rhythms of wage and tax payments.

Rupees, cents and shillings: The introduction of colonial money in the East Africa Protectorate

In the nineteenth century, the area that later became the East Africa Protectorate (EAP) was part of the commercial hinterland of Zanzibar, the development of which had been the result of the commercialization of two main commodities: ivory and slaves. Patterns of trade became highly complex, involving the use of imported currencies at the "interface" between regional economies and the commercial world of Zanzibar. On the coast, the currencies in use were the Maria Theresa thaler and the Indian rupee, and commodity currencies in the interior were mainly glass beads, imported cloth, and metal wire. At the time of the establishment of the EAP in 1895, the area was therefore already monetized, and people had developed specific ways to evaluate and exchange goods and services.

However, the British wanted to introduce a currency that could be issued and centrally controlled by the government, and that could mediate the transactions between the colonial state and its subjects, such as the payment of wages and taxes. After many discussions, it was decided that the Indian rupee was the best option for the EAP. Its choice as the currency of both Uganda and the EAP was considered as a natural consequence of the pre-existing trade relations with the Indian Ocean commercial world, and especially with Zanzibar, that had become the basis of the British commercial interests in the area. In May 1898, the Indian rupee became – together with its fractional coins, annas and pice – the official currency of the EAP.¹⁰

In the first years of colonial rule, the rupee was used for the payment of taxes and wages. Copper pice, instead, thanks to their small value, became the chief form of currency in the markets of the coastal areas. In the

⁸ Jane Guyer introduced the concept of the currency "interface", a point of meeting where difference was maintained, albeit on changing terms. See Guyer, *Money Matters*, p. 8.

^{9~} For an overview on the use of imported commodities as currencies in nineteenth-century East Africa, see Pallaver, "A Recognized Currency".

^{10 &}quot;Order in Council. East Africa Currency", May 19, 1898, The National Archives, London [hereafter, TNA], FO 881 7027 X.

interior, however, colonial currencies had very little circulation, with the exception of the neighbourhood of government stations. With no means of transport other than human porters, carrying coins into the interior was too expensive. It was only after the opening of the Uganda railway in 1902, that colonial coins, and especially the copper pice, were gradually introduced into the interior and had a wider circulation. 12

The circulation of copper pice in the coastal areas presented, however, some problems, especially because of its fluctuating value. The pice was officially sixty-four to the rupee, but from 1898 to 1902 its value fluctuated between sixty-five and eighty-two to the rupee. In order to solve this problem, to limit the circulation of commodity currencies (especially in Uganda, where cowrie shells were the chief currency), and to assist the development of the internal exchange economy, a new monetary system was discussed in the early 1900s and introduced in 1905. 13

The 1905 East Africa and Uganda (Currency) Order in Council, introduced the subdivision of the Indian rupee into cents, and sanctioned, for the first time, the introduction of paper notes. The coins introduced were fifty and twenty-five silver cents, ten and five copper cents, and one and one-half aluminium cents.14 When changes in currency were made, the Treasury in London considered issues of profits, seigniorage, design, and composition, but local administrators were perfectly aware that "complications of currency in the eyes of the natives" could easily hinder the effectiveness of currency policies.¹⁵ The circulation and acceptance of colonial money could be made effective only by the gradual transformation of local economic practices and payments. Workers often refused to be paid in a new denomination when a currency change occurred. In 1909, for example, L. Besson & Co. – a company that ran the Uyombo Mangrove Concession in Mombasa – complained that local workers did not want cents and only wanted pice, and asked for the help of the government in order to make the Currency Order in Council effective.¹⁶

- Sadler to Foreign Office [hereafter, FO], Entebbe, August 14, 1902, TNA FO 2/956.
- 12 Elliot to FO, Nairobi, January 2, 1902, TNA FO 2/956.
- 13 Hopkins, "The Creation", p. 124.
- 14 TNA FO 881/7027X. The 1905 Order in Council regulated the currency situation in the EAP and, for the first time, Uganda. It was aimed at limiting the circulation of cowries in Uganda, as well as the fluctuating value of Indian copper pice in the EAP.
- 15 Bowring to Undersecretary of State, July 3, 1905, TNA CO 533/9.
- 16 L. Besson to Provincial Commissioner Mombasa, Mombasa, January 9, 1909, Kenya National Archives, Nairobi [hereafter KNA] PC Coast 1/1/150.

Colonial money was rejected for various reasons. New currencies were invariably in short supply after their introduction and, generally, they had too high a denomination value to be used in local small transactions.¹⁷ In the case of the East African cents, there were two main problems: the material from which the one and the half-cent coins were made, and the design and exchange rate of the ten-cent coin. Soon after the introduction of the new cents, it was discovered that the aluminium one-cent coins corroded, especially in the coastal areas, "to such an extent as in some cases to be hardly recognizable as coins".¹⁸ In March 1908, the minting of aluminium coins for the EAP was therefore suspended and new one and half-cent nickel-bronze coins were approved.¹⁹

Another problem with cent coins was that people, who had been using Indian currencies for many years, continued to calculate in the more familiar pice instead of in tens and multiple of tens. According to the new convertibility of cents into pice, it was not convenient to carry out transactions with some cent denominations. The basis for every calculation was three cents equalling two pice. In this way, nine cents corresponded to six pice, and twelve cents to nine pice. When someone exchanged his or her ten-cent coin to pice, what they obtained back was six pice, the value of which was actually nine cents. It goes without saying that in these sorts of transactions, one cent was always lost. The only coin that could be exchanged for its exact value was the one-cent piece. That is why, as shown below, this was the currency that was most in demand in the protectorate.

The last important change in the monetary history of the protectorate happened after the end of the First World War, and was determined by the post-war increase in the value of silver and, consequently, of the value of the silver Indian rupee against sterling. As a consequence, from 1919 to 1923, Kenya saw three different currency changes: from the Indian rupee to the East African rupee, to the East African florin, and finally, to the East African shilling, which remained the official currency until independence.²¹

¹⁷ Ekejiuba, "Currency Instability and Social Payments", p. 142.

^{18 &}quot;Extract from a Despatch by the Governor of the East Africa Protectorate to the Secretary of State for the Colonies", July 24, 1908, TNA CO 533/46.

¹⁹ MacCartney to Under Secretary of State, August 27, 1908, TNA CO 33/52. Aluminium coins continued to circulate in the EAP and they ceased to be accepted only after 1 October 1913. See Nairobi, 30 June 1913, KNA PC COAST 1/6/38; Isaac to Mombasa District Commissioner [hereafter DC], Mombasa, December 16, 1909, KNA PC Coast 1/1/154.

²⁰ Kikuyu Quarterly Report, June 1911, KNA DC KBU/1/3.

²¹ Maxon, "The Kenya Currency Crisis"; Mwangi, "Of Coins and Conquest".

Porters, squatters, and government workers: An overview of labour relations in early colonial Kenya

The group working on Africa in the framework of the Global Collaboratory on the History of Labour Relations at the International Institute of Social History, Amsterdam, has highlighted the paucity of sources on labour relations, especially for the period before 1900. The sources for the colonial period, even if more abundant, are often incomplete and provide information on wage workers only. Nonetheless, these sources provide information on the structure of the labour market and a general context for highlighting shifts in labour relations. ²²

On the basis of methodological discussions, as well as the collection of data for several African countries, the group has highlighted how, although important changes in labour relations were triggered by the development of the colonial economy, reciprocal labour remained the dominant labour relation in many African countries after 1800. Another important point that has emerged from the discussion is the development in many African countries of a combination of labour relations, generally reciprocal and commodified labour, which was particularly promoted by the establishment of the colonial economy. In Kenya, the changes in labour relations were a consequence of the development of the settlers' plantation economy after the beginning of the twentieth century, as we will see in this section.²³

At the time of the establishment of the EAP in 1895, the majority of the local population was engaged in reciprocal labour. Wage labour existed, mainly in the coastal towns, where there were tradesmen and artisans – very often slaves – who were usually paid by the job or daily. Given that there was no transport infrastructure, porters formed another class of wage labourers. There were about 10,000 regular porters in the Mombasa area in 1895. Slave labour was used in the coastal plantations.²⁴

With the British occupation, an increasing number of workers were needed to support the government administration and the first colonial commercial ventures. Workers were required as "government stations' hands", soldiers, and porters, as well as in the building of the protectorate's infrastructures, especially the Uganda railway. This was the biggest project

²² Pallaver, "Labor Relations", p. 315.

²³ For an overview of the first results of the research of the Africa group, see the Special Issue of *History in Africa*, 41 (2014), and especially the introduction: Hofmeester, Lucassen, and Ribeiro da Silva, "No Global Labour History".

²⁴ Stichter, Migrant Labour, p. 1; Cooper, From Slaves to Squatters.

undertaken by the British in East Africa in the early colonial period, and was aimed at connecting the Uganda Protectorate with the coast, in order to reduce transport costs and make the administration feasible and less expensive.²⁵

When the construction work started in 1896, very few African labourers volunteered for employment, and those who did, often only for short periods. The Kamba, for instance, worked on three-month contracts, and when the contract expired they generally did not enrol again, preferring to work in their fields or to be employed as porters. The limited availability of labourers depended on a variety of issues. According to Sharon Stichter, access to land in this period was relatively egalitarian, as was the distribution of products. The groups who were rich in foodstuff or cattle had much less material incentive to take up wage work. Periods of crises could increase the availability of labourers, as in the case of the famine that hit the eastern part of the protectorate in 1899, but generally the incentives offered by the British were not enough to mobilize the needed number of workers.

In order to obtain the manpower needed for the railway project, the colonial administration decided to recruit workers from India, although Indian labourers were definitely more expensive than local workers. Unskilled Indian labourers were paid twelve rupees per month, whereas local labourers only received four.²⁹ The main advantage of using Indian labourers was that they worked for longer periods and could therefore guarantee a constant labour supply. In 1896, there were 3,948 Indians employed by the railway, in 1897 there were 6,086, in 1898, 13,003, and in 1901, 18,182.³⁰ With the progress of the railway inland, the number of African labourers increased, from about 1,400 in 1897, to 2,650 in 1898, and slightly decreasing to 2,506 in 1901.³¹ The railway connecting Mombasa to Kisumu, on Lake Victoria, was opened in 1902. After the completion of railway works, about 6,500 Indian labourers remained in the protectorate and many of them opened small bazaars along the railway, forming the nucleus of a class of

²⁵ For the Uganda railway, see Hill, *Permanent Way*; Hardy, *The Iron Snake*; Miller, *The Lunatic Express*; Sood, *Victoria's Tin Dragon*.

²⁶ Whitehouse to O'Callaghan, Mombasa, February 26, 1897, TNA FO 403/258.

 $^{27 \}quad \text{Stichter}, \textit{Migrant Labour}, \text{pp. 9, 17-18.}$

²⁸ Ibid., p. 16.

²⁹ Mombasa, February 28, 1896, TNA FO 403/224.

³⁰ Hill, Permanent Way, pp. 183, 189.

³¹ G. Molesworth, "Report on the Uganda Railway", March 28, 1899, TNA FO 881/7120; see also "Uganda Railway: History of the Undertaking", TNA FO 403/339.

small traders that developed in later years and controlled the import and export trade in the interior regions.³²

In the early colonial period, Africans also found employment in commercial and government porterage. Porters were essential for the colonial enterprise, because they were the only means of transport to carry supplies to the government stations in the interior, as well as to carry commercial goods from Uganda to the coast. Porterage was a quite popular occupation, because of both the level of wages and the good conditions of caravan work. Wages were ten rupees per month with food for porters carrying loads from the coast to Uganda, and five rupees for inland porters.³³ Porters also benefited from a host of regulations introduced by the colonial government in 1896, 1902, and 1910. These, among other things, sanctioned the obligation for a caravan master to take care of sick porters, to give employees a blanket, and to register them.³⁴

The most important turning point in the history of labour in early colonial Kenya was the decision taken by the protectorate's commissioner from 1901 to 1904, Sir Charles Eliot, to encourage white settlement. The establishment of farms run by settlers created a tension that remained at the basis of the Kenyan economy for the following years: the conflicting co-existence of African peasant production with the settlers' demand for cheap African labour.³⁵

Settlers were convinced, given that the government had "invited" them to East Africa, that it was its duty to provide labourers for their undertakings. Therefore, one of the main concerns of the government became to find labourers for the white settlers. Goercion has been identified as one of the chief tools employed by the colonial government to obtain labour. This led to a system of state control on labour that by the 1920s was, in its scope and intensity, greater than in any other British colony in Africa. The entry that the settlers was a supplementation of the colony in Africa.

After 1910, as (globally) conditions of world trade prospered, and (locally) investments increased, more settlers arrived in East Africa. The favourable price of coffee and the expansion of sisal and maize production increased the required number of farm labourers to 100,000.³⁸ This,

³² Spencer, "The First Assault".

³³ Clayton and Savage, Government and Labour, pp. 6-10.

³⁴ Ibid.

³⁵ White settlers' farming fully developed only after WWI. By 1913, three-quarters of export earnings still came from African produce. See Berman, *Control & Crisis*, p. 54.

³⁶ Clayton and Savage, Government and Labour, p. 10; Berman, Control & Crisis, p. 129.

³⁷ Berman, Control & Crisis, p. 143; Berman and Lonsdale, Unhappy Valley, p. 116.

³⁸ Clayton and Ehrlich, "Introduction", p. 1.

together with the development of various government projects, such as the extension of the Uganda railway and the building of piped water delivery system in Mombasa, created one of the first labour crises in the EAP.³⁹ A Labour Commission was established to investigate the reasons behind the labour shortage and, as we will see in the next section, it was discovered that the problem was not only determined by the demand exceeding the supply.⁴⁰

Quantitative sources of data about labour are limited, especially for the period before 1921, but they can nonetheless give an idea of the general magnitude of the wage labour force in relation to the total population. Before the outbreak of the First World War, the total number of workers employed by white farmers was 110,000 in the East Africa Protectorate (or in "the EAP"), whereas the number of people employed by the polity was 3,000 to 5,000 by the Public Works Department and 7,000 by the railway. ⁴¹ In 1914, 24 per cent of the adult male population between the ages of fifteen and forty were in wage employment, but this reached 32 per cent in the South Nyanza province, near to Nairobi. ⁴²

The First World War was a watershed in the economic history of Kenya, as it created a more favourable situation for the white settlers, and at the same time caused a closer incorporation of African peasants into the colonial economy. The value of settlers' exports, especially coffee, sisal, and flax, recovered in 1915 and 1916, compared with the declines of 1913 and 1914. ⁴³ African local production of foodstuff came under the control of the state, owing to the enormous demand for food for troops and porters engaged in the East African Campaign. ⁴⁴

The beginning of military operations in East Africa saw a steady increase in compulsory labour, due to the recruitment of soldiers and carriers for the campaign in neighbouring German East Africa. A total of 201,431 military labourers were employed during the war.⁴⁵ The peak for the

³⁹ Okia, Communal Labor, p. 48.

⁴⁰ The Native Labour Commission interviewed 284 witnesses, among which were 205 Europeans, 64 Africans, and 15 Asians. It is one of the richest sources of data on the history of labour in early colonial Kenya.

⁴¹ Clayton and Savage, *Government and Labour*, p. 65; Berman and Lonsdale, *Unhappy Valley*, p. 107.

⁴² Berman, Control & Crisis, p. 66.

⁴³ Strachan, The First World War, p. 115.

⁴⁴ Overton, "War and Economic Underdevelopment?"; Overton, "War and Economic Development".

⁴⁵ Including 26,193 known dead and 14,000 deserters presumed dead; see Clayton and Savage, *Government and Labour*, p. 88.

employment of compulsory labour was reached in 1918, when 77 per cent of the able-bodied male population in Machakos district, 75 per cent in Kitui, and 54 per cent in Kiambu, had been enrolled. The demobilization started in March 1918, and between 1 April 1918 and 31 March 1919, 73,057 men returned home. It has been calculated that the British employed a total of 1,000,000 porters in the East African Campaign, of whom 200,000 were from the EAP. The war showed that coercion was an effective way to obtain labourers. State conscription provided a supply of porters and soldiers, but at the same time it increased the number of labourers available for the settlers' plantations. If labourers had regular employment, they could avoid conscription.

During the war, the development of squatter labour on settlers' farms became one of the chief features of Kenyan labour relations. Labourers, for the most part Kikuyu, were allowed to settle on a farmer's land with their families, to cultivate a small plot of land, and to herd their cattle. In exchange, they had to provide a certain amount of labour for the white settlers, or services or rent in kind. Following the work of the 1917 Commission, in December 1918, the government introduced a new regulation to control and encourage resident African labour. In order to be entitled to land use, men had to work for the farmer for 180 days per year. The average wage was three rupees per month with rations, corresponding to the lower wage paid to migrant labourers.⁵⁰ This system was convenient for employers, who could obtain the labour needed, especially during the harvesting season, and profitable for the labourers, who could leave the reserves and cultivate their own plot of land.⁵¹ In those early years, many of the Kikuyu squatters became very wealthy in the traditional terms of wives, sheep, cattle, and goats.⁵² By the early 1920s, there were about 130,000 wage workers in the colony, and 100,000 others were squatters. By the 1930s, the number of squatters had increased to 150,000.53

The period between 1919 and 1921 witnessed the most serious crisis in the labour supply in Kenyan history. This was partly due to war conditions, such as the demobilization of porters and carriers, casualties from the

- 46 Stichter, Migrant Labour, p. 38.
- 47 On carriers, see Hodges, *The Carrier Corps*.
- 48 Strachan, The First World War.
- 49 Berman, Control & Crisis, p. 145.
- 50 East Africa Protectorate, Economic Commission.
- 51 Anderson, "Master and Servant", p. 465.
- 52 Clayton and Savage, Government and Labour, p. 129.
- 53 Anderson, "Master and Servant", p. 476.

conflict, and the Spanish influenza virus that followed the war. It was also the result of the expansion of local agricultural production, which made Africans less willing to leave their fields for wage labour. This occurred at the same time as a significant expansion of production by settlers,⁵⁴ which created a huge demand for labourers,⁵⁵ and in turn led to increased state control over the labour system. This had started to emerge before 1914 and culminated in the early 1920s in a massive application of state coercion to favour labour recruitment.⁵⁶

In response to the crisis, Governor Northey, pushed by the settlers, issued a new regulation on labour.⁵⁷ The 1919 Native Authority Amendment Ordinance, known as the Northey Circular, provided for the use of compulsory recruitment of labourers for government works, such as porterage and road construction, for up to sixty days per annum.⁵⁸ Government forced labour was paid, but at wages lower than those prevailing in the private sector, in order not to compete with the settlers.⁵⁹ In the interwar years, the number of forced workers employed under this ordinance averaged 13,693 per annum during the 1920s, and 4,421 in the 1930s.⁶⁰ The 1919 circular also introduced twenty-four days per year of compulsory communal labour. This was work performed for the benefit of local communities, such as the maintenance of roads, and was seen by the colonial government as a form of continuing the traditional duties that Africans owed to their chiefs.⁶¹ Communal and forced labour remained instrumental to the colonial state until independence.⁶²

Children were found in great numbers in many communal labour work projects. In addition to communal labour, they were employed in coffee picking, on sisal estates, and in fuel and ballast camps. Children over the age of nine could be employed only with their parents' authorization and

- 54 Especially sisal, coffee, tea, cattle and sheep, and maize.
- 55 Tignor, The Colonial Transformation, p. 147; Berman, Control & Crisis, p. 145.
- 56 Berman, Control & Crisis, p. 129; Berman and Lonsdale, Unhappy Valley, p. 118.
- 57 Berman, Control & Crisis, p. 145; Okia, Communal Labor, pp. 63ff.; Berman and Lonsdale, Unhappy Valley, pp. 10-11.
- 58 Forced labour for private purposes had been forbidden since 1908, but the government could employ compulsory labourers for public purposes. Under the 1912 Native Ordinance, all Africans were declared liable for sixty days of compulsory labour per year; Stichter, *Migrant Labour*, p. 37.
- 59 Okia, Communal Labor, p. 15.
- 60 Anderson, "Master and Servant", pp. 463-464; Clayton and Savage, *Government and Labour*, p. 153, 200; see also Stichter, *Migrant Labour*, p. 82.
- 61 Okia, *Communal Labor*, p. 65; see also Berman and Lonsdale, *Unhappy Valley*, pp. 110-111; Stichter, *Migrant Labour*, p. 66.
- 62 Okia, Communal Labor, p. 115.

a certificate from the local district commissioner. They could be employed in industrial work only once they had reached twelve years of age, and they had to be fourteen to be allowed to work on machinery.⁶³

The period from 1918 to 1923 was one of coercion by the state, during which the recruitment of labourers was helped by an increase in the population that created population pressures in the reserves, especially in the Kikuyu area. ⁶⁴ In the two decades from 1903 to 1923, the number of male African wage workers increased from 5,000 to 120,000, with an average increase of about 100 per cent per year. ⁶⁵ It then increased to 169,000 by 1926, equating to 33.8 per cent of adult African men between the age of fifteen and forty. In the first three months of 1927, there were 185,409 Africans in European employment, or 34 per cent of the men between the age of fifteen and forty. There were also 30,000 women and children employed in coffee harvesting. In 1929, there were 160,000 wage workers. ⁶⁶ Half of these were employed in commercial agriculture, the rest worked for the state and the railway. The vast majority of them were temporary and unskilled labourers, who worked for a period ranging from three to six months per year.

At the end of the period under examination, labour relations in the EAP were still characterized by the majority of people being employed in reciprocal labour. Many of the labourers employed in the European plantations were combining labour relations, as they were migrant or squatter labourers for a period of three to six months, but worked in their fields for the rest of the year. Compulsory labour was still largely used by the government, but started to decline in the late 1920s.

Despite the coercive role of the state, labour shortages remained endemic in Kenyan history, and became particularly serious after the end of the First World War. ⁶⁷ Labour shortages were commonly explained as a consequence of demand exceeding supply, or with the common stereotype of the lazy or idle "native" that became a basic European belief. However, as we will see in the next section, the attractiveness of wage labour was limited, not only because of the low level of wages and poor working conditions, but also owing to the uses that were made of the colonial money obtained through wages.

⁶³ Stichter, Migrant Labour, p. 102.

⁶⁴ Berman and Lonsdale, *Unhappy Valley*, p. 116.

⁶⁵ Stichter, *Migrant Labour*, p. 30. They worked for an average of six months per year. A series of regulations were introduced by the government from 1910 to 1939 to secure labour. For this, see Anderson, "Master and Servant".

⁶⁶ Berman and Lonsdale, Unhappy Valley, pp. 106-107.

⁶⁷ Van Zwanenberg, Colonial Capitalism, p. 48.

Earning money in early colonial Kenya

In the EAP, Africans could obtain colonial money in three main ways: through wage labour, through the sale of produce, and through the sale of livestock.

Data on wages is sparse and difficult to reconstruct over time. ⁶⁸ However, there is a general consent among historians that the rate of wages in Kenya was not a sufficient incentive to make people leave the reserves or their fields for settler plantations or government works. At the time of the Native Labour Commission Enquiry in 1912-1913, the average wage for thirty days of work in the plantations varied from three rupees with food to six rupees without food, depending on the area. Kikuyu residents on the settlers' land received a wage without food, whereas those coming from the reserves were given one extra rupee per month for food. Skilled workers, such as drivers, could earn seven to ten rupees per month.⁶⁹ Masai herders earned six rupees per month with food.⁷⁰ There were regional variations in the level of wages. Inland plantation workers received between three and five rupees (with or without food), whereas on the coast, the average wage was eight to ten rupees with food.71 This was due to the fact that coastal people, including the Giriama, did not generally work for wages. Migrant labourers, for the most part Kikuyu, therefore went to the coast, in this way obtaining higher pay.⁷²

Wages were generally better when working for African employers. The Kamba, for instance, very rarely worked for Europeans. Instead, they employed Kikuyu labourers to cultivate their own plantations and fields. At the beginning of the colonial period, they paid their labourers with one sheep or goat per month. The Kikuyu then took the sheep or goat back to the Kyambu district, where it could be sold for six rupees. Considering that the average wage in the Kyambu area settlers' farms was four rupees, it was better to work for the Kamba than to be employed locally by the settlers.

⁶⁸ Ibid., p. 36.

⁶⁹ East Africa Protectorate, Native Labour Commission [hereafter NLC], various entries.

⁷⁰ NLC, Witness no. 8, W. Russel Bowker, NLC, pp. 13-15.

⁷¹ NLC, various entries.

⁷² Witness no. 4, P.E. Watcham, *NLC*, pp. 8-9; Witness no. 28, W. McGregor Ross, *NLC*, p. 44. From November 1911 and May 1912, about 6000 Kikuyu went to the coast and 3000 worked for Europeans. See Witness no. 16, G.K. Watts, *NLC*, pp. 26-28.

⁷³ Witness no. 214, C.R.W. Lae, *NLC*, p. 196; Witness no. 10, G.H. Osborne, *NLC*, pp. 17-19; Witness no. 12, A.C. Hill, *NLC*, pp. 20-22; Witness no. 58, G.M. Dean, *NLC*, pp. 80-81.

⁷⁴ Kyambu Quarterly Report, June 1912, KNA Microfilm [hereafter, MF]. There is also evidence of Masai employing Kikuyu as herders, see Witness no. 214, C.R.W. Lae, *NLC*, p. 196.

Wages in government work were generally lower than those paid in the private sector. In 1914, the Public Works Department paid its employees an average wage of two rupees per month. Working conditions were also reported to be very bad. Working for the railway was more profitable. In 1908, the 3,500 labourers working in the construction of the Magadi railway received eight rupees per month.⁷⁵ A favourable aspect of government work was that the monthly wage was paid after around twenty-five days, whereas in the plantations, workers had to work for a full thirty-day month before being paid.

Porters were paid reasonably well. In 1908, there were 4,000 porters employed by safari firms at ten rupees per month. After the outbreak of the First World War, porters became essential for the war effort. In order to attract a sufficient number of them, the government paid carriers at coast rates, between ten and fifteen rupees with rations (which was a rate considerably higher than farm labour). However, as the war progressed, the lack of government funds led the administration to officially reduce the rate to five rupees with rations for the first three months, and six rupees with rations thereafter.

Wages increased slightly at the end of World War I, owing to the acute shortage of labour mentioned above. Unskilled farm labour was paid five rupees on engagement and six to eight rupees after two months, an increase of one to two rupees over 1914 wages. Railway or private wood cutters received from six to ten rupees, cart drives twenty rupees, sweepers and road gangs five rupees, and domestic servants were paid eleven to twelve rupees if employed as garden workers, or twenty rupees as house servants.⁷⁸ However, the purchasing power of these wages was decreasing very rapidly. Together with an increase in the hut and poll tax, the increased wartime prices of consumer goods made them unattainable for Africans, and such goods ceased to provide an incentive to work for some considerable time.⁷⁹ In 1921, wages were nine to eleven shillings (4.5 to 5.5 rupees) per month; they reached twelve to fourteen shillings in 1923, and sixteen to eighteen shillings by the end of the decade. 80 Women and children received two to four shillings less than male labourers, and squatter labourers earned less than half the wages paid to migrant labourers. The purchasing power of

⁷⁵ Clayton and Savage, Government and Labour, p. 43.

⁷⁶ Ibid., p. 35.

⁷⁷ Okia, Communal Labor, p. 58.

⁷⁸ Clayton and Savage, Government and Labour, p. 99.

⁷⁹ Overton, "War and Economic Underdevelopment?", p. 204.

⁸⁰ Berman and Lonsdale, *Unhappy Valley*, pp. 106-107.

these wages was very limited, and with ten shillings per month, there was very little that a labourer could buy.⁸¹ Working for wages, as we will see below, was generally only a way to obtain colonial money to pay taxes or buy livestock, and there was little left over for consumption or saving.⁸²

In the interwar period, wages and their purchasing power remained low. ⁸³ In 1939, in Nairobi – where wages were some of the highest in the colony – the average wage was less than twenty shillings for thirty days of work. It was estimated that at the time, the basic minimum to live in the city was twenty-one shillings per month for a single man and thirty-eight shillings for a married man with two children. Men preferred to work in the rural areas rather than working for such low wages, or they combined labour relations, working in part for wages and in part in the fields. ⁸⁴ The Elgeyo district commissioner noted in 1937 that wages were so meagre that a man went out to work only because of the need for cash to pay bridewealth or tax. ⁸⁵ As we discuss in the next section, cash obtained through wage work was not generally the way to provide for a family, but was instead a way to obtain rapid access to colonial money.

An important point to make is that the money earned from wage labour was very often not comparable with that obtainable from selling produce or stock. It was calculated that in 1903, by growing an acre of potatoes a Kikuyu could earn over ten times what he could if he spent the same time in wage labour. After 1903, with the decrease in produce prices, he could still earn three times as much. §6 Many witnesses to the 1912 Native Labour Commission (NLC) reported that Africans made more money from their *shambas* (fields) than from working for Europeans. §7

In the Nyanza Province, a man could make ten rupees per month by selling his agricultural produce, thanks to the seed distributed by the government. Many of the chiefs of the province who gave evidence to the NLC reported, in fact, that more people were earning money from the sale of produce than from wage work, and that the number of those engaged in cultivating had greatly increased in the previous years. According to one labourer, Onyanga Omolo, few Kavirondo were working for Europeans,

```
81 Van Zwanenberg, Colonial Capitalism, pp. 36-37.
```

⁸² Berman and Lonsdale, *Unhappy Valley*, p. 126.

⁸³ Van Zwanenberg, Colonial Capitalism, p. 36.

⁸⁴ Ibid., p. 40.

⁸⁵ Ibid., pp. 80-81.

 $^{86 \}quad Stichter, \textit{Migrant Labour}, p.~32.$

⁸⁷ Witness no. 13, A.L. Block, NLC, pp. 21-22; see also Berman, Control & Crisis, p. 59.

⁸⁸ Witness no. 1, A.C. Hollis, *NLC*, p. 1; see also Stichter, *Migrant Labour*, pp. 44-45.

because they were working in their *shambas*, and "if a man made good profit out of his produce he spent the money on stock, and started a new shamba to get more money". ⁸⁹ It was noted that "those who cultivated their own shambas made more money than wage earners, for a man could get 30 Rs per month by selling bananas at 25 cents a bunch". ⁹⁰ Those who earned enough money through the sale of produce often employed other people to work for them, in this way further decreasing the number of available labourers. ⁹¹ Chief Amiena noted that the majority of his people owned *shambas* and made a large amount of money, with which they paid their taxes as well as the people working for them. ⁹²

Many of the people interviewed by the NLC attributed the recurrent lack of labourers to the "wealth of the natives", measured by the stock they possessed. According to a missionary, people living in the Nyanza Province had increased their wealth in stock ninefold in a few years. Ha 1912, the secretary of native affairs estimated that if the wealth of the Masai was divided among every Masai man, woman, and child, each would have possessed stock worth at least one hundred pounds. According to him, there was no reason why such wealthy people would work for white settlers. Mr Stone, acting district commissioner in Fort Hall, underlined that every penny coming from wages was invested in cattle, "because they knew that by that means their wealth would increase itself. The natives were rich now."

The rhythms of African agricultural production often conflicted with the demand for labour by the state and the settlers, and were one of the main reasons behind the lack of manpower.⁹⁷ Fewer workers were obtainable with the approach of the rainy season, when work was required to clear and till the fields.⁹⁸ Moreover, when the harvest was good, the number of available labourers declined.⁹⁹ The recurrent lack of workers was therefore also connected to the seasonality and success of agricultural production.

```
89 Witness no. 123, Onyanga Omolo, NLC, p. 131.
```

⁹⁰ Witness no. 147, Malama wa Shundu, NLC, p. 150.

⁹¹ Witness no. 157, Chief Siwachi, NLC, pp. 156-157.

⁹² Witness no. 164, Chief Amiena, *NLC*, pp. 160-161.

⁹³ See, for example, Witness no. 131, M. Reynolds; Witness no. 140, A.A. Carscallan; Witness no. 141, Rev. Father Bouma; Witness no. 143, T.W. Wardle; Witness no. 214, C.R.W. Lae, etc., *NLC*.

⁹⁴ Witness no. 140, A.A. Carscallan, pp. 146-147.

⁹⁵ Witness no. 1, A.C. Hollis, *NLC*, p. 2.

⁹⁶ Witness no. 253, Chief Kioi wa Nogi, NLC, p. 231.

⁹⁷ Okia, Communal Labor, p. 62.

⁹⁸ Witness no. 28, W. McGregor Ross, NLC, p. 44.

⁹⁹ Witness no. 3, Fletcher, *NLC*, pp. 6-7.

According to the final report of the NLC, wages were too low to make African labourers willing to work for Europeans. Nonetheless, the settlers were convinced that higher wages would not increase the labour supply, because a higher wage merely meant that a labourer could earn in one month what he previously could have earned in two months. People could easily earn the cash that they needed through the sale of livestock or agricultural produce, as their "requirements were very small".

Africans were, in fact, considered as "target labourers", as they worked only to meet some specific requirements, such as the payment of taxes, the purchase of particular consumer goods, or the payment of a bridewealth. Once the tax or the bridewealth had been paid, Africans did not offer themselves for wage work again.

Saving and spending money: Bridewealth and taxes

The first report on labour in the EAP, compiled in 1903, already noted that wages paid in cash were immediately spent on stock or to obtain new wives, whereas small amounts were used to buy cloth, beads, and metal wire. Almost every witness giving evidence to the NLC – settlers, workers, chiefs, and colonial officials – agreed on the ways in which money earned through wage labour was spent: cattle and wives. Labourers accepted work far away from their home in order to earn money, which was then sent to their parents or relatives and invested in cattle and other stock. In this way it was possible to save the amount required for bridewealth payments.

Many workers were unmarried, but once married they no longer needed to work, unless they wanted to marry another wife. Young unmarried men were sent out by the chiefs to work, whereas married ones stayed at home and worked in their *shambas* to support their families. According to A.L. Block, a white farmer in Kyambu:

```
100 Witness no. 16, G.K. Watts, NLC, pp. 26-28.
```

¹⁰¹ Witness no. 21, F.O.B. Wilson, *NLC*, pp. 35-36.

¹⁰² Witness no. 8, W. Russel Bowker, NLC, pp. 13-15; see also Stichter, Migrant Labour, p. 133.

¹⁰³ Berman calls this the myth of "target labour", which was used as a justification for coercion in order to obtain labour: see Berman, *Control & Crisis*, p. 144. See also Berman and Lonsdale, *Unhappy Valley*, p. 106. Van Zwanenberg points out that these were not target labourers, but instead "welfare maximizers": see Van Zwanenberg, *Colonial Capitalism*, p. 39.

¹⁰⁴ East Africa Protectorate, Report on Slavery, KNA AG 1/437.

¹⁰⁵ Witness no. 91, Lord Delamere, NLC, pp. 108-111; Witness no. 103, W.M. Griess, NLC, p. 103.

¹⁰⁶ Witness no. 121, Onyango Ojola, NLC, p. 130.

In the Kikuyu reserves there were three classes of natives: those who spent their time drinking beer, the youths from 16 to 20 years old who have to work in order to provide themselves with money with which to buy sheep and wives, and those over 20 who never did anything.¹⁰⁷

Bridewealth was usually paid with stock, although there is evidence of some payments made in cash. Chief Ndeda noted that,

Some married men went out to work for two or three months if not particularly well off. The marriage bridewealth was now being paid in money, instead of stock, varying from 300 Rs to 500 Rs. There were no really poor men in his district, all being cultivators, and a poor man could always make money by working on other people's shambas.¹⁰⁸

A Kikuyu named Karanja wa Kimani, who earned ten rupees per month, said that he was working in order to buy goats, thirty to forty being needed to pay for bridewealth. Wambura wa Ngai, from Dagoretti District, first went out to work in order to be able to buy goats, and paid the bridewealth for one wife with forty goats and three cows, equal in total to seventy goats. When he was interviewed, he was working in order to pay the hut tax for himself and his mother. After paying it, he said he wanted to spend his earnings on goats and cattle, and if he received sufficient in exchange, he wanted to marry another wife. He was working in order to pay the hut tax for himself and his mother. After paying it, he said he wanted to spend his earnings on goats and cattle, and if he received sufficient in exchange, he

Farm labourers, who were generally unmarried and did not have to support a family, could save large amounts of the rupees they earned, as little money was spent while working in the plantations. Food was generally provided by the employer, equal to the amount of one rupee per month. Little was spent on imported goods, with the exception of blankets, cloth, hoes, knives, wire, beads, sugar, tea, and salt. Some labourers reported having saved 75 to 90 per cent of their salary, which they had sent home to buy cattle, sheep, and goats for bridewealth payments. Onyanga Omolo had been working for five months when he gave evidence to the NLC, and said that he had been able to send twenty-four rupees to his mother in

```
107 Witness no. 13, A.L. Block, NLC, p. 22.
108 Witness no. 158, Chief Ndeda, NLC, pp. 156-157.
109 Witness no. 126, Karanja wa Kimani, NLC, p. 133.
110 Witness no. 258, Wambura wa Ngai, NLC, pp. 232-233.
111 NLC, various witnesses.
```

112 Witness no. 80, J.M. Pearson, *NLC*, pp. 102-103; Witness no. 91, Lord Delamere, *NLC*, pp. 108-111.

order to pay bridewealth.¹¹³ A Kavirondo was reported to have taken home 150 rupees after a long period of work.¹¹⁴

According to the Kyambu assistant district commissioner, the Kikuyu were marrying earlier than before. This was attributed to the "peaceful situation of the country", but it is reasonable to believe that this was also due to the fact that money was more easily obtainable by young Kikuyu men through wage labour. Wage labour could be attractive for young men, who left the reserves in order to acquire stock to start their own family. As a consequence, young men could marry earlier, without help from their families to pay bridewealth. 116

Another use of cash was for the payment of taxes. Taxes were seen by the colonial administration as one of the most effective incentives to induce Africans to leave the reserves for European plantations or government work.

A hut tax was first introduced in the coastal areas in 1901, at the rate of one rupee per hut. Initially, the tax could be paid in labour, livestock, or trade goods, but later it had to be paid in cash. The hut tax was increased to three rupees in the Kikuyu and Ukamba districts in 1903, and in the coastal areas in 1905. A three-rupee poll tax began to be collected from 1910, and had to be paid by all men over sixteen not liable to pay the hut tax (those who were not married). The poll tax was first applied in the labour-producing areas, with the eventual aim of increasing the labour supply. In 1915, taxes were increased to five rupees as a consequence of the need to obtain funds for the East African Campaign. At the end of the war, they were increased again, this time reaching eight rupees (sixteen shillings). Following African protests against this increase, the tax was reduced to twelve shillings, which remained the tax rate for almost the whole interwar period.

From 1901 to 1921, taxes and wages increased almost concomitantly, with approximately one month's work needed in order to pay the tax. The starting wage for an unskilled labourer was four to five rupees before 1912, and by 1918-1919 it was five to eight shillings. Before 1925, only one month of work

```
113 Witness no. 119, Onyanga Omolo, NLC, p. 129.
```

¹¹⁴ Witness no. 134, C.B. Clutterbuck, NLC, pp. 141-142.

¹¹⁵ Witness no. 42, C. Dundas, *NLC*, p. 242.

¹¹⁶ Berman and Lonsdale, Unhappy Valley, p. 92; Stichter, Migrant Labour, p. 51.

¹¹⁷ Berman and Lonsdale, Unhappy Valley, p. 104.

¹¹⁸ Berman and Lonsdale, *Unhappy Valley*, p. 42; Stichter, *Migrant Labour*, p. 35. It was extended to the Nyanza province in 1912-1913.

¹¹⁹ Stichter, Migrant Labour, p. 35.

¹²⁰ Berman, Control & Crises, p. 149.

was therefore required to pay the hut or poll tax,¹²¹ and after 1925 even less, as tax remained twelve shillings during the 1920s and 1930s whereas wages increased from sixteen to eighteen shillings in 1929.¹²² However, according to Berman and Lonsdale, the amount of tax equated to more than one month of wage work. Very often, in fact, a man had to pay the hut tax for more than one wife, and also for kin unable to pay the tax on their own. According to the report of the 1927 Labour Commission, the average annual family income in the reserves was 90 to 110 shillings, of which twenty-eight shillings were paid in direct taxes.¹²³

The tax burden made it difficult for married wage labourers to accumulate savings, and ensured that their net income could only supply a subsistence living for their family if they maintained access to land or squatting land. This favoured a combination of labour relations. Contrary to the colonial government's expectations, taxes were therefore not very effective in increasing the number of permanent labourers, as a tax obligation produced only a temporary increase in the labour supply. When it was time to pay the tax, more labourers were available for government or plantation work, but once the tax had been paid, workers disappeared and rarely came back to work.124 The wali (chief) of Kisumu reported that "the majority of workers only worked for two months in a year and when they earned sufficient with which to pay their taxes they returned to the reserves". 125 It was reported that "six sittings of eggs or the sale of a few fowls sufficed to pay the Hut Tax". 126 Especially in the vicinity of towns, such as Nairobi and Mombasa, people could make enough money for the tax by selling food to town dwellers.127 A farmer and trader, Mr J. Drought, sarcastically gave this example:

Consider the case of one of Mr Beech's Kikuyu who has to pay a tax of Rs 3/- per annum. In order to pay the tax he has only to stroll into Nairobi with six live fowls for which if lucky he can secure a rupee a piece or if the market is temporarily glutted he is sure of Rs 3/- for the lot. Is the

¹²¹ The hut and poll tax had the same rate; the hut tax was paid by married men, the poll tax by unmarried men between fifteen and forty years old.

¹²² Stichter, Migrant Labour, p. 35; Clayton and Savage, Government and Labour, p. 28.

¹²³ Berman and Lonsdale, *Unhappy Valley*, p. 114. See also Tignor, *The Colonial Transformation*, pp. 183-185; Berman, *Control & Crisis*, p. 150.

¹²⁴ Witness no. 3, Fletcher, NLC, pp. 6-7; Witness no. 4, P.E. Watcham, NLC, pp. 8-9.

¹²⁵ Witness no. 153, Walli Hassan, NLC, pp. 153-154.

¹²⁶ Witness no. 9, J. Stocker, NLC, p. 15; Witness no. 69, Sheikh Ali bin Salim, Mombasa, NLC, p. 95.

¹²⁷ Witness no. 44, W. Hall, NLC, pp. 65-66.

country any better off because a Kikuyu has sold three or six fowls, the bearing of which has been entirely left to the native fowl responsible for the production of the eggs?¹²⁸

Another common way to meet tax requirements was from the sale of stock.¹²⁹ When the end of tax-collecting time was approaching (taxes had to be collected before the end of the financial year, on 31 March), cattle suddenly became very cheap on the local markets, as people sold cattle to obtain the rupees to pay tax. 130 The Kamba did not willingly work for wages, and when it was time to pay the tax, they obtained their money through selling cattle, goats, and sheep. In 1920 to 1921, a local administrator lamented that the increase in the poll tax to eight florins did not have the effect of making the Kamba more willing to work for wages, as they continued to obtain the necessary money through the sale of stock.¹³¹ The same happened in other districts, such as Baringo and Turkana. 132 The 1923 Annual Report for Kecheliba District, stated that "As in previous years money for the payment of hut tax was obtained almost entirely by the sale of goats and sheep and this continual drain on the stock can not go on infinitely". Archbishop Owen noted that in the early 1930s, the value of cattle, goats, and sheep had dropped by one-fifth, as a consequence of the forced sales to obtain cash for the hut tax.134 In 1936, a Luo chief noted that his people called the tax a "cattle tax", because they always had to dispose of their cattle to pay it. 135

Before the war, in many areas of Kenya the cash needed to pay tax could be made through the sale of produce, such as in the Nyanza province, or of livestock, as did the Masai, Kamba, and Gissi. Berman argues that taxation had a neutral effect: it prompted a rise in domestic production as much as it stimulated wage employment. Taxation could, in fact, be a stimulus for wage work in the reserves, or in those areas where production

¹²⁸ Witness no. 187, J. Drought, NLC, pp. 171-187.

¹²⁹ Witness no. 52, J. Johnston, NLC, pp. 75-76.

¹³⁰ Kitui District Political Record Book [hereafter PRB] December 16, 1909 KNA PC/CP/172/1-2; Baringo District PRB, KNA DC/BAR/3/1.

¹³¹ Kitui District Annual Report [hereafter AR] 1920-1921, KNA PC/CP/172/1-2.

¹³² Baringo PRB, KNA DC/BAR/3/1; Kacheliba District AR 1923, KNA DC/WP/1/1.

¹³³ Kacheliba District AR 1923, KNA DC/WP/1/1. For the Masai, see Report by R.W. Homsted, March, 13, 1918, TNA CO/533/194; Laikipia District Quarterly Report, 1909-1910, KNA MF.

¹³⁴ Quoted in Van Zwanenberg, Colonial Capitalism, p. 95.

¹³⁵ Van Zwanenberg, Colonial Capitalism, pp. 93-94.

¹³⁶ Berman and Lonsdale, Unhappy Valley, p. 92; Van Zwanenberg, Colonial Capitalism, p. 75.

¹³⁷ Berman, Control & Crisis, p. 59.

could not be increased owing to various constraints. ¹³⁸ Or during economic crises, such as those occurring in 1921-1922 and 1930-1935, when taxation became a real hardship and more young men left the reserves and looked for wage labour. ¹³⁹ However, there is a general consent by economic historians regarding the limited effect of taxation in mobilizing wage labour.

As mentioned above, wages were too low compared with the money obtainable through the sale of produce or stock. Wage work was instead a way to obtain a lump sum in cash in a relatively short time, without disposing of the accumulated wealth in cattle. Monthly wages were generally paid by the government or the settlers in rupees, which were then used to pay tax or to buy cattle. Low denomination coins, such as cents, were instead used in the payment of casual labour and for small daily spending. As we will see in the next section, this produced a form of disconnection in the ways in which cents and rupees circulated.

Daily and monthly labour: Paying in cents, paying in rupees

In the early decades of colonial rule, the processes of integrating indigenous modes of production and the Kenyan economy into the metropolitan economy were achieved through the gradual transformation of African households into peasant commodity producers, and the increasing number of Africans employed for wages by British settlers, Indian traders, and the colonial government. The sale of produce and the payment of wages transferred cash from the government, the traders, and the settlers into the hands of Africans. Rupees were associated with government transactions. They were used to pay monthly wages and were the coercive currency of taxes. The rupee was the link between two regimes of value: one originating from the colonial power, which used rupees in assessing the value of labour and in establishing a link of authority over its subjects through taxation, and another originating from inside the colonized society, which used different forms of value in a new monetary setting. Wealth was invested in cattle, whereas rupees mediated between two orders of worth.

¹³⁸ Stichter, *Migrant Labour*, p. 34. See also Berman and Lonsdale, *Unhappy Valley*, p. 92; Okia, *Communal Labor*, p. 10.

¹³⁹ Stichter, Migrant Labour, p. 35.

¹⁴⁰ Maxon, "The Establishment", p. 64.

¹⁴¹ Comaroff and Comaroff, "Colonizing Currencies", p. 170.

¹⁴² For the role of cattle as a way of saving money, see Schneider, *Livestock and Equality*, pp. 60-104.

As discussed at length above, rupees from wages or obtained through the sale of produce were invested in cattle, in order to accumulate wealth or to gain enough money to pay for bridewealth. It was for this reason that migrant farm labourers wanted to be paid with rupee coins, and not with cents. According to some witnesses reporting to the NLC, migrant labourers who were working to accumulate money for bridewealth, preferred to be paid at the end of the month, so that they could have a lump sum with which to buy cattle, sheep, and goats.¹⁴³ They very rarely broke up their rupees before going home or during the return journey from the coast. Cases were reported of labourers who even died of starvation while returning home from coastal plantations, because they did not want to break up their rupees. T. Howitt, a farmer in Kyambu, referred the case of a labourer who, going back home after one month of work, had died of starvation rather than breaking up his four rupees to buy food.¹⁴⁴ Problems of this kind led the government to investigate the matter and sanction that people were provided with food, or cents to buy it, when they left the plantations.¹⁴⁵

Colonial officers were aware of the opportunities offered by the different uses that were made of rupees and cents. The commissioner for public works, G.K. Watts, underlined that workers tended to hoard rupees, whereas they were more willing to spend cents for their daily needs. He suggested that paying workers in small coins could have resulted in the increase of "natives' wants", and therefore, in the long term, of the labour supply. 146 Many settlers were also convinced that employing workers on a daily or weekly basis, rather than monthly, could be an effective way to increase the number of labourers and therefore reduce labour shortages. 147 Those settlers who experimented with the payment of daily wages, seemed, in fact, to be particularly successful in finding labourers. C. Hirtzel, a farmer in Limoru who employed about 300 people, explained that he "had been very successful in getting the labour he required by paying wages daily at the rate of 10 cents. The natives were constantly changing, but they invariably brought substitutes."¹⁴⁸ This created some practical problems. Hirtzel, again, noted that "The drawback to the system had been the necessity of arranging

¹⁴³ Witness no. 13, A.L. Block, *NLC*, pp. 21-22; J. Boyes, a farmer in Kyambu, said that his labourers wanted to be paid only in rupees and not in cents: Witness no. 24, J. Boyes, *NLC*, pp. 61-62.

¹⁴⁴ Witness no. 18. T. Howitt, *NLC*, pp. 31-32. This was confirmed by witness no. 42, O. Dundas, *NLC*, pp. 61-62, and by witness no. 231, R.G. Stone, *NLC*, pp. 211-213.

¹⁴⁵ Witness no. 230, Kogi wa Manyingi, NLC, pp. 210-211.

¹⁴⁶ Witness no. 16, G.K. Watts, NLC, pp. 26-28.

¹⁴⁷ Witness no. 69, Sheikh Ali bin Salim, Mombasa, NLC, p. 95.

¹⁴⁸ Witness no. 60, C. Hirtzel, NLC, pp. 82-84.

for the transport of practically cartloads of nickels with which to pay the labour."¹⁴⁹ Even if the payment of cents was more effective in attracting labourers, transport problems and costs rendered it largely impracticable for the settlers. By contrast, Indian traders – who could more easily obtain cents through petty trade – generally paid their labourers in cents on a daily basis. ¹⁵⁰ Porters employed on a daily basis by the government were also paid in cents. After the building of the railways, porters continued to be widely employed to reach government stations situated far from the main roads. The wages for camp to camp porters were paid daily in cents. ¹⁵¹

Casual labour was therefore a way to get access to small amounts of colonial money, in the form of cents, which were then used for minor daily transactions. People who worked for longer periods were unmarried men (or married men who wanted to marry another wife), who wanted to obtain rupees to buy cattle to pay for bridewealth.

The employment of daily instead of monthly labourers became wide-spread during the years of the Great Depression in the 1930s. Employers had to compete with each other over labour, and one method was to take on men by the day instead of by the thirty-day month. The employment of labour on a daily basis was used particularly during the harvesting season in the coffee plantations. Many Kikuyu women and children, as well as some men, went out from their villages to the farms and returned home at night. These daily labourers were paid by the *debbi*, at in full of coffee. The practice of paying by the *debbi* was particularly beneficial for the labourers. The Thika and Ruiru Farmers' associations noted that in 1925 on the same estate a casual labourer was earning up to fifty shillings per month – twice the average wage – due to the practice of paying by the *debbi*.

Female labourers were also generally employed on a temporary basis, and were usually paid daily or on the basis of piece-work.¹⁵⁷ Mr. T. Howitt,

¹⁴⁹ Ibid.

¹⁵⁰ Clayton and Savage, Government and Labour, p. 30.

¹⁵¹ Acting Provincial Commissioner, Northern Province to Chief Secretary, Entebbe, Masindi, April 4, 1921, Uganda National Archives, Entebbe, A/46/2195.

¹⁵² Van Zwanenberg, Colonial Capitalism, p. 52.

¹⁵³ Ibid., p. 50.

¹⁵⁴ Elspeth Huxley describes the *debbi* in this way: "It is an oblong tin, fourteen inches high by nine inches square [...] It holds four Imperial gallons of petrol or paraffin and has become the standard measure for the sale of linseed oil, plough oil, lard, ghee and honey [...] Coffee pickers are paid by the tin-full." Huxley, *Nine Faces of Kenya*.

¹⁵⁵ Tignor, The Colonial Transformation, p. 176.

¹⁵⁶ Van Zwanenberg, Colonial Capitalism, p. 50.

¹⁵⁷ Witness no. 7, W.H.A. Caine, *NLC*, pp. 11-13.

owner of a farm in Kyambu, employed 135 men at five rupees per month with food and a blanket. He also employed women, but only on a temporary basis: they came from the reserves at eight in the morning and left again at mid-day with a load of firewood each for payment. Women were very rarely hired for long periods, and therefore were generally paid in cents. In the port of Mombasa, women carrying baskets of coal earned one cent per trip. In the coffee plantations, the wives of residential labourers could earn twelve cents per day picking coffee. Women clearly did not need to save money for the same reasons that men did. They earned some money to contribute to the family income and for small daily expenses.

Different layers of society used different denominations and types of coins, not only depending on their wealth but also on the type of transactions. However, whereas workers hired by the government or the farmers for longer periods, for the most part unmarried men or tax target labourers, were paid in rupees. Rupees were used only for some types of transactions, and cents for others, and it was as if people did not consider them as part of the same monetary system. This is exemplified by this quotation by Partington, who writing about the Lumbwa noted that:

They appreciate rupees as being able to buy with them cattle, sheep and pay taxes. They also appreciate to a certain extent cents being able to buy with them meat in the market or salt or beads. But many of them do not connect the two nor do they realise that cents if a hundred strong are equal to a rupee. ¹⁶²

Small coins are generally more useful than larger ones. As a consequence, demand for small-denomination coins is relatively stronger, and hence they tend to be relatively scarce.¹⁶³ In the EAP, rupees were used when trading high value goods, such as livestock or hides, but in the markets

¹⁵⁸ Witness no. 18, T. Howitt, *NLC*, pp. 31-32.

¹⁵⁹ Clayton and Savage, Government and Labour, pp. 92, 97.

¹⁶⁰ Wages could be also paid in cattle. In the South Nyeri district, labourers were paid in advanced grants of stock. The employee worked until the advanced grant was paid off, on the condition that the employer paid his tax in cash, and "in certain cases the native employee has neither seen, nor can hope to see, any actual cash reward for his work." South Nyeri AR, 1934, as quoted in Van Zwanenberg, *Colonial Capitalism*, p. 54.

¹⁶¹ Lucassen, "Deep Monetisation", p. 78.

¹⁶² H.B. Partington, Lumbwa Kericho District PRB, KNA MF.

¹⁶³ Lucassen, "Deep Monetisation", p. 85.

"a small coin like the (1) cent is found by the inhabitants to answer their humble needs better than any other". 164 Cents circulated more easily than rupees, but they tended to be scarce. Many colonial sources addressed the problem of the continuous lack of cents: they continued to be issued, but there was nonetheless always a shortage. 165 Sources of the period commonly refer to the fact that people "buried" cents, as there was no other way of explaining them vanishing. Complaining about the fact that people in the interior did not want currency in notes, a local administrator said that continuous orders for new cents had to be placed as "it has been found that once cents leave the Office they never return". 166 Cents seemed to disappear once they left the treasury, and unlike rupees, they rarely went back to the government in the form of taxes and fees. Over 100,000,000 one-cent coins were issued between 1906 and 1921 (see Table 10.1), and it was estimated that of the total number of cents issued for the EAP from 1906 to 1921, at least half were "lost". 167

Table 10.1 Value in rupee of the coins in circulation in Kenya and Uganda,
15 February 1921

Indian rupees	Cannot be ascertained. Over 50,000,000 introduced by banks
Silver florins	4,000
50-cent pieces	1,178,600
25-cent pieces	1,392,000
10-cent pieces	4,250,000
5-cent pieces	1,740,000
1-cent pieces	103,200,000

Source: TNA CO 533/257

The wide distribution of low denomination currencies, used for frequent weekly and daily exchanges, can be called "deep monetization", that is, a substantial stock of currency per capita in circulation, consisting of denominations equalling the value of one hour or less of wage work. ¹⁶⁸ As cents were used for the payment of daily and female labour, the

¹⁶⁴ R. Skene to Provincial Commissioner Mombasa, Malindi, September 23, 1913, KNA PC Coast 1/6/23.

¹⁶⁵ See for instance, 'Circular no. 47. Currency Questionnaire', 29 April 1911, KNA DC EBU/1/5/4. 166 Shimoni, January 9, 1922, KNA PC COAST 1/6/65.

¹⁶⁷ Mwangi, "Of Coins and Conquest", p. 783.

¹⁶⁸ Lucassen, "Deep Monetisation", p. 73.

reconstruction of the yearly circulation of small denomination coins, or of the deep monetization in the colony, could provide information on the development and extent of child and female labour as well as of temporary labour.

Conclusion

The introduction of a colonial currency was one of the most important institutional changes of the colonial period. However, as Anthony Hopkins has recently pointed out, institutional change under colonial rule was not solely in response to colonial policies. Colonial rule was negotiated as well as imposed, and institutional change was the product of African initiatives as well as of exogenous causes. 169 The availability of labourers in early colonial Kenya was not only connected to conditions deriving from the colonial state and the economy, such as the attractiveness of wages or the conditions of employment. It was also a consequence of the various motivations that made African workers willing to leave their fields, villages, or reserves in order to obtain cash. More permanent labourers were those who needed colonial money to pay tax or bridewealth. They were for the most part unmarried men, who wanted to obtain cash to buy cattle to pay bridewealth, or men who needed colonial money to pay tax, because they could not increase their agricultural production or sell cattle in order to obtain the money required. For everyday needs, it was sufficient to work daily and to obtain cents. These were then used in the local markets. Women, who worked for wages only for very short periods, were instrumental in favouring the circulation of cent coins, as were casual labourers.

The ways in which colonial money was obtained, accumulated, and spent were connected to economic exchanges deriving from the colonial state and its policies. In the early decades of colonial rule, wages paid in colonial money were not a sufficient incentive to provide the necessary number of labourers for the colonial economy. The availability of wage labour was connected to the specific purposes for which colonial money was earned. The low level of wages, together with the use that was made of colonial money, favoured the development of a combination of commodified and reciprocal labour, as the research carried out by the Global Collaboratory on the History of Labour Relations has also highlighted for other African

countries.¹⁷⁰ State coercion was initially employed to guarantee an adequate supply of labourers, and by the latter half of the 1920s, economic crises, growing population pressure in the reserves, and a growing African taste for consumer imports, ensured an adequate flow of labourers without further state coercion.¹⁷¹ Tributary labour therefore gave way to commodified labour, with workers employed both in the settlers' plantations and in public works. However, wage labour remained mostly impermanent, as African workers were available only for certain periods of time. The group working on Africa in the Global Collaboratory on the History of Labour Relations, has added a 1950 cross-section to those available, in order to provide a better analysis of the changes in labour relations during colonial rule. In the case of the Kenya colony, it was around this cross-section that the labour class was stabilized.¹⁷²

The increased circulation of small-denomination coins is an indication of the growing importance of small producers and traders in the new colonial economy, as well as of the expansion of a casual labour force. It also suggests that African consumers had started to use colonial money to buy imported goods, including lamps, bicycles, blankets, enamelled wares, and European-style clothes. Further research regarding the circulation of the different currency denominations per year could provide a better understanding of the development of female, child, and casual labour in early colonial Kenya, that is, those forms of labour that are not generally included in the official colonial statistics.

Bibliography

Anderson, David M., "Master and Servant in Colonial Kenya", *Journal of African History*, 41 (2000), pp. 459-485.

Berman, Bruce, Control & Crisis in Colonial Kenya: The Dialectic of Domination (Oxford, 1990).

Berman, Bruce, and John Lonsdale, *Unhappy Valley: Conflict in Kenya and Africa, Book One: State & Class* (Athens, 1992).

Clayton, A.D., and C. Ehrlich, "Introduction", in *The East Africa Protectorate: Report* and Evidence of the Native Labour Commission 1912-13 (Nairobi, 1914), pp. 1-19.

¹⁷⁰ See *History in Africa*, 41 (2014).
171 Berman and Lonsdale, *Unhappy Valley*, p. 112.
172 Stichter, *Migrant Labour*, p. 133.

- Clayton, Anthony, and Donald C. Savage, *Government and Labour in Kenya*, 1895-1963 (London, 1974).
- Comaroff, John, and Jean L. Comaroff, "Colonizing Currencies: Beasts, Banknotes, and the Colour of Money in South Africa", in W. van Binsbergen and P. Geschiere (eds), *Commodification, Things, Agency and Identity (The Social Life of Things Revisted)* (Leiden, 2005), pp. 145-174.
- Cooper, Frederick, From Slaves to Squatters: Plantation Labor and Agriculture in Zanzibar and Coastal Kenya, 1890-1925 (New Haven, 1980).
- East Africa Protectorate, Economic Commission: Evidence (Nairobi, 1917).
- East Africa Protectorate, *Native Labour Commission: Evidence and Report* (Nairobi, 1912-1913).
- East Africa Protectorate, Report on Slavery and Free Labour in the British East Africa Protectorate (Nairobi, 1903).
- Ekejiuba, Felicia, "Currency Instability and Social Payments among the Igbo of Eastern Nigeria", in Jane Guyer (ed.), *Money Matters: Instability, Values and Social Payments in the Modern History of West African Communities* (Portsmouth, 1995), pp. 133-161.
- Guyer, Jane (ed.), *Money Matters: Instability, Values and Social Payments in the Modern History of West African Communities* (Portsmouth, 1995).
- Hardy, Ronald, The Iron Snake (London, 1965).
- Helleiner, Eric, *The Making of National Money: Territorial Currencies in Historical Perspective* (Ithaca, 2003).
- Herbst, Jeffrey, *States and Power in Africa: Comparative Lessons in Authority and Control* (Princeton, 2000).
- Hill, M.F., Permanent Way: The Story of the Uganda and Kenya Railway (Nairobi, 1961). Hodges, Geoffrey, The Carrier Corps: Military Labour in the East African Campaign (New York, 1986).
- Hofmeester, K., J. Lucassen, and F. Ribeiro da Silva, "No Global Labour History without Africa: Reciprocal Comparison and Beyond", *History of Africa*, 41 (2014), pp. 249-276.
- $Hopkins, Anthony, "The Creation of a Colonial Monetary System: The Origins of the West African Currency Board", \\ African Historical Studies, 3 (1970), pp. 101-132.$
- Hopkins, Anthony, "The New Economic History of Africa", *Journal of African History*, 50 (2009), pp. 155-177.
- Huxley, Elspeth, Nine Faces of Kenya (London, 1990).
- Ittmann, Karl, Dennis D. Cordell, and Gregory H. Maddox (eds), *The Demographics of Empire: The Colonial Order and the Creation of Knowledge* (Athens, 2010).
- Lucassen, Jan, "Deep Monetisation: The Case of the Netherlands 1200-1940", *Tijdschrift voor Sociale en Economische Geschiedenis*, 11 (2014), pp. 73-121.

Maxon, Robert M., "The Establishment of the Colonial Economy", in W.R. Ochieng and R.M. Maxon (eds), *An Economic History of Kenya* (Nairobi, 1992), pp. 63-74.

- Maxon, Robert M., "The Kenya Currency Crisis, 1919-21 and the Imperial Dilemma", *Journal of Imperial and Commonwealth History*, 17 (1989), pp. 323-348.
- Miller, Charles, *The Lunatic Express* (Nairobi, 1987).
- Mosley, Paul, *The Settler Economies: Studies in the Economic History of Kenya and Southern Rhodesia, 1900-1963* (New York, 1983).
- Mwangi, Wambui, "Of Coins and Conquest: The East African Currency Board, the Rupee Crisis and the Problem of Colonialism in the East African Protectorate", *Comparative Studies in Society and History*, 43 (2011), pp. 763-787.
- Okia, Opolot, Communal Labor in Colonial Kenya: The Legitimization of Coercion, 1912-1930 (Basingstoke, 2012).
- Overton, John, "War and Economic Development: Settlers in Kenya, 1914-1918", *Journal of African History*, 27 (1986), pp. 79-103.
- Overton, John, "War and Economic Underdevelopment? State Exploitation and African Response in Kenya 1914-1918", *International Journal of African Historical Studies*, 22 (1989), pp. 201-221.
- Pallaver, Karin, "Labor Relations and Population Developments in Tanzania: Sources, Shifts, and Continuities from 1800 to 2000", *History in Africa*, 41 (2014), pp. 307-335.
- Pallaver, Karin, "A Recognized Currency in Beads: Glass Beads as Money in 19th-Century East Africa: The Central Caravan Road", in Catherine Eagleton, Harcourt Fuller, and John Perkins (eds), *Money in Africa* (London, 2009), pp. 20-29.
- Schneider, Harold K., *Livestock and Equality in East Africa: The Economic Basis for Social Structure* (Bloomington, 1979).
- Sood, S.V., *Victoria's Tin Dragon: A Railway That Built a Nation* (Cambridge, 2007). Spencer, I.R.G., "The First Assault on Indian Ascendancy: Indian Traders in the Kenya Reserves, 1895-1929", *African Affairs*, 80 (1981), pp. 327-343.
- Stichter, S., *Migrant Labour in Kenya: Capitalism and African Responses*, 1895-1975 (London, 1982).
- Strachan, Hew, The First World War in Africa (Oxford, 2004).
- Tignor, Robert L., Colonial Transformation of Kenya: The Kamba, Kikuyu, and Maasai from 1900-1939 (Princeton, 1979).
- Van Zwanenberg, R., *Colonial Capitalism and Labour in Kenya, 1919-1939* (Nairobi, 1975).