

Economic and Sociocultural Aspects of Cowrie Currency of the Dagaaba of Northwestern Ghana Aspects

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ABSTRACT

The cowrie currency, the dominant medium of exchange in Ghana before the introduction of the West African Pound and, later, the Cedi, is now merely a vestigial relic in virtually all of modern Ghana except among the Dagaaba. This paper provides an insider's perspective on the economic importance and on the unique role of the cowrie currency among the Dagaaba that explains its perpetual presence. Cultural uses create a derived demand for cowries. Government policies result in debasement of the cedi and, together with monetary characteristics of the cowrie, lead to competition between the cedi and the cowrie.

INTRODUCTION

In the history of monetary economics, various commodities have evolved as media of exchange because of their intrinsic characteristics and users' extrinsic beliefs. The traditional roles of the cowrie, a previously important medium of exchange, have faded away in virtually all of present day Ghana with the introduction of the national currency, the cedi. However, among the Dagaaba of Northwestern Ghana, cowries have been part of the people as far back as their history goes. Cowries are still used for both monetary and nonmonetary purposes. There have been very little (if any) documented studies on the history of the Dagaaba (Bodomo 1994: 40), and not any on the role of cowries among the Dagaaba. Johnson (1965: 37) notes that many studies around the world on cowrie currencies are generally examined as 'primitive money'. It is possible that this commodity-money may simultaneously play roles in both monetary and nonmonetary capacities in a society (Kiyotaki and Wright 1989: 941). This is the case with cowries among the Dagaare speaking people of Northwestern Ghana.

Forms of commodity-money, such as the cowrie currency of the Dagaaba, have been described in the literature as 'primitive money' (Einzig 1966). In addition, such simple acephalous societies have been erroneously equated with lawlessness or primitive law (Redfield 1965). Furthermore, where research findings and observations about such people or actions from similar subjects do not conform or

correspond to orthodox methodology, the people or participants in the investigation may be perceived as irrational and lacking intelligence.

Yelpaala (1992) notes that part of the problem of socio-anthropological studies about simple societies like the Dagaaba "lies in the ethnocentricity of outside investigators"; though the native is often the focus of a study, the native "has rarely been the investigator of his own reality" (p. 431). Rather than explaining away this seemingly unexpected or unusual observation among the Dagaaba as 'irrational' and the people appearing to exhibit intellectual shortcomings, this paper examines the "sophistication beyond conventional behaviour" (Aaron 1994: 19; Sen 1977: 341), at least from Dagaaba perspective, for the occurrence of the cowrie currency concurrently with the Ghanaian cedi.

The purpose of this article is twofold: (1) to provide what Yelpaala terms an insider's perspective of the hitherto uninvestigated dual (monetary and nonmonetary) role of the cowrie currency among the Dagaaba; and (2) to discuss the unique roles and monetary characteristics of the cowrie currency which explain its continued presence in the area and which may perpetuate this presence into the future. The rest of the paper is organised as follows: A brief overview of the Dagaaba as a people is presented in the first section. Sections two and three together present a discussion on the nonmonetary and ethnographic roles of cowries. In the fourth section, the form and characteristics of the cowries used by the Dagaaba is described, along with a description of the arithmetic of cowries employed by the people. A discussion of the chronological evolution of currency money in Ghana is presented in section five. Section six discusses the economic importance of cowries in the region. The paper concludes with a summary and a speculation on the future of the cowrie currency.

1. THE DAGAABA

The Dagaare speaking people or Dagaaba (singular: Dagao) dwell in the northwestern corner of Ghana. This area lies between latitudes 12° and 9° 30' North. Variants of the Dagaare language are also spoken in Burkina Faso and in the Côte d'Ivoire (Barker 1986: 70). Barker estimates that 60% of the people are worshippers of traditional African religions, 30% Christian (of which 25% are Catholics) and a little over 3% are Muslims. Yelpaala (1992) estimates the population of Dagaaba to be a little over one quarter of a million. However, it is likely that Yelpaala's figure is an under-estimation due to either inaccurate census data or emigration.¹

Although inheritance patterns among Dagaaba vary according to clan, patrilineal descent largely dictates membership of a lineage. The lineage is the basis for the inheritance of property. Farming and trade or commerce are the main economic

¹ Barker (1986: 79) estimates that over 20% of Dagaaba live in other parts of the country.

activities. The people have small, mainly non-mechanized farms and are dependent on diversified farms and/or off-farm wage incomes for financial sustenance. Commercial fishing is done on the Black Volta river which delineates part of the boundaries between Côte d'Ivoire and Ghana, and Burkina Faso and Ghana. Trade takes place in markets, many of which follow a six-day cycle. Some other towns have market days only on Sundays. Banking services are provided by commercial, development, and rural banks in many district capitals. The Roman Catholic church has also established several co-operative credit unions in most Catholic Parish centres.

2. NONMONETARY ROLES OF COWRIES

Although cowries have been used in many different ways by the Dagaaba, few have been documented. The important nonmonetary uses of cowries by the Dagaaba may be categorised under three broad headings: adornments, *quasi-commerce* and spiritual/religious uses.

2.1 ADORNMENTS

Cowrie shells may be used in adorning or decorating objects. Some of these objects or articles have cultural significance that is unique to the Dagaare speaking people. Cowries may be used in decorating traditional dancing costumes or even ordinary traditional wear. In addition, articles may be decorated for sale to tourists. Articles of importance for tourism include hats, baskets, calabashes and rattles. They may also be used for unique Dagaaba adornments, such as animal skins, animal skin-bags and cowrie beads. They are also used to adorn royal regalia.

2.2 QUASI-COMMERCIAL USES

There are other uses of cowries by the people in the form of 'payments' or contributions for some activities unique to Dagaaba. The Dagaaba do not traditionally regard these as payments. For lack of a better expression I refer to these as *quasi-commercial* uses. Cowrie shells cast at the funeral grounds of a deceased relative is an example. It is believed that a respectable adult who dies may be angry if the assets he/she acquired are all kept away from the funeral site; only to be used by prodigal relatives after the funeral ceremony is all over. Consequently, some cowries along with items such as preserved skulls of hunted wild animals may be displayed at the funeral of the deceased who acquired them. The LoDagaaba (in Burkina Faso) believe that heaven (*dapare*) is "behind the river of death" and the ferryman must be paid in cowries before the deceased is transported across (Goody

1962: 131). This may be one of the reasons for 'giving' cowries to the deceased during a funeral.

The marriage gift, sometimes inadequately or misleadingly given variants of appellations as 'bride-gift', 'bride-wealth', 'bride-price', 'lobola' or wrongly as 'dowry' (Mbiti 1969; 1975), is also considered by many non-Dagaaba scholars as payments made by the groom to the bride's family; hence the term bride-price. Mbiti (1975) prefers the term marriage gift(s):²

...they [marriage gifts] are the outward symbols of a serious undertaking by the families concerned...If the marriage eventually breaks down, many of these gifts are normally returned, as a sign of failure (p. 101).

On the customary significance of the marriage gift to the Dagaaba, Mbiti (1969) puts it very succinctly when he notes that

The institution of this practice is the most concrete symbol of the marriage covenant and security. Under no circumstances is this custom a form of 'payment', as outsiders have so often mistakingly said. African words for the practice of giving the marriage gift are, in most cases, different from words used in buying and selling something in the market place (p. 140).

Where a marriage fails and the woman remarries to a different man, all the marriage gift items given by the divorced husband are returned to him by the new groom through his in-laws. In this case, the marriage gift by the new groom is replicated to reflect, in particular, the cowrie component involved.

The Dagaaba believe that one cannot place a monetary value on humans. This belief is consistent with one side of the cost-benefit analysts' debate on the valuation of human life (Mishan 1988; Landefeld and Seskin 1993: 378). The cowries given to the family of the bride during courtship have spiritual and cultural values and significance different from the outsider's perception.³ An example is the

² Editor's note: The term 'marriage gift' may be used as a cover term for all kinds of marriage transactions. It hides, however, the fact that there are four basic types of marriage transactions: (1) material bridewealth, material transactions from the bridegroom or his kin to the kin of the bride; (2) dowry, material property brought to the conjugal union by the bride; (3) dower, property brought to the marital union by the bridegroom; and (4) groomwealth, property transfer from the bride's kin to that of the bridegroom. Does Mbiti and the author mean all these types of transactions?

³ Although it is not the primary purpose of this paper to debate on whether the Dagaaba marriage gift is a price payment or not, it is important to mention here that the amount of cowries established as marriage gift between any two lineages or clans is a fixed amount and does not vary with time, economic conditions or generations, as would a normal economic transaction. Furthermore, cowries form only a component of the items used in Dagaaba marriage gift, some of these being items for religious sacrifice to their ancestors. Attempts to present the cowrie portion of the gift in its cedi equivalent have not been successful in the past.

role of the *kɔɔ*⁴ and a hen presented during a marriage gift-giving ceremony. Once this is presented and accepted by the bride's family, sex between the couple becomes customarily legalised and any issue arising after this, such as infidelity, has to be customarily arbitrated by the clans or lineages involved.⁵

The role of the *kɔɔ* and the hen constitute the crux of the Dagaaba marriage gift ceremony. This ceremony also uniquely distinguishes the traditional Dagaaba marriage gift from similar marriage institutions within the Mabia ethno-linguistic group in particular and Ghana as a whole. The cowrie component of the marriage gift is a Dagaaba custom and is presently not observed in the other societies in Ghana. This role is an important element of Dagaaba culture and hence makes doing without the cowrie difficult.

Another *quasi-commercial* use of cowries was for gambling. However, it is important to note here that: (1) gambling with cowries is no longer practised; and (2) cowries were used as the **tools** or **instruments** rather than the means of **payment** for gambling.

2.3 SPIRITUAL/RELIGIOUS ROLES

The third category of nonmonetary uses of cowries are for spiritual/religious purposes. Cowries may be used as the embodiment of traditional shrines and gods as well as medicine bags. They are also used in divination and diagnosis as well as treatment and prevention of illnesses. In addition, cowries may be part of the paraphernalia in a healing process. All the uses under this third category are still practised in the present time.

Mzeka (1990) provides a similar identification of the uses of cowries by the Fons of the western grasslands of Cameroon. His classification of the Fon uses are connected with royalty, commerce and the treatment of illnesses. However, from monetary and nonmonetary viewpoints, it appears that the Fons have a relatively limited use of cowries compared to the Dagaaba.

3. SOME OTHER SPECIFIC ETHNOGRAPHIC USES OF COWRIES

The previous section described a categorisation of the nonmonetary uses of cowries by Dagaaba broadly into three classes. Some of these uses, such as for adornments, are essentially artistic and may not be unique to Dagaaba alone. For instance, other Africans such as the Fons of Cameroon along with the Aboriginal people of Canada also adorn many objects with cowrie shells. Specific examples were used above to

⁴ The long vowel *ɔ* in *kɔɔ* rhymes as the *a* in *saw*.

⁵ I owe this point to Daniel Bagah.

provide a clearer understanding of the three broad classes. The aim of this section is to describe some specific ethnographic nonmonetary uses of cowries by the Dagaaba.

Dagaaba believe that death is the gateway to the land of the dead and funerals are important occasions in their society. Cowries are used in various stages of the funeral ceremony. Cowries may be part of the 'payment' to xylophone players and drummers at a funeral. They are also given to the owner of the xylophones and drums that are used at the funeral. Cowries may also be cast before the corpse. This use is similar to what Goody (1962: 77) describes for the LoDagaaba. Again it is important to emphasize that the outside observer may see this function of cowries as payment, but as Mbiti (1969; 1975) notes, the purpose is definitely not a 'money-making' exercise because such cowries collected are customarily restricted as to what it can be spent on. It may also not be exchangeable into Cedis (or any other currency).

Cowries are also used in various purification ceremonies and rituals among Dagaaba and LoDagaaba. One such role is the twenty cowries (*lezare*) given to the woman who conducts the purification ceremony of a widow by the widow's patrikinsfolk. This purification ceremony is important because it is a preparatory rite for the widow to continue to stay and be remarried as a leviratic spouse to a member of her late husband's lineage.

Another popular use of cowries is in divination with soothsayers and spiritualists; similar to psychic consultation in some western societies. Divination among Dagaaba is however different from psychic revelation in various respects. First, clients who consult a diviner are not just ordinary members of the society but must have a special skill to be able to 'work' with and assist the diviner in 'diagnosis' along with the ability to understand the symbolisms and 'language' in the rite. Second, the diviner usually consults a deity (*ngmin*), ferries (*kontonne*) or a shrine (*b□g ngmin*) in the presence of his or her client, which in turn unveils to him what may be communicated to the client. Most importantly, the primary purpose of the divining rite is not a business or a money-making venture for the diviner. Many of such diviners usually inherit the skill from their ancestors.

In the soothsaying rite, five cowries (*anuu*) are cast by the client in front of both parties to formally initiate the divination rite. In most cases, if the client feels the diviner has not 'seen' or 'diagnosed' his problem very well, he informs the diviner and the *anuu* is returned to the client. The significance of the return of the cowries has a connotation similar to the return of the marriage-gift after a marriage fails.

The preceding cultural and ethnographic uses by the Dagaaba create a derived demand for cowries. However, from an economic perspective, these uses make the cowrie a commodity. That is, the derived demand for cowries makes the cowrie a useful commodity but not a currency. Before exploring the economic reasons why the cowrie is used as a currency concurrently with the cedi, it is important to note the *arithmetic* and characteristics of the Dagaaba cowrie. This is the subject of the next section.

4. COWRIE CURRENCY: FORM AND ARITHMETIC

Johnson (1970) notes that the cowrie shells used for commerce in the West African subregion where the Dagaaba are located are mainly the sea shells of *Cypraea moneta* and *Cypraea annulus*, and not the species found along the coast of the Gulf of Guinea. Given the magnitude of the trade with cowries, Johnson suggests that it is possible that the local species along the coast would likely be insufficient in quantity for this purpose. However, scarcity is a virtue in a currency. In an economic sense, the cowrie currency would not have been feasible as commodity-money if such money could be recovered in sufficient quantity from the West African coast. The relatively larger crustacean shells found along the coast of Ghana makes carrying of headloads of such 'money' unprofitable for currency dealers. The cowrie shells used were imported from the Maldive Islands via Morocco and, to a lesser extent, from the East African coast and islands (Johnson 1965).

The cowrie shells used are of different sizes; as small as the size of a pea to an ordinary walnut. The average weight of a cowrie ranges between 0.8-3.5 grams. The value of a cowrie is determined by reciprocal consent and is the same irrespective of size. In other words, the exchange rate between the cedi and the cowrie is not fixed at any specific period, but varies from market to market according to demand and supply. This way of determining the value of the cowrie by demand and supply is consistent with the characteristics of McCallum's (1989) commodity-money. In addition, there are no legal claims on its acceptability for transactions or as a legal tender.

These hard crustacean sea shells are durable and can be stored for use by several generations in a lineage. Given the weight, cowrie shells cannot easily be lost through theft as in the case of fiat (paper) money. However, unlike fiat money, each cowrie is not uniquely verifiable.

The system of counting cowries is referred to as *cowrie arithmetic* (Johnson 1970). Historically, there are two common systems of counting in West Africa. Cowries are counted individually in groups of a specified unit. They are also counted in 'strings' by piercing and threading them on a string in a number according to the local convention. In Cameroon, Mzeka (1990) reports that cowries were usually arranged in strings of a hundred each to make counting and calculations easy.

Cowrie arithmetic among the Dagaaba consists of counting individual unstrung cowrie shells in units of five (*anuu*). In other words, the smallest denomination of the Dagaaba cowrie (*libipilaa*) is *anuu*. *Anuu* was small and flexible enough and hence preferred over the gold dust currency or other media of exchange for small purchases (Meredith 1958). Meredith, reporting after a journey in the 1800s had this to say about the flexibility of the cowrie currency along the coast of Ghana:

Cowries and gold form the medium of exchange; the former [i.e. cowries] are universally esteemed on the sea-coast, from the facility of their being reduced to

a very small sum... Gold cannot be reduced in its native state to such a low exchange; which gives cowries the preference (p. 97).

This explains, in part, why the cowrie currency is still present to this day alongside the Ghanaian cedi in Northwestern Ghana. In counting large quantities of cowries, four units of *anuu* are grouped into twenty cowries (*lezare*). Five units of *lezare* gives a hundred (*k□□*) and ten units of *k□□* gives a thousand (*ture*), etc.

5. EVOLUTION OF CURRENCY MONEY IN GHANA

The use of cowries in West Africa dates as far back as the eleventh century and possibly earlier (Johnson 1965: 37). For instance, Johnson notes that during the nineteenth century, the use of cowries in slave trade plummeted in favour of trade in palm oil. Einzig (1966) reports that other commodity-monies such as gold dust, slaves and several forms of iron currency were used at various times during the 17th century in Ghana. Among the Ashanti in central Ghana, *pawn*⁶ was used extensively as a medium of exchange, probably before the introduction of the gold dust currency.

At independence, Ghana was using the West African pound, the legal tender in the anglophone West African countries of Nigeria, Ghana, The Gambia, and Sierra Leone. On 14th July, 1958, the ruling Convention People's Party (CPP) introduced the Ghana Pound, which exchanged at par with the West African pound. The same CPP government introduced a new currency, the cedi, on 19th July, 1965. The cedi is believed to be derived from a Ghanaian word *sede* for the cowrie. The new currency was also decimalised in which a hundred pesewas were equivalent to a cedi. During the introduction of the new currency, a pound and seven pence of the previous currency exchanged for two cedis and forty pesewas. The National Liberation Council (NLC) government replaced the cedi (C) with the New Cedi (NC) in February 1967. A unit of the new cedi exchanged for C1.20. However, there was a *pro rata* change with international currencies in which the rate of the New Cedi remained unaltered. The 'old' cedi ceased to be legal tender on 23rd May, 1967, while the appellation 'new' was officially dropped from the name of the currency on 19th February, 1972.

There has not been any changes to the name of the currency since 1972. However, a number of governments have replaced all existing currency notes with 'new' cedi notes or withdrawn some denominations of the currency from circulation as occurred during the Rawlings' government in 1982 with the C50 notes. Hutchful (1989) describes this incident as follows:

⁶ According to Einzig (1966), *pawn* is "a garment made of cotton, linen or silk" (p. 145). This was probably the medium of exchange before cowries and, later, gold dust were introduced. The author notes that importation of cowrie currency into the Ashanti empire was abated to prevent competition with gold dust as a currency.

This [slow growth rate in money supply] was combined with several 'revolutionary' initiatives: confiscation of C50 notes [from the citizens] and their conversion into forced loans to the state redeemable over five to ten years; a freeze on all bank balances of C50,000 or over pending investigation of their owners... (p. 101).

Some of these policies resulted in heavy losses to individuals in their attempts to convert cash savings to the new currencies. On some of these occasions, some Ghanaians mostly from the rural areas were deceived with fake currency notes, while others could not exchange their savings within the specified dates. As a result of these experiences, coupled with the persistent high inflation rate and frequent devaluation of the cedi, many Ghanaians now have a very low esteem for the cedi and prefer to, and indeed do, transact some everyday business in other currencies. Yet confidence is an ingredient that is a *sine qua non* to any monetary system. According to Yarbrough and Yarbrough (1988: 585), any money can function in that capacity "only as long as the public has confidence in the monetary unit and in its acceptability as payment for goods and services". The value agents place on and use or hold money depends, in part, on their belief that it will perform the functions for which they hold it (Blanchard and Fischer 1989; Kiyotaki and Wright 1989).

As a result of confiscations and debasement of the cedi, many Ghanaians have resorted to other ways of saving for the future by investing in non-cash assets. Others invest by exchanging cash incomes for the more stable US dollar or British pounds sterling and saving this in preference to the Ghanaian cedi. Among the Dagaaba, converting the cedi currency to cowries offers a secure form of maintaining 'cash' savings. This is more so with the very high inflation rates and the persistent devaluation of the cedi against other currencies including the cowrie currency. For example, while in the 1960s ten cowries exchanged for C0.01, the current rate is ten for C20.00-C40.00.

6. ECONOMIC IMPORTANCE OF THE COWRIE CURRENCY AMONG THE DAGAABA

It is generally accepted by monetary economists that these cowrie currencies function in a monetary sense as 'commodity-money' and are referred to in the monetary economics literature as 'primitive money'. However, Johnson (1970) disagrees on the monetary role cowries play among the Dagaaba in particular and in the West African subregion as a whole:

...the West African cowrie currencies ...are in no sense a 'primitive' money, but a sophisticated form of currency capable of adaptation to the particular needs of West African Trade (p. 17).

Marion Johnson's claim is supported by her field report on cowries made for Northwestern Ghana in 1965. Johnson contends that cowries used by the Dagaaba are

...not a primitive currency in the sense in which, for example, cattle provide a rough and inflexible measure of value in the absence of an organised exchange economy. Cowries ...have been money in exactly the same sense as pesewas and cedis are money today; they were [are] used as medium of exchange in ordinary trading transactions, both large and small (Johnson 1965: 37).

Among the Dagaaba, savings were, and to some extent are, made in cowries, put in storage pots and other suitable containers and placed at convenient places both within and outside the household unit; similar, in a sense, to the usage of (silver) coins in contemporary times. Cowries are also directly convertible into cedis and pesewas.

The use of multiple currencies as media of exchange in a given nation is not uncommon. The use of a foreign currency as a medium of exchange is known in the literature as currency substitution. It is usually "a by-product of high inflation" (Calvo and Végh 1993: 34). Calvo and Végh note that in many Latin American countries as Bolivia, Peru, Mexico and Uruguay, the US dollar is widely used in especially 'big-ticket' transactions. Consequently, in these nations, the phenomenon is referred to as *dollarization*.

The economic importance of currency substitution relates to major and controversial policy issues as: (1) whether or not it should be encouraged; and (2) its impact on the magnitude and variability of inflation. There are few unambiguous solutions to these concerns. Quantifying the magnitude of currency substitution for any country is a difficult task because there is usually little (if any) time series data on foreign currency circulation in the economy (Calvo and Végh 1993). The cowrie currency of the Dagaaba is not different.

The above assertion on the economic role of cowries by Johnson does not imply that the cowrie currency, especially as used by the Dagaaba, is strictly fiat money. McCallum (1989) notes that ideally a monetary material, distinct from commodity-money which can have intrinsic value, should serve in that capacity to the extent that "no intrinsically valuable material is diverted away from consumption or productive uses" (p. 17). Other nonmonetary uses of cowries among Dagaaba make categorising it as money inappropriate.⁷

However, there are two important issues worth noting about the Dagaaba cowries. First, Ludwig von Mises (1963), an Austrian economist explained that all human action is an attempt to move from a less desired state to a more desired state. If trade with cowries was not mutually beneficial, it would not happen. If trade in some activities with cowries occurred (and still persists in modern times) in the presence of the Ghanaian cedi, then it must be the case that participants perceive

⁷ On the differences between fiat money and commodity-money along with the characteristics of each type, see McCallum (1989) and Kiyotaki and Wright (1989).

themselves to be better off in these transactions with the cowrie than with the cedi. Second, non-Dagaaba may be interested in an indigenized central hypothesis that provides a possible explanation for the continued use of cowries among the Dagaaba but not the other Ghanaian tribes who previously used the currency. Johnson (1965) after her epigrammatic report about cowries in northwestern Ghana suggests the need for a "serious study of this long-enduring and wide-ranging currency" because there has not yet been any significant research about the use of cowries by Dagaaba (p. 37).

Monetary policies have an overwhelmingly important impact on the economic life of a nation. Monetary economists recommend tighter control of money stock as the best way of fighting inflation. The presence of the cowrie currency can cloud operating procedures for controlling bank reserves especially where the cowrie currency has a significant monetary impact. Monetary planning is unpredictable in such a case. Thus, the cowrie currency may have important implications on (fiat) money demand and appropriate monetary policy.

The preceding concern suggests an additional important issue for Ghana as a whole. Macroeconomic and fiscal policies are usually influenced by external policy-makers. Such decision-makers may be unaware of the existence of other forms of 'money' in the economy for which they make their policies. Even in industrialised economies where such 'primitive' forms of money do not exist, currency demand is not well understood and a significant proportion of currency holdings simply can not be explained (Sprenkle 1993: 175). This picture may be more complicated for Ghana with the presence of the cowrie currency and the US dollar. Yet, the economics of household currency demand in standard formulations assume that economic agents desire currency for transactions as a simple function of household income and the interest rate forgone by holding currency. If the cowrie currency in circulation is not accounted for, it can have important consequences. Thus, microeconomic theorists may find it difficult to explain unexpected or unusual Dagaaba households' pecuniary behaviour.

Trade using the cowrie currency also has an international socio-economic dimension. The currency is used by other Dagaare speakers living across the Black Volta river in the Côte d'Ivoire and in Burkina Faso. As mentioned earlier, these people share common linguistic and socio-cultural values, and trade within each group and among the groups in the three countries; despite the international boundaries separating them. There can therefore be impacts on capital flows and exchange rates in the countries in which these economic activities occur (Sprenkle 1993).

The strategic location of the Dagaaba in an area that shares borders with the other two French-speaking countries, necessitates the movement of the cowrie currency across the borders for use among the various Dagaare-speakers. There are serious frictions in commuting across the borders of the three nations with unwarranted, illegal human body searches and seizure of large fiat monies by government border officials being a common, rather than an occasional, practice. There has been an artificially overvalued, fixed or pegged exchange rate of the

Communauté Financière Africaine (CFA) franc and, until the 1980s of the Ghanaian cedi. Pegged exchange rates by the respective central banks tend to encourage an alternative market in currency exchange including a trade in cowries. Furthermore, traders who encounter unnecessary difficulties at the border check-points may resort to the cowrie currency as an alternative medium of exchange which is allowed across the border as a traditional commodity-money. Development and international economists therefore have to deal with issues on the implications for capital flows and exchange rates along with size of seigniorage losses and appropriate policy, given the competition of the cowrie currency with 'hard' currencies from the affected countries.

A description of the economic role of cowries among the Dagaaba may be deemed incomplete without a note on its role in exchange for bicycles. The bicycle is probably the most important means of transportation in the whole of Northern Ghana. Thus, every Dagaaba household unit in the rural areas acquires one or (usually) more bicycles as basic assets for the family. Some customers who cannot afford to pay in cedis may arrange to pay in cowries. Some Dagaaba who are not commercial farmers and have limited non-farm incomes may prefer this means of payment because they may have acquired cowrie incomes from traditional 'professions', trades, rituals, etc. Such purchasers may arrange for special payment schemes by instalments; similar to the 'lay-away' scheme in industrialised countries. However, there are numerous occasions in which non-commercial (i.e. occasional) sellers of bicycles sell to only buyers with cowries. This may be the case if the prospective seller needs cowries for a specific purpose as marriage gift.

7. SUMMARY AND CONCLUSION: FATE OF THE COWRIE CURRENCY

The cowrie currency of the Dagaaba is important for an understanding of several economic issues about the Upper West Region of Ghana where they are located and, to a large extent, for the country as a whole. Use of the cowrie as money may have important macroeconomic implications for money demand functions for the Ghanaian cedi. Furthermore, appropriate monetary policy and definitions are concerns that may be clouded by the presence of both cowries and fiat money in the economy.

One of the important issues in monetary economics is why agents hold money. These questions are further complicated for the Ghanaian cedi because the Dagaaba continue to use the cowrie currency concurrently with the Ghanaian cedi. One would have expected that, just as the introduction of commodity-money replaced trade by barter, the introduction of the cedi would have replaced cowries, at least for the common functions for which use of fiat money is better. This expectation is consistent with the observed practice in most parts of the country. However, among the Dagaaba this is not the observed behaviour. There are even some transactions

(such as exchange for bicycles, marriage gifts involving cowries for a woman who remarries, and some transactions involving agents from the three contiguous nations) for which use of the cedi is inappropriate or, at best, discouraged in favour of cowries.

A combination of internal and external (to Dagaaba land) factors affect the use of cowries as commodity-money. These factors seem to provide the *raison d'être* for the continued use of cowries by the Dagaaba and which may sustain their perpetual use. Externally, the persistent high inflation, frequent devaluation of the cedi and trade frictions along with low confidence in the cedi currency and government monetary policies of arbitrary currency changes are factors that tend to sustain and preserve rather than abrogate the use of cowrie as a currency. On the other hand, the infiltration of western religions into the area tend to convert some natives and hence reduce the proportion of the population involved in traditional Dagaaba religious and spiritual practices. This in turn may affect the use of cowries for spiritual/religious purposes.

Among the internal factors, neighbours who cross the international border northwest into Burkina Faso or west into Côte d'Ivoire sometimes trade with the cowrie currency rather than the local currency. First, it seems easier to exchange the cowrie (rather than the foreign) currency for their own fiat currency when the traders return home. When Dagaaba traders, for example, return home from across the border, the *Communauté Financière Africaine* (CFA) franc currency from the neighbouring countries may not provide immediate cash for use or may not be easily convertible to cedis.⁸ Second, there is a flexibility in trading with cowries over fiat money for small purchases or for some *quasi-commercial* activities. Such factors tend to perpetuate the continuous use of cowries in the region.

Numerologically, the numbers three and four are very symbolic in Dagaare culture. The number three is sacredly associated with males and four with females. As noted earlier about the appropriateness of the cowrie currency over gold along the coast of Ghana, *libipilaa* with its uniquely 'low exchange' is a more suitable unit of transaction for this cultural numeracy among the Dagaaba.

Finally, there are certain ethnographic nonmonetary uses of the cowrie which are an inherent part of the culture of the people. Uses for spiritual and religious or marriage gift purposes, for example, are not likely to die out for a long time to come; especially with the growing population. In addition, *libipilaa* being a common cultural currency among the diverse speakers of Dagaare, is preferred over and above the CFA franc and the cedi. In other words, culturally the cedi and CFA franc are perceived as foreign to the Dagaaba. Thus, in a marriage between two families, *libipilaa* would be a more acceptable unit of transaction as far as the culture of both families in the two nations are concerned.

Together, these internal and external factors tend to facilitate and sustain the continual use of cowries as commodity-money among the Dagaaba. Though the

⁸ Where this is possible, it may require tipping bank officials.

strategic location of the people is important, the traditional uses of cowries appear to be the most critical factor that accounts for their perpetual use among the Dagaaba. These uses are unique to the Dagaaba but not the other tribes located along the former cowrie currency trade routes. Religious conversion of the natives and the growing population, along with improved central government monetary policies may, at best, withdraw the cowrie from some uses to critical customary or ethnographic functions.

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