

Category: **poor** Initial wealth ranking: **poor** Code: **GUP07**
IDPM FINANCIAL DIARIES: SUMMARIES
Bangladesh: Rural

interview taken by: Saiful Islam and Eakub date: 17 November 2000

Site: Grampur Uporpur **Principal respondent(s):** Mr M and Mrs R

M is a day labourer of about 40 years of age, with a wife of 29. Sixty taka a day would be his average wage, usually these days without food, rising to 70 at peak times such as the *boro* harvest in May. He farms a scrap of land he's mortgaged in, and share-crops a little more. He takes howlats, and then pays them back as well as he can from day wages, usually quite quickly. He appears a good manager. During the research year he manages to buy the small parcel of land that he had previously mortgaged in, and he builds a new house, too. His wife R sometimes takes in sewing work. M is from another neighbourhood near Uporpur and is living here in his aunt's homestead. He is illiterate and his wife had two years in school. They have two children, a daughter in class six and a second daughter in class three. Somehow his day wages in the early part of 2000 cover fittings for his house (he reuses the old windows and doors, of course), and clothes and books for the girls, as well as inputs for his own *boro* rice farming. He has occasional spells of sickness which stops him working. On the whole, he prospers in a small way. He proudly buys a desk and chairs for his girls to study at. He joins a savings club but is healthily sceptical of its management (unlike S GUP06 or Dulal son of J GUP05). He is well aware of financial services and is clever with them, able to save strongly for a particular purpose such as paying off an expensive loan (of 1,500 taka).

1. Initial household profile:

Name	Relationship to household head	Sex	Age	Highest school grade	Main livelihood activity/ies (or schooling)	Other economic activities
M	self	m	40	none	farm day labour	farming mortgaged-in and sharecropped land
R	wife	f	29	2	home housework	takes in sewing work
Maksuda	daughter	f	11	in class 6	in school	
Sahida	daughter	f	8	in class 3	in school	

2. Significant changes to household profile during research year: none

3. Residence: M is from a nearby village, but has been here for some 8 years

4. Tenure: lives as an '*ulthuli*': someone who is allowed to live on another's land. In his case he lives on his aunt's homestead, in his own hut. He then moves onto a scrap of land that he mortgages in and then buys, and builds his own house. A living room with mud walls, thatch roof and a kitchen room, in good (new) condition

5. Other identities: Muslim

6. Public entitlements: none

7. Food habits: three rice meals a day, fish 5 days a week, meat twice a year

8. Significant assets:

Asset type	Description	Value (if known or estimated)
Homestead Land	initially none	
Farm land (state if irrigated)	none	mortgages and sharecrops in a little

Home (equipment, furnishings etc)	none	new house
Machinery	none	
Livestock	12 chickens	600 taka
Jewellery etc	none	
Other (state)	-	

9. Significant changes to assets during research year: M sold 8 hens (600 taka) in November. He registers 0.15 acres of land in his own name and they build a new house on 0.05 acres of it (and farm the rest). Buys more hens then sold 9 February and 8 more in July. He buys desk and chairs (300 taka total) for the girls August.

10. Income pattern:

Household member	Income source	Frequency	Scale	Comments
M	farm day labour	daily when available	50 taka a day plus food, 50 to 70 a day without	
	farming	seasonal		
R	takes in sewing	occasional		

11. Expenditure pattern:

Expenditure item	Scale	Comments
food	55 taka a day including fuel	
housing	new house built by own labour from found materials 300 taka for a desk and chairs for the girls August	new house built during research year
clothing	75 taka dresses for the girls; 150 shirt for himself at Eid. Sari for wife 320 taka in May. <i>Salwa camise</i> for girls 220 taka May.	bought on shop credit
education	300 taka total in the year: e.g. 100 taka books for the girls. Later, 50 taka exam fees.	
health	205 taka total in the year: e.g. 55 taka on medicines for himself April	bought on shop credit
farming	e.g. 300 taka to transplant paddy, 100 for fertiliser, 100 for water, all February	
other / occasional	-	

12. Financial services/devices used during research year:

Type	Number of instances	Value(s)	Comments
Mud bank	1, continuous	up to about 1,500 taka	
ASCA savings	1	5 taka deposited a week	new in July
Interest free loans taken	5	20 to 400 taka	
Accepting savings as a money guard	1 (before research year)	2,500 taka	for his sister

Private loans taken on interest	1	1,500 taka	
Goods bought on credit	at least 7, frequent	20 to 560 taka	
Selling labour in advance	1	to pay for 20 kg of paddy	
In kind loans taken interest free	2	1.25 and 5 kg rice	

13. Cheating: no

14. Comments on financial services and devices: they think it is a 'botheration' to be in an MFI or Samity: 'if we need money we borrow it from neighbours'. 'Rich people don't put much pressure on very poor people to repay loans'. R thinks that as her girls grow older, so she must save more. H says howlats and loans aren't good, they cause a lot of chatter.

15. Recording financial service transactions: he 'keeps a mental account' in his memory

16. This year compared to previous years: no change: school costs rose fractionally but crops were good

17. Notable events, opinions, behaviour:

Events: He manages to buy the 0.15 acres of land he had previously mortgaged in. They build a new house around the turn of the year.

Transaction summary for M OF UPORPUR (07)

<p><u>Private savings:</u> Mud bank: A: In late June 2000 we find that M has a clay pot to store cash (he hadn't told us before then): in that period he stores 380 taka from chicken sales there, plus 500 saved from wage labour in the period. He plans to use this to pay off an old debt of 1,500 taka.</p>
<p><u>Savings clubs:</u> ASCA savings: A: Ekota Co-op Samity. M (just like S, GUP06 – and Dulal, son of J GUP05) joins this new club in Jul 2000, paying an admission fee of 112 taka. R says that now that the girls are growing up they must start saving more. He deposits 10 taka in late July (two weeks at 5 each). 10 in early Aug. But unlike S and Dulal in late Aug he refuses to deposit because he says the affairs of the club aren't being run properly – there's no proper accounting, and officers are more interested in games and sports than in financial services. Then in early Sep he relents and saves 10 taka more; and 10 more in late Sep.</p>
<p><u>Reciprocal transactions:</u> Interest free loans (howlats) taken: A: M had a small howlat of 20 taka outstanding when we met him, which he paid off in early Oct.</p>
<p>B: In early Nov M borrows 150 taka from his cousin for daily needs, fairly easily. Repaid late Nov.</p>
<p>C and D: Next period, late Nov, M takes, without much difficulty, two small howlats of 30 and 20 from two neighbours to manage daily shopping. Repaid early Dec.</p>
<p>E: In early Feb M borrows 300 taka from his sister to pay for inputs (ploughing, water, fertiliser) for his <i>boro</i> rice planting: he'll repay after the crop. But he manages to give 200 back by the end</p>

of the month, from day wages, and pays the rest in late May.
F: In early Apr he borrows 400 taka from his brother (who lives in another area) and bought paddy to boil and eat and oil to irrigate his crop. His brother gave it quickly. M repays in late May.
<u>Private savings and loan services:</u> Accepting savings as a money guard: A: Two years ago H held 2,500 taka for his sister for 15 days: her house was unsafe to keep cash in, and she had saved up this money to marry her daughter.
Private loan taken on interest: A: R tells us that back in 1999 she took a loan of 1,500 from her brother-in-law (sister's husband) when M was buying land, at a rate of one <i>mon</i> of paddy per 1,000 taka per season. So in early May 2000 she gives an interest payment of 1.5 <i>mon</i> . But they haven't paid down the principle at all. By saving (see above) and by taking advantage of good employment by M in July, they pay the 1,500 taka off in full in late July.
<u>Goods and services on credit:</u> Goods bought on credit: A: In early Dec M takes 500 taka of bamboo and 50 of straw from a supplier on credit, for his new house. 400 of this is paid off late Dec from day wages. Finally fully paid off as late as early Aug 2000.
B: In early Mar M has an Eid al Azha shirt made for 150 taka and a school dress for a daughter for 75, all on credit at a tailors shop. Repaid 115 of this early Apr, and the remainder in late May.
C: He also bought 560 taka of paddy (1.5 <i>mon</i>) paying 300 taka and taking the 260 on credit. Paid off late Mar.
D: For his illness in late Apr he takes 55 taka of medicine on credit. Repaid early next month.
E: In late May he has clothes made for his daughter on part-credit, paying just 100 taka for 220 taka of goods. See F below for repayment.
F: In early July he has more clothes made on credit. Outstanding by then was 240 taka altogether. All this is cleared in late July.
G: M buys 20 taka spices on credit from a shop in early Sep. Repaid by the end of the month.
<u>Employer-related:</u> Selling labour in advance: A: In late Oct M borrows 20 kg of paddy from Latif next door, priced at 160 taka. M will pay off by labour. Two or three others refused him a loan. It is paid off by the end of Nov.
<u>In-kind transactions:</u> In-kind loans taken interest free: A: Wife R has borrowed, also in early Nov, 5 kg of rice from a neighbour; repaid late Nov.
B: In late Jan R borrows 1.25 kg of rice from next door, and refunds quickly.