

Category: **poor** Initial wealth ranking: **upper poor** Code: **DSM06**
IDPM FINANCIAL DIARIES: SUMMARIES
Bangladesh: Urban

interview taken by: Saiful Islam and S K Sinha date: 7 December 2000

Site: Sonaro Mohalla (City Corporation slum) **Principal respondent(s):** Mr S and Mrs R

S, near-landless from Bhola (he has 0.15 acres of land there), is a mason's helper (or reinforcing rod handler) and finds work about 15 days each month, getting 100 taka a day. He came to Dhaka 15 years ago and has been in this slum all along. He has his own hut. His wife R works as a 'bua' (cook-maid) in two houses, and gets a wage of 150 taka a month from one and 100 from the other. Their oldest son Jamal is 16 and was in school but had to leave for poverty and now also works as a mason helper, alongside his father. The pay to father and son is frequently delayed. There is another son, Ayub Ali, 10 and two daughters, Aklima 8 and another, 5, then a last son, 2. S's father, 70, lives with them sometimes (at other times in Bhola), and begs for his living, and though he is often too ill to bring in much he is supposedly self-sufficient that way and not a burden on his son. Indeed, he can sometimes earn enough in Dhaka to support himself later in Bhola. The household's income isn't enough, and they run steadily into more and more debt. This is made worse after S falls from a tree and has to borrow another 8,000 taka, part of it on expensive terms, and when he faces the obligation of borrowing another 10,000 taka (secured by his land) to support the marriage of a relative. A son leaves home but this only removes a main income source (luckily he soon returns). By June R, whose maidservant wage is irregular and uncertain, is feeling the pressure of their debts and the creditors are pressing them regularly. By the end of the research year their debts are at an all-time high and none are being serviced. Things don't look good.

1. Initial household profile:

Name	Relationship to household head	Sex	Age	Highest school grade	Main livelihood activity/ies (or schooling)	Other economic activities
S	self	m	47	none	building metal worker	
R	wife	f	35	none	house maid	
Gagan Sardar	father	m	70	none	begging	lives with them half the year, half in the village
Jamal	son	m	16	later in class 7	building day labour and rickshaw driver	was back in village at start of research year
Ayub Ali	son	m	10	in class 4	in school	
Aklima	daughter	f	8	in class 3	in school	
Fulora	daughter	f	5	-		
Rajib	son	m	2	-		

2. Significant changes to household profile during research year: in January Jamal goes back to the village to enrol in school (class 7) – but after a few weeks he returns and starts rickshaw driving.

3. Residence: from Bhola. Came to Dhaka c. 1985, to this slum.

4. Tenure: own hut on government owned slum land: tin roof on bamboo walls, just one room, condition medium.

5. Other identities: Muslim

6. Public entitlements: they received four lungis and two saris at Eid from an unknown public source

7. Food habits: three rice meals a day, mostly vegetables, fish sometimes, meat once monthly.

8. Significant assets:

Asset type	Description	Value (if known or estimated)
Homestead Land	0.04 acres	used later to guarantee a 10,000 taka loan from his uncle
Farm land (state if irrigated)	none	
Home (equipment, furnishings etc)	fan; timber bed	900 taka
Machinery	none	
Livestock	none	
Jewellery etc	nose stud	200 taka
Other (state)	-	

9. Significant changes to assets during research year: R buys (on hire purchase terms) a used timber cupboard (700 taka) from one of her employers, and she buys a chicken later (70 taka), and Jamal buys a cassette player (600 taka) from rickshaw earnings

10. Income pattern:

Household member	Income source	Frequency	Scale	Comments
S	rod worker	daily when available	100 – 150 taka a day: only 450 taka in 15 days in early December; 1,800 in 15 days in February	
R	maid servant	monthly	2 x 250 taka pm	sometimes less
Jamal	driving rickshaw	daily	c.70 taka a day	
Gagan	begging	daily	15 to 25 taka a day	

11. Expenditure pattern:

Expenditure item	Scale	Comments
food	70 to 80m taka a day	
housing	none this last year	
clothing	400 taka total in the year	
education	200 taka total in the year	
health	2,500 taka total in the year: e.g. 2,000 taka when S falls from a tree	

other / occasional	100 taka to entertain sudden guests April	sourced from a howlat
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12. Financial services/devices used during research year:

Type	Number of instances	Value(s)	Comments
MFI savings	2	1,500 and 20 taka a month	ASA in Bhola and City Corporation
MFI loan	1 before research year	4,000 taka	ASA in Bhola
Saving at home	1, maybe continuous	3,000 taka	
Saving on the person	1	2 to 15 taka	S's pocket money
Mud bank	1	max 10 taka a month	
Remittance to home village	1	e.g. 250 taka sent early April	
ASCA savings	1	unknown	his savings still locked up in a failed Bhola ASCA
Interest free loans taken	9	100 to 10,000 taka	
Private loan taken on interest	5	1,000 to 8,000 taka	
Hire-purchase agreements	1	700 taka	a used cupboard
Goods bought on credit	1	10 kg rice	
Musti chal	1	1 to 1.5 kg rice a week	
In-kind loans taken interest-free	4	1 to 4 kg rice	hard to get
In-kind loans given interest free	3	1 to 3 kg rice	from same people as above

13. Cheating: S says he once didn't get 25,000 taka (may be exaggerated) of work he did as a mason: the contractor said the work was of poor quality so he didn't pay (before the research year)

14. Comments on financial services and devices: R found her experience with ASA on Bhola embarrassing and so no longer wants to join an MFI. She is in local MFI, however, and says she isn't worried that they are not giving loans – she'll go on saving. She 'feels a lot of pain' when lending or borrowing goes wrong, but has to do it because she can't manage without.

15. Recording financial service transactions: 'Chatting about it all we fix it in our memories'.

16. This year compared to previous years: not good: too much illness costing too much money

17. Notable events, opinions, behaviour:

Events: In late December S falls from a tree and badly injures his head: he is off work for some time and has to borrow 2,000 taka at interest and 6,000 from his sisters, for treatment. Son Jamal goes off to Bhola to enrol himself in school in January.

**18. Transaction summary for S OF SONARO MOHALLA (CITY CORPORATION BOSTEE)
(06)**

<p><u>MFI services:</u> <u>MFI savings:</u> A: ASA. Wife R was once in ASA back in her home village in Bhola, joining in 1998 and leaving the same year before coming to Dhaka, when she took her balance of 1,500 taka.</p>
<p>B: City Corporation Samity. R is a member, we hear, and by late Dec 99 has made four months savings of 20 taka each (from her son's rickshaw income in late Dec). There are 40 members arranged in four 10-member groups. They were told by the worker that they'd get loans after three months but there's been no sign of a loan yet so many members are trying to withdraw their savings. Still, R says she'll go on saving and indeed in early Jan she saves 20; late Jan 20; early Feb 20; late Feb 20 (and still no loans!); early Mar 20; late Mar 20; early Apr 20; late Apr 20; nothing in May – away in the village. 20 early Jun; nothing from then on as their crisis deepens, until late Sep when she manages 20 taka again and another 20 in early Oct.</p>
<p><u>MFI Loans:</u> A: ASA. Wife R took a 4,000 taka loan when she was in ASA in Bhola in 1998, but she found the repayments difficult. The ASA workers became angry with her: finally she paid up and left, taking back her 1,500 taka savings (as reported above).</p>
<p><u>Private savings:</u> <u>Saving at home:</u> A: We don't know much about their regular habits. But in the last fortnight of the research year, Oct 2000, S stores in the home 3,000 taka of a 5,000 taka loan he took, as a reserve.</p>
<p><u>Saving on the person: pocket money only</u> A: S keeps a few taka on him for snacks and so on during the working day</p>
<p><u>Mud bank:</u> A: R has bought a mud bank (from before we knew her) and by early Nov 99 she has 5 taka in it and puts in another 5 in late Nov. Then she found they were out of cooking fuel and after trying unsuccessfully to get a howlat to buy some she broke the mud bank. A pity, since she had hoped to save for Eid treats. She doesn't start another during the research year.</p>
<p><u>Remitting to the village:</u> A: R sends 250 taka home in early Apr, earned from housemaid work</p>
<p><u>Savings clubs:</u> <u>ASCAs:</u> A: S was in the 'Bhola Samity' from 1994 to 1997. He says the Secretary and Cashier jointly misappropriated 5,000 taka so he hasn't had his savings back yet.</p>
<p><u>Reciprocal transactions:</u> <u>Interest free loans (howlats) taken:</u> A: In early Dec S borrowed 1,200 from his uncle, to buy food, and medicine for his father. This uncle is 'rich' and often helps S with howlats. After his tree fall S told his uncle he won't be able to repay for some time. Still outstanding at the end of the research year.</p>
<p>B, C and D: In Bhola after his tree fall, S in Jan 2000 took howlats from his three sisters totalling 6,000 taka, though he had to approach each of them four or five times to persuade them. He used this on his return to pay interest on private loan A (see above). Still outstanding at the end of the research year.</p>
<p>E and F: In late Dec R gets a 700 taka howlat from two women after repeated requests. Still</p>

outstanding at the end of the research year.
G: In early Apr R borrowed 100 taka and returned it two days later: it was needed to entertain guests.
H: In early May R borrows 200 taka from a neighbour to finance the trip back to the village. Repaid early Aug.
I: At the same time (late May) and for the same reason (his sister-in-laws marriage) S borrowed 10,000 taka from his uncle to give to his sister-in-law to use as dowry. It is secured against his last bit of land (0.15 acres back in the village). Still outstanding at the end of the research year.
<u>Private savings and loan services:</u>
Private loan taken on interest:
A: In about 1996 S took a loan of 8,000 taka, on 10% a month interest, from a slum neighbour. He hasn't been able to pay the interest for the last three months, when we first meet him in Oct 99. In late Jan he comes back from Bhola with howlats from sisters (C) and pays interest. It had amounted to 9,000 taka by then (just interest) but after negotiation the creditors accept 6,000. The principle remains outstanding and some interest unpaid at the end of the research year.
B and C: When S fell from a tree in Dec 99 and injured his head he had to go to six people before getting a loan of 2,000 taka (1,000 from each of two people) at 10% a month, for treatment. No principal nor interest is paid up to the end of the research year.
D: In late May R – without telling S – borrows 2,000 at 20% a month from a neighbour to cover the costs of attending a family marriage that took place in the village during their visit there. Still outstanding at the end of the research year.
E: In early Oct (the end of the research year) S manages a loan of 5,000 taka form a work mate, at 10% a month. They needed this to cover household costs (2,000 went immediately) and to build a reserve (or 3,000 saved at home).
<u>Goods and services on credit:</u>
Goods bought on credit:
A: In early Jan while S is away R takes 10 kg of rice on credit from a shop. Half of this is paid off from S's wage in late Feb.
Hire-purchase agreement (informal):
A: One of R's employers has let her take an old cupboard, priced at 700 taka, which she was to buy by 50 taka monthly deductions from her wage. This was completed in late Dec 1999 so the cupboard became fully hers and she brought it home.
<u>In-kind transactions:</u>
<i>Musti chal:</i>
A: R keeps back 1 to 1.5 kg of rice a week, eats it during times of hardship.
In kind loans taken free of interest:
A – D: In late Nov R tried without luck to get a howlat to buy cooking fuel, then had to go to four people before getting a loan of 4 kg of rice, repaid late Dec. She later takes another three loans of this sort but they are hard to get these days.
In kind loans given free of interest:
A – C: R sometimes reciprocates her rice loans: to the same people who gave them to her.