

Category: **poor** Initial wealth ranking: **none: selected at random** Code: **DKM04**

IDPM FINANCIAL DIARIES: SUMMARIES

Bangladesh: Urban

interview taken by: Saiful Islam and S K Sinha date: 1 December 2000

Site: Manushpur

Principal respondent(s): Mr AB and Mrs P

A story of a low-paid labourer with a growing family who manages by smoothing his consumption with frequent interest-free loans. When we first meet AB and P they are living with relatives and thus cutting costs. They are in hardship, barely able to make ends meet, and that's a reason for not rejoining any NGO: weekly payments would be very hard to manage. P is AB's very young second wife and is not, it seems, a natural saver, never having had a mud bank or similar device. AB himself uses a mud banks. AB is a mason's helper, but doesn't get work regularly. When he does get work, 3 or 4 days a week, he gets about 80 to 120 taka a day. Sometimes he's ill, too. P takes in sewing work at home and gets a little income that way, but payment is often delayed. They are often in rent arrears on their 300 taka-a-month hut. The couple came up from Barguna (in the south) about two years ago and has been in Manushpur since then. Both of them are illiterate. A son, Palash, is six, not in school, and Tania the daughter is 3. They couldn't buy the children clothes for Eid. In January AB has jaundice and occasional sickness thereafter. A new baby is born in July. They manage to keep their debts under control, repaying howlats carefully.

1. Initial household profile:

Name	Relationship to household head	Sex	Age	Highest school grade	Main livelihood activity/ies (or schooling)	Other economic activities
AB	self	m	42	none	mason's helper	
P	second wife	f	27	none	home housework	takes in sewing
Palash	son	m	6	not in school		
Tania	daughter	f	3	-		

2. Significant changes to household profile during research year: a new son, Mamum, is born in July

3. Residence: Both from Barguna, came to Dhaka and Manushpur 1998

4. Tenure: private tenant (rent 300 taka) in slum on government land: house is one small room, bamboo walls, tin roof, medium condition

5. Other identities: Muslim

6. Public entitlements: none

7. Food habits: 3 rice meals a day regularly, fish once weekly, meat once in two months

8. Significant assets:

Asset type	Description	Value (if known or estimated)
Homestead Land	0.06 acres back in village	unknown
Farm land (state if irrigated)	0.2 acres back in village	14,000 taka – a son from his first marriage lives there
Home (equipment, furnishings etc)	nothing – no furniture at all	

Machinery	none	
Livestock	none	
Jewellery etc	a nose stud	200 - 350 taka
Other (state)	-	

9. Significant changes to assets during research year:

10. Income pattern:

Household member	Income source	Frequency	Scale	Comments
AB	mason's helper	daily but often 3 or 4 days a week only	80 – 120 taka a day; e.g. 630 in 15 days in February, 1,500 in 15 days in April, 1,800 in 15 days in August	
P	takes in sewing	very occasional	300 taka for sewing three blankets	

11. Expenditure pattern:

Expenditure item	Scale	Comments
food	70 – 80 taka a day including fuel	may be an overestimate
housing	none (landlord repairs)	
clothing	1,300 taka in the year total	couldn't afford Eid clothes
education	none	
health	2,000 taka total in year	
other / occasional	none	

12. Financial services/devices used during research year:

Type	Number of instances	Value(s)	Comments
Saving at bank	1	small	back in the village, inactive
MFI savings	1 before research year	unknown	back in the village
MFI loan	1 before research year	unknown	back in the village
Mud bank	1	50 taka when opened; 400 deposit late Sep.	use is intermittent
Interest free loans taken	11	100 to 700 taka	
Accepting savings as a money guard	1	200 to 500 taka	for up to 2 months
Private loan taken on interest	1	200 taka	
Goods bought on credit	1 continuous	small	
Going into rent arrears	1, sometimes	unknown	

13. Cheating: no

14. Comments on financial services and devices: they think finding weekly instalments for a MFI membership would not be possible for them, so they haven't tried to join since coming to Dhaka. AB also comments he doesn't have a good investment opportunity for a big loan. He says financial transactions are an important aspect of life and can be bothersome. He doesn't like taking howlats because he doesn't like to expose his wife (and himself) to the risk of being verbally abused by creditors – it happened to him a few times.

15. Recording financial service transactions: in their memory – not difficult, he says, since he doesn't have many transactions compared to some people

16. This year compared to previous years: similar, since work opportunities similar

17. Notable events, opinions, behaviour:

Events: Their new baby is born in July

Behaviour: although AB has no family in the slum there are several people from his villager area, and this makes it possible for him to take howlats.

18. Transaction summary for AB OF MANUSHPUR (04)

<p><u>Formal bank services:</u> Bank saving account: A: AB has a bank account back home in Barguna but has nothing in it and hasn't transacted for a year.</p>
<p><u>MFI services:</u> MFI savings: A: ASA. Wife P was in ASA back in her home village in 1997. She left after clearing her accounts, then they came to Dhaka to look for work. She has not since joined an NGO and neither of them think that joining would be wise.</p>
<p><u>MFI loans:</u> A: ASA. When P was in ASA in her village she took one loan and repaid it.</p>
<p><u>Private savings:</u> Mud bank: A: In early Nov 99 AB breaks a mud bank and takes out 50 taka and uses it for basic food. He uses it intermittently – for example in late Sep he puts 400 taka surplus from wages into the mud bank.</p>
<p><u>Reciprocal transactions:</u> Interest free loans (howlats) taken: A: In late Oct AB borrowed 200 taka, fairly easily, in order to pay rent. Repaid from wages late Nov.</p>
<p>B, C and D: In early Nov he tells us about three outstanding howlats of 100 each taken from three mason-helper colleagues. Repaid.</p>
<p>E: Also in early Nov he takes a fresh howlat of 170 from a colleague, to pay basic food costs. Repaid early Dec.</p>
<p>F: He took another similar howlat in late Nov, this time of 100 taka. Repaid early Dec.</p>
<p>G: Similar again in late Dec, this time 150 from a neighbour, fairly easily. Repaid in March.</p>
<p>H, I and J: Early Jan's howlats are from three friends, 100 each, total 300, again fairly easily. Repaid late Jan.</p>

<p>K: In late Jan it's 300 taka, 100 each from 2 neighbours, and 50 from another, but with a bit of trouble this time. 160 of this is repaid early Feb, the rest in late Feb.</p>
<p>L: In late Feb he takes 200 (100 each from two neighbours), repaid late Mar.</p>
<p>M: In early Jul he takes 350 taka from a woman neighbour and uses it to pay rent. Repaid in late Aug.</p>
<p>N: In late Jul he takes 700 from his employer to help finance the delivery of the new baby. It was not hard to get. Later, this is converted to a gift.</p>
<p>Interest free loans (howlats) given: A: In early Apr an old howlat creditor comes up from the village and AB pays back 300, outstanding since early 1998.</p>
<p><u>Private savings and loan services:</u> Accepting money as a money guard: A: they sometimes keep sums of between 200 and 500 taka for up to two months for some young bachelors living nearby who need to store money saved up to send back to their village homes</p>
<p>Private loan taken on interest: A: In early Mar he takes 200 from a neighbour in order to pay the rent, but this time instead of getting a howlat he is asked to pay 10% a month. He repays the principle but no interest in late Aug. He pays some interest in early Sep.</p>
<p><u>Goods and services on credit:</u> Goods bought on credit: A: AB takes basic goods on credit. For example in late Nov he takes goods worth 150 taka.</p>
<p><u>Land- or housing- related:</u> Going into rent arrears: A: They are often in rent arrears, as in Jul 2000 at the time of the birth of the new baby.</p>