

Category: **poor** Initial wealth ranking: **poor** Code: **DSM05**
IDPM FINANCIAL DIARIES: SUMMARIES
Bangladesh: Urban

interview taken by: Saiful Islam and S K Sinha date: 8 December 2000

Site: Sonaro Mohalla (Alam slum) **Principal respondent(s):** Mr AR and Mrs R

This is a story of age, ill health, poverty – and survival. AR, aged about 60, is in poor health and illiterate. About a year before we met him he became too ill to work properly. He's been in the slum for thirteen years and had at one time run a shop. He tried dealing in vegetables but made a heavy loss and gave up. His wife R, also illiterate, day labours at the Tang soft drinks warehouse for day wages of about 40 taka a day. Their unschooled eldest son Jahangir, 14, gets a salary of 1,000 taka a month as a garments factory worker but sometimes his wages are not paid on time. There is a daughter, Ruma, 11, at school in class 3, a son of 9 who has dropped out of school, a son of 8 in class 2, and a five-year-old son in class 1. The 9-year-old boy sometimes works in the fish shop for a small wage of ten taka a day. When we meet them AR is away in his village home but they are already in difficulties, behind with the rent and their insurance payments, and being harassed by private creditors. They try for howlats to manage all this and get them only with difficulty. AR comes back and has a patch in mid-year when his health seems better and he starts selling vegetables again. But by the end of the research year he is borrowing heavily to pay for treatment, and not servicing any of his growing debts. Things don't look very promising, though R remains optimistic, saying that at least it is better than the previous year. She joined a successful ASCA at her work place and got a good rate of interest on her savings.

1. Initial household profile:

Name	Relationship to household head	Sex	Age	Highest school grade	Main livelihood activity/ies (or schooling)	Other economic activities
AR	self	m	60	none	vegetable trading but now rarely works	
R	wife	f	39	none	day labour at a small factory	
Jahangir	son	m	14	none	garments factory job	
Ruma	daughter	f	11	in class 3	in school	
Rubel	son	m	9	3	casual labour in a fish shop	
Sohel	son	m	8	in class 2	in school	
Russel	son	m	5	in class 1	in school	

2. Significant changes to household profile during research year: Sohel dropped out of school

3. Residence: from Bhola. Came to Dhaka to this slum c. 1987.

4. Tenure: rent (900 pm) in a private slum. Bamboo walls, tin roof, one room, fairly good condition

5. Other identities: Muslim

6. Public entitlements: none

7. Food habits: three rice meals a day, fish sometimes, meat once a month

8. Significant assets:

Asset type	Description	Value (if known or estimated)
Homestead Land	none	

Farm land (state if irrigated)	none	
Home (equipment, furnishings etc)	bed, meat safe	500 taka
Machinery	none	
Livestock	none	
Jewellery etc	nose stud	100 taka
Other (state)	-	

9. Significant changes to assets during research year: bought fan (600 taka), and a second bed (600 taka)

10. Income pattern:

Household member	Income source	Frequency	Scale	Comments
AR	vegetable sales	daily when in business	80 taka a day in late May; but a loss of 400 taka in 15 days in June; profit of 850 in 15 days in July	not until May 2000 (too ill before)
R	day wages at a factory	daily	40 taka a day, 600 a month, rising to 750 after July	
Jahangir	waged job at garments factory	monthly	1,000 taka pm	paid irregularly
Sohel	assists at a fish stall	daily	10 taka a day	

11. Expenditure pattern:

Expenditure item	Scale	Comments
food	80 to 100 taka a day including fuel	
housing	none	landlord repairs
clothing	1,400 taka total in the year	
education	900 taka total in the year excluding snacks	
health	considerable, estimated at 5,500 taka total in the year: e.g. 120 in early March for AR; 200 on credit late March; 500 for R's mother in May; loans of 2,000 taka for AR's treatment at the end of the research year	some paid for by brother in Dec-Jan on Bhola: AR has asthma, jaundice and a persistent cough
other / occasional	1,000 taka total in the year for guest entertainment	

12. Financial services/devices used during research year:

Type	Number of instances	Value(s)	Comments
Life insurance from a pro-poor insurer	1	200 taka a month	Gono Bima
Saving at home			wants to but can't

Mud bank	1	nil	'very keen' to use one but fails to do so
Remittance to home village	1	200 taka	R to AR's parents
ASCA savings	1	100 taka a month deposited	1,200 received at maturity
Interest free loans taken	6	10 to 1,000 taka	biggest is for his treatment
Private loan taken on interest	5	1,000 to 20,000 taka	big one taken in 1997 still not repaid
Goods bought on credit	4 times, perhaps continuous	20 - 200 taka	
Going into rent arrears	1 continuous	1,425 taka by May	common
Musti chal	always	1 kg a week	

13. Cheating: no

14. Comments on financial services and devices: R is 'very keen to run a mud bank' but 'can't do it for want of anything to save'. She 'feels proud' if she gives howlats, and shameful if she takes them. Still, she has to take them sometimes, there's no other way of managing.

15. Recording financial service transactions: They just stick in the memory without any trouble.

16. This year compared to previous years: Very good: AR started a new business.

17. Notable events, opinions, behaviour:

Events: AR, who was away from home when the research year began, came back from Bhola in early February, still ill. In May AR health seems to improve and he begins to sell vegetables. By September his health is bad again and he is spending increasingly on it.

18. Transaction summary for AR OF SONARO MOHALLA (ALAM BOSTEE) (05)

Formal insurance services:

Life insurance from a pro-poor insurer:

A: Gono Bima. Though wife R holds a GB policy in the name of her daughter Ruma, she hasn't been able to deposit for two years, due to poverty. The monthly payment is 100 taka and she managed that for eight months before she had to give up. The GB worker tells her she can get back her previous deposits only if she starts depositing regularly again. No payments throughout the research year.

Private savings:

Mud bank:

A: R is 'very keen' to use a mud bank but has nothing at present to save, she says in Oct 1999.

Remittance to home village:

A: R at an unspecified date sent 200 taka to AR's parents, via a neighbour who was going there

Savings clubs:

ASCA savings:

A: in about March (we don't hear until May so we're not sure) wife R joins an ASCA based at her employment, the Tang soft drinks company. She pays 100 taka a month regularly. Just before our research year closes, at the beginning of October the ASCA matured and R got 1,200 taka for an investment of 800 taka, the profits coming from loans that the ASCA gave, though R didn't

take one. When she got her 1,200 taka she spent on health costs for AR.
<p><u>Reciprocal transactions:</u></p> <p>Interest free loans (howlats) taken:</p> <p>A: Wife R took 100 taka and 4 kg of rice from her sister in late Oct, without difficulty: the rice was repaid late Nov from <i>musti chal</i>.</p>
B and C: R takes tiny howlats of 10 taka and 25 taka in early Feb, to buy light bulbs, from two women neighbours, and repays from her wage early Mar.
D: In early May AR borrows 500 taka from a relative to try vegetable selling again. Not repaid by end of research year.
E: In early May R borrows 500 taka from her employer (the Tang company) to visit and care for her sick mother: she got her pay and refunded at once.
F: In early Oct AR takes 1,000 taka from an acquaintance in the slum to buy medicine for himself.
<p><u>Private savings and loan services:</u></p> <p>Private loan taken on interest:</p> <p>A: AR borrowed the huge sum of 20,000 taka in 1997 but has never been able to return any of it. He took it locally in the Sonaro Mohalla slum from a number of people, at 20% a month. At that time he has serious jaundice (so he needed to cover treatment plus household costs) and was trying to run a vegetable business for which he needed capital. The creditors press him from time to time but he makes no repayment during the research year.</p>
B, C and D: AR took loans totalling 5,000 taka during 1998 or early 1999 and has to pay 500 (10%) each month as interest. The lenders were three domestic servants who provided 2,000, 2,000 and 1,000. These three women now regularly abuse R for her husband's failure to pay. By late Dec they increase the pressure but say 'OK – just repay the principal, forget the interest' but he makes no repayment during the research year.
E: In early Oct AR takes 1,000 at 10% a month from an acquaintance, for his own health treatment.
<p><u>Goods and services on credit:</u></p> <p>Goods bought on credit:</p> <p>A: R manages to get some rice worth 68 taka on credit in early Feb; paid back early Mar from her wage.</p>
B, C and D: In late Mar AR takes 200 taka worth of drugs on credit from a store, and repays in late May. There are two further such incidents, dates not clear.
<p><u>Land- or housing- related:</u></p> <p>Going into rent arrears:</p> <p>A: common up to about 1,500 taka for this household</p>
<p><u>Saving in kind:</u></p> <p>A: R practices <i>musti chal</i>, saving a handful of rice each meal, about a kilo a week: eaten when guests come</p>