

IDPM FINANCIAL DIARIES: SUMMARIES

Bangladesh: Urban

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Site: Sonaro Mohalla (Alam slum) **Principal respondent(s):** Mr H and Mrs K

H is about 27, and from Patuakhali in the deep south where his father has land but H has yet to get any of it. He came to Dhaka some ten years ago or more looking for work, there being none in the village. He's been in Sonaro Mohalla three years, where there are two or three other families from his village. His wife K, 23, is a housewife and mother of a son of 4 who starts school during the year. They live in a rented room, paying 900 a month. The room is furnished with two cheap wooden beds, a table and a rack for hanging clothes, and a fan. H hires and drives a baby taxi and earns 80 to 150 taka a day, though he is not strong and often ill and on strike days he can't work, and sometimes it's hard to find a taxi to hire. As a result, K sometimes finds it hard to keep up her MFI dues and equally hard to get interest free loans to help tide over such times, partly because they have no family in the slum. However they both use and act as money guards. She takes goods on credit from the shop and they go into rent arrears. She tries taking in sewing work. Still, the MFI workers come to press her to pay. She finally pays off her MFI loans and takes a new one, half of it given to her brother to do business with. This is an aspiring young couple finding it hard to manage on his uncertain taxi driving income.

1. Initial household profile:

Name	Relationship to household head	Sex	Age	Highest school grade	Main livelihood activity/ies (or schooling)	Other economic activities
H	self	m	27	5	auto rickshaw driver	
K	wife	f	23	4	home housework	later, sews rag blankets
Hassan	son	m	4	-	-	

2. Significant changes to household profile during research year: Hassan starts school

3. Residence: from Patuakhali. Came to Dhaka c. 1990. In Sonaro Mohalla three years.

4. Tenure: tenant in a private slum (900 taka a month): bamboo walls, tin roof, fair condition

5. Other identities: Muslim

6. Public entitlements: none

7. Food habits: three rice meals a day, fish most days, meat once weekly

8. Significant assets:

Asset type	Description	Value (if known or estimated)
Homestead Land	none (some in father's name in village)	
Farm land (state if irrigated)	none (some in father's name in village)	
Home (equipment, furnishings etc)	two timber beds; a table; an alna (clothes rack); fan.	1,600 taka
Machinery	none	
Livestock	none	
Jewellery etc	nose stud	300 taka
Other (state)	-	

9. Significant changes to assets during research year: had a gold chain made (3,800 taka, from MFI loan)

10. Income pattern:

Household member	Income source	Frequency	Scale	Comments
H	bay taxi driver	daily when possible	80 – 200 taka a day	often no taxi is available, sometimes he is ill, or there's a strike: H is a 'substitute' driver with no regular right to a taxi to use.
K	home sewing	daily, when in need	10 taka a day	in hard times in April-June

11. Expenditure pattern:

Expenditure item	Scale	Comments
food	80 – 100 taka per day including (gas) fuel	
housing	-	landlord repairs
clothing	1,500 taka total in the year	
education	3,600 taka total in the year including snacks, books, fees	
health	1,200 taka total in the year, e.g. 100 taka August	mainly for K's illness
other / occasional	300 taka	in August when village family come to stay

12. Financial services/devices used during research year:

Type	Number of instances	Value(s)	Comments
Life insurance from a pro-poor insurer	1, before research year but current	100 per month; 3,800 taka balance	
MFI savings	1	500 taka opening balance	Shaishab
MFI loan	2	4,000 and 8,000 taka disbursed	Shaishab
Saving at home	1 continuous	150 taka or more	in a trunk
Saving on the person	1	30 – 100 taka	pocket money
Remittance to home village	3	500 taka each time	
Interest free loans taken	6	220 to 500 taka	
Interest free loan given	1	8,000 taka	to brother, from MFI loan
Saving with money-guard	6	50 to 400 taka	H
Accepting savings as a money guard	11	100 to 2,000 taka	H and K
Goods bought on credit	2, maybe continuous	100 to 300 taka or more	
Wage advance taken	2	200 and 500 taka	H
Going into rent arrears	1, common	400 taka in December rising to 1,300 by January	

13. Cheating: H was once cheated by a passenger who proffered a large bank note and then ran off while pretending to go and change it at a shop. K comments 'huh – you're the stupid one'.

14. Comments on financial services and devices: both say that transactions are essential but produce a lot of tension: MFI loans aren't much good either as you have to pay interest. So why do we do so much? – we have to, otherwise we couldn't manage.

15. Recording financial service transactions: ‘it stays in the mind of its own accord – so we don’t need to write it down’ they say

16. This year compared to previous years: somewhat better: auto rickshaw income was better

17. Notable events, opinions, behaviour:

Opinions: H thinks the small loans given by MFIs are useless to someone like him: he says loans should be given according to the profession – he would need 60,000 taka to buy a baby taxi, for example.

K says she is ‘ready to go without food if needed, but not ready to take loans – loans are very hard to repay, and then people speak ill of you’. She would like to save, such as in a mud bank, but finds it hard – all her small coins go to her child for snacks and other expenses. They have no family in the slum, only a few people from the same village, so it’s hard to get howlats (interest free loans).

Behaviour: H stores his cash with his wife who keeps it in a tin can inside a trunk – K thinks small amounts stored this way are safe (but he says that sometimes he can’t get it back from his wife when he wants it).

18. Transaction summary for H OF SONARO MOHALLA (ALAM BOSTEE) (04)

Formal insurance services:

Life insurance:

A: K started a Delta Life policy more than three years ago and was paying 100 taka a month and saved 3,800 taka but she stopped depositing before the research year opened because ‘the agent didn’t give her a proper account and didn’t come regularly’. She tried to withdraw the deposits but so far hasn’t succeeded.

MFI services:

MFI savings:

A: Shaishab. Wife K has been a Shaishab member since 1998, and in Oct 99 has savings there of 500 taka. Her group has 22 members and they hold a weekly meeting at which each saves 10 taka. Savings cannot be drawn if the member holds a loan or if she leaves ‘suddenly’, and ten days notice must be given to withdraw savings. She deposits 20 in late Oct; 20 early Nov; zero late Nov for lack of money; 10 early Dec; 10 late Dec; deposits 20 plus part arrears of 10 in early Jan; 20 late Jan; 10 early Feb; 20 late Feb; 20 early Mar; 20 late Mar; 20 early Apr; 20 late Apr; nothing early May (too poor); 20 late May; nothing in early Jun – ‘crisis period’; 20 late Jun; nothing early Jul; 20 late Jul; nothing early Aug (too many visitors to feed); 20 late Aug; 20 early Sep; away from home late Sep; 20 early Oct.

MFI loans:

A: Shaishab. In Shaishab loans of up to 4,000 are given and are repaid in a year in weekly instalments, attracting 1,000 taka interest (effectively about 50% APR). Wife K has a Shaishab loan of 4,000 taka taken in Oct 1999. In late Oct 99 she repays 200 taka, from her husband H’s baby taxi driving income. Another 200 early Nov; zero late Nov for lack of money, and the Shaishab workers comes and is cross with her, warning her she won’t get future loans if she doesn’t pay; 100 early Dec (half of what was due); 100 late Dec and the workers come again to her home but she tells them ‘it’s Eid time – no-one gives howlats at Eid’; pays 200 plus part arrears of 100 in early Jan; 200 late Jan; 100 early Feb (short again); 200 late Feb, from a howlat from her brother; 200 early Mar; 200 late Mar; 200 early Apr; 200 late Apr; nothing early May (too poor, and part of the time they went to the village); 200 late May; nothing in early Jun – ‘crisis period’; 200 late Jun; nothing early Jul; 200 late Jul; nothing early Aug (too many visitors to feed); 200 late Aug and the loan is said to be fully repaid. In late Sep she takes a new loan of 8,000 taka and in early Oct makes the first two repayment instalments of 200 taka each week (total 400 taka). Half the loan is given to her younger brother as a howlat to do business with, and 3,800 taka is used to buy a gold chain.

Private savings:

Saving in the home:

A: Wife K keeps the couple’s cash, in a tin box inside a trunk. She thinks it’s safe because there’s never much money anyway. K also says she’d like to save into a mud bank if she had any money

<p>to save: but any small change she has she tends to give to her son as he leaves for school. In early Apr she puts there 150 taka earned from sewing work.</p>
<p>Saving on the person: A: H keeps 20 to 100 taka on him most of the time in case his auto rickshaw needs a quick repair</p>
<p>Remittance to home village: A, B and C: three times in the research year H sends 500 taka back home through an acquaintance</p>
<p>Reciprocal transactions: Interest free loans (howlats) taken: A: In late Nov they are short of cash and K goes around 3 or 4 people trying to get a howlat to pay her NGO dues, but fails.</p>
<p>B: In early Feb things are tight still and H borrows 500 from the owner of the baby taxi to manage household expenses. Repaid from earnings late Apr.</p>
<p>C: In late Feb, back from the village, H borrows 300 taka from a slum dweller from his village, to manage their food, repaid early Mar.</p>
<p>D: In late Feb K borrows 220 from her brother in order to pay her NGO dues. Not repaid – since its from her brother she thinks she can get away without repaying</p>
<p>E: In early May H borrows again from the taxi boss, this time 500, spent just to survive. Repaid late Jun.</p>
<p>F: In early Oct H takes 900 taka in all from three neighbours, in order to pay the rent.</p>
<p>Interest free loans (howlats) given: A: In early Oct 2000 K lends her 8,000 taka MFI loan (see above) interest-free to her younger brother to do business with.</p>
<p>Private savings and loans services: Saving with money-guard: A to F: about six times during the research year H stores sum s varying between 50 and 400 taka with the owner of the auto rickshaw he drives: he does this rather than store taka with his wife (as many men do) because he says ‘if I store it with K I don’t get it back when I need it’.</p>
<p>Accepting savings as a money guard: A to G: about seven times during the research year K takes in sums ranging from 400 to 2,000 taka from neighbours in the slum, for periods of from a week to three months. They have done it for some time and trust her: they are people who are absent from home at work a lot whereas K is always at home (see above for one person who doesn’t trust K!)</p>
<p>H to J: about four times during the research year H takes in sums ranging from 100 to 500 taka from other auto rickshaw drivers, for periods of from a fortnight to one month. They live nearby and they do it in the early morning when they have had good takings from the day before and don’t want to carry it with them.</p>
<p>Goods and services on credit: Goods bought on credit: A: In late Nov in hard times wife K takes 300 taka of oil and rice from a shop on credit. Another 200’s worth in early Dec and another 200 in late Jan and more in early Feb. Debts cleared early Mar, but more instances later.</p>
<p>B: In late Aug H buys 100 taka of medicine on credit for his wife. Not repaid by end of research year.</p>
<p>Land- or housing- related: Going into rent arrears: A: They go into arrears sometimes: e.g. 500 taka only out of the 900 taka rent is paid on time in December, then 900 taka for January is in arrears, too. They almost catch up but go into arrears again later. They have to take howlats to pay the rent in October 2000.</p>